



खनिज समाचार

KHANIJ SAMACHAR

Vol. 2, No-7

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खनिज समाचार

KHANIJ SAMACHAR



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INDIAN BUREAU OF MINES

VOL. 2, NO-7, 1st –15th APRIL, 2018

THE BUSINESS LINE
DATE: 2/4/2018 P.N.8

	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	1987	-3.2	-7.7	-1.7	2270	1855
Copper	6679	0.4	-3.1	13.5	7216	5462
Iron Ore	62	-1.2	-19.0	-23.3	81	54
Lead	2395	1.3	-4.1	2.3	2683	2030
Zinc	3284	2.6	-5.6	15.7	3619	2434
Tin	21175	1.2	-2.1	4.8	22104	18867
Nickel	13253	0.8	-3.6	32.8	14150	8710

THE BUSINESS LINE
DATE: 9/4/2018 P.N.8

	Change in %				52-Week	
	Price	Weekly	Monthly	Yearly	High	Low
Metals (\$/tonne)						
Aluminium	2022	0.7	-5.0	4.2	2270	1855
Copper	6730	1.4	-3.4	15.5	7216	5462
Iron Ore	62	-0.1	-17.8	-22.5	81	54
Lead	2391	-1.6	-1.7	4.6	2683	2030
Zinc	3234	-2.0	-2.2	19.7	3619	2434
Tin	21090	0.6	-1.9	3.5	22104	18867
Nickel	13220	1.1	-3.0	31.9	14150	8710

RESOLUTION WITHIN 270-DAY DEADLINE

Insolvency: Vedanta wins bid to acquire Electrosteel Steels

Bankrupt firm owes lenders ₹11,300 cr; Vedanta accepts terms of Letter of Intent

ENS ECONOMIC BUREAU
MUMBAI, MARCH 31

VEDANTA GROUP, controlled by Anil Agarwal, has won the bid to acquire troubled Electrosteel Steels Ltd through an insolvency process under the bankruptcy code. While Vedanta didn't reveal the cost of acquisition, market sources said the offer is likely to be around Rs 5,000 crore for the bankrupt steel firm which owes lenders close to Rs 11,300 crore.

"Vedanta Ltd hereby informs that it has been declared as the successful resolution applicant by the committee of creditors (CoC) for Electrosteel Steels Ltd under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016 and has received a Letter of Intent (LoI) today (on Saturday)," the company said in a BSE filing.

Vedanta said it has accepted the terms of the LoI. The closure

'CLOSURE SUBJECT TO REGULATORY COMPLIANCE'

■ The closure of the transaction will be subject to compliance with applicable regulatory requirements and as per the final terms approved by the National Company Law Tribunal

of the transaction will be subject to compliance with applicable regulatory requirements and as per the final terms approved by the National Company Law Tribunal, it said.

Sources said objections from Renaissance Steel, which had questioned Vedanta's eligibility to bid, had been overruled. This is the second closure following Tata Steel's winning bid for Bhushan Steel.

The resolution professional had received bids from Vedanta, Edelweiss Alternative Asset

■ While Vedanta didn't reveal the cost of acquisition, market sources said the offer is likely to be around ₹5,000 crore for the bankrupt steel firm which owes lenders close to ₹11,300 crore

Advisors, Tata Steel and Renaissance Steel in January this year. On July 21 last year, the NCLT had admitted State Bank of India's (SBI) insolvency petition against Kolkata-based Electrosteel Steels. The company was referred to the bankruptcy court under Section 7 of the IBC following a nudge from the Reserve Bank of India. The 270-day deadline for insolvency resolution process completion will expire on April 17.

Earlier on Monday, the Kolkata bench of the NCLT had

asked Electrosteel's resolution professional (RP), Dhaivat Anjaria, a partner at PwC, to convene the CoC meet as early as possible. On March 20, the Kolkata bench of the NCLT had directed the RP to place all the objections of Renaissance Steel against Vedanta and Tata Steel before the CoC for an "independent consideration" of the committee. This was after Abhishek Dalmia-led Renaissance Steel moved the tribunal asking it to prevent Anjaria from proceeding with further negotiations with Vedanta, the highest bidder, till the issue of eligibility of the Anil Agarwal-led company and Tata Steel was determined.

Renaissance Steel had alleged that resolution applicants Vedanta and Tata Steel were not eligible to bid for the Kolkata-based insolvent steel maker according to Section 29A of the Insolvency and Bankruptcy Code.

CIL records highest offtake of 2 mn tonnes in a day

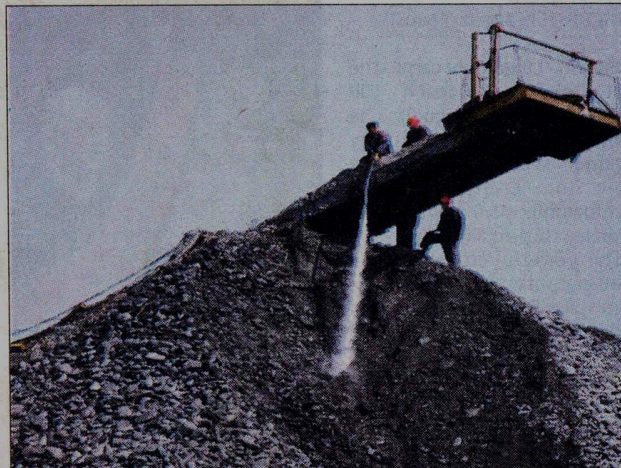
NEW DELHI, Mar 31 (PTI)

COAL India Ltd (CIL) has recorded the highest offtake of 2 million tonnes (MT) in a single day on March 28, with the Railways helping movement of highest number of 289.5 rakes from CIL's own sidings. Clubbed with supplies at private coal washeries and good sheds, the Railways has helped movement of 344.5 coal rakes on March 28, 2018.

"The synergy between CIL and Railways has made it possible to surpass the benchmark of 342 rakes' per day set for tiding over the crisis for coal faced by power and other industrial consumers. The day also witnessed another record of dispatching 252 rakes in a single day to power plants as against the daily target of 230 rakes," an official release said.

CIL and Railways strengthened their synergic efforts to overcome the crisis faced by thermal power plants from the month of July 2017, since they were called upon to meet the deficit in generation of power by hydro, nuclear and solar power generators, it said.

The thermal power producers were in crisis, as they did not carry adequate stocks at the plants to cope up with the spurt in gen-



eration needs. This was due to their reduced intake of contracted quantities of coal during 2016-17 due to subdued generation demand. The relentless effort has resulted in an impressive growth of 7 per cent in loading for Power Sector by Rail mode during the current year. The daily average despatch to power plants during the last ten days has also crossed the target of 1.4 MT.

As a result, the stocks at the power stations end which had plunged to the lowest level of about 7 MT during October, 2017, has now improved to

16 MT, despite rapid increase in coal consumption.

With the continuing cooperation from the Railways, CIL is expected to achieve a record offtake of about 581 MT during the current fiscal, registering a growth of 7 per cent.

Having realised the potential for moving over 340 rakes of coal produced from CIL in a single day, increased thrust is being made to carry forward the momentum to bring the power sector out of criticality and to meet the demands of other sectors of consumers.

THE BUSINESS LINE

DATE: 1/4/2018 P.N.8

Vedanta wins bid for Electrosteel

PRESS TRUST OF INDIA
NEW DELHI

The Anil Agarwal group-owned Vedanta on Saturday said it had won the bid to acquire bankrupt Electrosteel Steels Ltd. in an insolvency auction.

"Vedanta Limited hereby informs that it has been declared as the successful resolution applicant by the committee of creditors (CoC) for Electrosteel Steels Ltd under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016 and has received a Letter of Intent (LoI) today," the company said in a BSE filing.

Vedanta said it had accepted the terms of the Letter of Intent.

Gold falls on easing trade tension

GURUMURTHY K

Gold prices reversed lower sharply last week after a robust rally in the earlier week. Though the yellow metal began the week on a positive note, it failed to gain momentum, breaching key resistance at \$1,355 per ounce.

Global spot gold prices made a high of \$1,357 per ounce on Tuesday and have come off sharply from there. The US-China trade war eased a bit after reports of a possible re-negotiation of the tariffs imposed on Chinese exports. This triggered a sharp bounce-back move in the dollar index which, in turn, pulled down gold, which fell to a low of \$1,321.31 before closing the week at \$1,325.5.

Silver, on the other hand, tumbled in the past week more than gold as always. Global spot silver prices made a high of \$16.81 per ounce and reversed sharply lower to close the week at \$16.37 per ounce, down 1.2 per cent.

On the domestic front, a weak rupee limited the loss in the gold and silver futures contract on the Multi Commodity Exchange (MCX). The MCX-Gold futures contract made a high of ₹30,929 per 10 gm on Monday and has come off from there to close the week at ₹30,408 per 10 gm.

The MCX-Silver futures contract closed the week at ₹38,322 per kg.

Uncertainty in the global markets could keep the sentiment mixed in the coming week. Also, gold could remain volatile as markets head towards key US unemployment and non-farm payroll numbers data due on Friday.

Though the dollar index has reversed higher from its support around 89, the outlook remains mixed. The index is broadly range-bound between 89 and 90.5. Within this range, a test of 90.5 — the upper end of the range — is likely in the near term. Inability to break above 90.5 can drag the dollar index lower to



90 and 89.5 again. Such a fall can trigger an upward reversal in gold prices. But if the dollar index manages to breach 90.5 decisively, it can gain fresh momentum and rise to 91 initially.

A further break above 91 will see the upmove extending towards 91.7 or even 92, going forward. In that scenario, gold prices may remain subdued and can dip further in the coming days.

Gold outlook

The pull-back move in the global spot gold prices (\$1,325.5 per ounce) from the high of \$1,357 keeps the broader \$1,300-\$1,370 sideways range intact. Within this range, there is a strong likeli-

hood of gold moving down towards \$1,310 or \$1,305 in the near term.

An upward reversal from the \$1,305-\$1,300 support zone will keep gold in the sideways range for some more time. In such a scenario, gold can rise back to \$1,330 and \$1,350 levels in the short term. But if it breaks below \$1,300, it can come under pressure and fall to \$1,290 or \$1,285. However, a broader bias remains positive and gold prices falling below \$1,300 is less probable.

On the domestic front, the MCX-Gold futures contract (₹30,408 per 10 gm) failed to break above the resistance at ₹30,950 and reversed lower from an intra-week high of ₹30,929. Immediate support is at ₹30,400.

A break below it can take it lower to the key ₹30,100-₹30,000 support zone. If the contract manages to sustain above this support zone, a bounce-back move to ₹30,950 is possible again. A break above ₹30,950 will target

₹31,250 thereafter. The outlook will turn negative only if the contract breaks below ₹30,000 decisively. Such a break can drag MCX-Gold lower to ₹29,800 or ₹29,850.

Silver outlook

Global spot silver (\$16.37 per ounce) is stuck in between \$16.1 and \$17 over the last several weeks. A breakout on either side will decide the next move. A break below \$16.1 can drag prices lower to \$15.5. On the other hand, if silver sustains above \$16.1 in the coming days, an up-move to \$16.75 or \$17 is possible again.

MCX-Silver (₹38,322 per kg) has a crucial support in the ₹38,200-₹38,100 region. A strong break below ₹38,100 will increase the likelihood of the contract tumbling towards ₹37,800 or even ₹37,500. But if it reverses higher from ₹38,200-₹38,100 support zone, the downside pressure will ease and a rally to ₹38,500 and ₹39,000 is possible in the coming days.



MCX Gold

Supports

₹30,400, ₹30,100

Resistances

₹30,950, ₹31,250

MCX Silver

Supports

₹38,100 / ₹37,800

Resistances

₹38,700 / ₹39,000

Electrosteel bid: Vedanta gets nod from committee of creditors

Anil Agarwal firm offers over ₹5,000 cr for the distressed assets

OUR BUREAU

Mumbai, April 1

Billionaire Anil Agarwal-owned Vedanta has emerged as the highest bidder for Electrosteel Steels. The globally diversified natural resources company, Vedanta was issued letter of intent as successful resolution applicant by the committee of creditors for acquisition of the stressed asset of Electrosteel which was put under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016, to recover the defaulted amount.

Vedanta has accepted the terms of the LoI. The closure of the transaction will be subject to compliance with the applic-

able regulatory requirements and according to the final terms approved by the National Company Law Tribunal, Vedanta said in a statement on Saturday.

Vedanta has offered to pay a little over ₹5,000 crore for the distressed asset out on the block to recover ₹11,000 crore it had defaulted to lenders.

The highest bidder was selected by the committee of creditors through a scoring system combining various parameters.

Renaissance files suit

Tata Steel, Vedanta and Abhishek Dalmia-led Renaissance

Steel India were the only contenders for Electrosteel. Renaissance Steel had filed two separate petitions in the Kolkata Bench of the National Com-

pany Law Tribunal claiming that Vedanta and Tata Steel are ineligible to bid under the Insolvency and Bankruptcy Code. However, this pe-

tition was rejected by NCLT. Possibility of Renaissance moving the National Company Law Appellate Tribunal is not ruled out.

Renaissance has claimed that Vedanta and Tata Steel have been found guilty of criminal offences that are punishable with two or more years in jail.

Under Section 29A of the IBC, companies or individuals convicted of such offences are barred from bidding for stressed assets.

Renaissance claimed that Tata Steel UK, a unit of the Indian steel-maker, had pleaded guilty of violating the UK Health and Safety at Work Act. The UK subsidiary faced multiple probes and was convicted each time. Though the offences were punishable with two years in jail, the UK authorities chose to impose fines, it claimed.

Similarly, it said Vedanta Resources Plc, holding company of Vedanta, had violated pollution norms in Zambia. Vedanta Resources-controlled Konkola Copper Mines had, in 2010, pleaded guilty to four charges brought against it by the Zambian authorities for violation of pollution norms. Some of these offences were punishable with three years in jail, it said.



THE ECONOMIC TIMES DATE: 2/4/2018 P.N.1

RP Changes Rules of the Game to Keep Ruias Out of Essar Steel Race

Incorporates 'legal addendum' in RFP that may force Numetal to exclude Rewant Ruia's Aurora Enterprise

Arijit.Barman@timesgroup.com

Mumbai: Ahead of fresh bids for Essar Steel on Monday, the resolution professional has incorporated a "new legal addendum" in the request for proposal (RFP) document that may force VTB and other members of the Numetal consortium to exclude Rewant

Ruia's Aurora Enterprise Mauritius from the grouping.

The RFP explicitly prohibits any entity from transferring shares or management involvement directly or indirectly now or at any time in the future to the promoter family of Essar, the Ruias, or any connected persons. Any violation of this legal undertaking would lead to a cancellation of the bid and the resolution plan. ET has reviewed the document.

Related parties could include "trusts, the beneficiaries of such trusts", the document states.

The bidder will have to give an undertaking to this effect: "(I/we) have not and no person controlled by (me/us) has as of the da-

Intense Bidding Likely in Round 2



Round 2 of bidding for

Essar Steel is likely to

include two original

bidders, ArcelorMittal and Numetal, while SSG Capital could be the dark horse which could partner an interested bidder. Tatas too are said to have evinced interest, report

Rakhi Mazumdar & Sangita Mehta.

te of this declaration, entered into any arrangement (whether written or verbal, contractual or otherwise) with any member of the existing promoter group..."

MOIL revises rates manganese ores for Q1 FY19

STATE-OWNED MOIL has revised the rates of various grades of manganese ore for the first quarter of current fiscal. The fixed/revised prices of different grades of manganese ore will be effective from April 1, 2018, the public sector undertaking (PSU) said in a BSE filing. Providing the details, it said the prices of ferro grade, SMGR (Mn 30 per cent and Mn 25 per cent) and fine have been increased by about 12.5 per cent on the existing price prevailing since March 1, 2018. "A discount at the rate of 5 per cent will be offered on the prices effective from April 1, 2018 on two specific grades of materials i.e. BG1,466 and BGF534 for dispatches during April 2018," the company said.

The prices of chemical grade ore have been increased by about 5 per cent on the existing price prevailing since March 1, 2018 while the price of electrolytic manganese dioxide (EMD) have been increased by about 2.5 per cent. MOIL said, Ferro Manganese/ Ferro Manganese Slag and some identified grades of Manganese Ore will continue to be sold on e-auction basis as well as through Metal Mandi (M3) of MSTC.

MOIL produces and sells different grades of manganese ore. At present, MOIL operates 10 mines, six located in the Nagpur and Bhandara districts of Maharashtra and four in the Balaghat district of Madhya Pradesh. All these mines are about a century old. Except 3, rest of the mines are worked through underground method. The Balaghat Mine is the largest mine of the company.

Iron ore, gold production rises, but bauxite falls

Flat domestic demand, low export to China led to bauxite dip in FY18

DEEPAK PATEL
NEW DELHI, APRIL 4

WHILE THE production of bauxite and chromite fell in 2017-18, the output of other minerals such as iron ore, gold, copper and manganese increased, according to estimates of the Ministry of Mines.

After witnessing a decline of 12.3 per cent in 2016-17, bauxite production has decreased 16.34 per cent in 2017-18 to 20.63 million tonnes, according to the ministry. Chromite production, which saw a surge of 27.83 per cent in 2016-17, witnessed a fall of 7 per cent in 2017-18. Coal, of similar grade to the one used in power plants, and bauxite are used for aluminium production. The total domestic consumption of primary aluminium metal in 2016-17 was 1.55 million tonnes and it is expected to be at the same level during 2017-18, according to the ministry.

According to a senior aluminium industry executive, China, which used to import a significant amount of bauxite from India, has started importing it from other countries such as Australia and Guinea due to better quality and lower cost. "This has affected the bauxite production in India. Moreover, Indian aluminium consumption has remained lukewarm for the past few years. So, there is no point increasing the bauxite production beyond what is required," he added.

On March 21, Sajjan Jindal, chairman and managing director, JSW Group, tweeted: "India has the world's fifth-largest Bauxite reserve estimated at around 3.5 billion tonnes which is of a very high quality. It's high time our government comes up with some policy on aluminium production in India."

Odisha, with 49 per cent contribution, was the leading producer of bauxite, followed by Gujarat (24 per cent), Jharkhand (9 per cent), Chhattisgarh and Maharashtra (8 per cent each). The share of public

sector mines in the total production was 31 per cent, while the remaining was contributed by private sector mines. There were 157 reporting mines of bauxite during 2016-17, of which, 17 were owned by public sector units and 140 by private sector players.

Odisha reported almost entire production of chromite. Public sector companies, which have 10 mines, have a share of 34 per cent in the total production. There were 25 active chromite mines during 2017-18, according to the ministry. An Odisha-based mining sector executive said that a few major mines of the state had increased their chrome ore production in 2016-17 as the export duty of 30 per cent was removed on March 1, 2016. However, it was re-imposed on May 26, 2016. China is the biggest consumer of chrome ore. "These mines have been exporting to China. In 2017-18, they have brought down their production marginally to sustainable levels keeping in mind the market demand," he added.

Compared to an increase of 21.48 per cent, the iron ore production in India increased 9.57 per cent in 2017-18. Public sector mines contributed about 36 per cent in total production and share of private sector was 64 per cent in 2016-17. There were 296 reporting mines in 2016-17, compared with 330 mines in 2015-16.

Gold production also saw a marginal increase of 0.01 per cent in 2017-18. However, in the previous financial year, it saw a significant increase of 20.48 per cent. While almost entire production of gold ore and bullion was reported from Karnataka in 2016-17, there were 5 reporting gold mines in three states during 2017-18. Of these, 3 mines are located in Karnataka and one mine each in Andhra Pradesh and Jharkhand. Diamond production saw a massive jump of 20.31 per cent in 2017-18, compared with marginal jump of 1.3 per cent in 2016-17.

Three-way race for Essar Steel

OUR SPECIAL
CORRESPONDENT

Calcutta: Vedanta Ltd and JSW Steel have joined the race to acquire Essar Steel under a court-led bankruptcy process, stiffening the competition for the world's largest steelmaker ArcelorMittal.

While Anil Agarwal's Vedanta chose to go it alone during the re-bid for the 9.6-million-tonne Hazira, Gujarat-based asset, Sajjan Jindal's JSW made a dramatic entry by joining hands with NuMetal Steel as an "investor".

NuMetal, which was led by Russia's VTB Capital, also changed its constituents in the re-bid stage, dropping the Mauritius-based trust Aurora Enterprise which has Rewant Ruia, son of Essar founder Ravi Ruia, as the beneficiary.

Ruia had to drop out of the race because of a new clause added during the re-bid that directed resolution applicants such as NuMetal to give an undertaking that they had effectively closed the door on anyone related to Essar's existing promoter group, the Ruia family.

ArcelorMittal, which was seen as a frontrunner in the first

JINDALS IN, RUIAS OUT

■ Bids of NuMetal and ArcelorMittal declared ineligible in the first round of bidding for Essar Steel

■ Vedanta Ltd and JSW Steel join rebid

■ Vedanta to go it alone

■ Sajjan Jindal teams up with NuMetal Steel as an "investor"

■ NuMetal had to drop Mauritius-based Aurora Enterprise that had Rewant Ruia, son of Essar founder Ravi Ruia, as beneficiary

■ Exclusion came after a new clause was added asking applicants to close doors on anyone related to Essar's promoter group, the Ruia family



round of bidding, described the NuMetal-JSW combine as a "defensive move".

"JSW joining NuMetal is clearly a defensive move — they don't want competition. But competition is good for the country's industry and good for consumers," ArcelorMittal said in a statement.

Even as its Indian subsidiary ArcelorMittal India Pvt Ltd (AMITL) submitted the bid alone, the Luxembourg-based steelmaker made it clear that Nippon Steel and Sumitomo Metal Corporation (NSSMC), the Japanese steel behemoth, would come in at a later stage to acquire and manage the Essar plant.

NSSMC president Kosei Shindo hinted that it had the Japanese government's support for the move.

"This project, if implemented, will be consistent with the policy of the Japanese government to further strengthen the relationship between India and Japan. The Japanese government has been following the project and is looking for its realisation," Shindo said in a statement.

The re-bid for Essar Steel was called as NuMetal and AMITL were both found ineligible under section 29A of the amended Insolvency & Bankruptcy Code of 2016 that bars the promoters of defaulting

companies from participating in the resolution process without first paying the overdue loan amount.

NuMetal and AMITL had subsequently challenged the rejection before the Ahmedabad bench of the National Company Law Tribunal.

Meanwhile, a group of minority shareholders had attempted to stymie ArcelorMittal on the ground that it could not shake off its promoter tag in bankrupt Uttam Galva Steel.

The IBC process does not allow the promoters of another bankrupt firm from bidding for Essar Steel.

Industry observers noted that endless litigation might follow before a new owner is found for Essar Steel and it could test the patience of all bidders, including AMITL.

Electrosteel

The resolution plan of Vedanta Ltd, which emerged as the highest bidder and picked by the creditors, was submitted to the NCLT.

However, judicial members also allowed Renaissance Steel to file a petition against the decision of resolution professionals and the CoC.

OUR SPECIAL
CORRESPONDENT

Calcutta: Binani Industries Ltd will draw up a formal concrete proposal in the next 24 hours to take debt-laden Binani Cement out of the bankruptcy process and sell the company to Kumar Mangalam Birla's UltraTech Cement.

The proposal will be sent to the committee of creditors of Binani Cement that may meet during the week to consider the offer following an order from the Calcutta bench of the NCLT.

"In the larger interest of all stakeholders, the possibility of a harmonious settlement is to be considered, parties are free to consider it out of the tribunal," judicial members K. R. Jinnah and M. B. Gosavi said in their order.

The signed copy of the order — which also noted that "talk of any settlement, if any, is at the liberty of CoC" — was made available to the creditors on Monday while the hearing was fixed for April 9.

During the hearing on Monday, the CoC counsel pointed out that Binani's proposal to settle the dues of all outstanding creditors out of the NCLT were incomplete.

Fillip for UltraTech's Binani bid

MANY TWISTS

■ **March 14:** Dalmia Bharat named highest bidder for Binani Cement

■ **March 19:** UltraTech offers to take over BCL

■ **March 30:** Dalmias tell creditors out-of-court settlement will be illegal

■ **April 2:** Promoters to submit plan within 24hrs to take BCL out of insolvency

Sameer Kaji, senior group adviser for Binani Industries, said: "It will be our effort to submit a formal proposal for the CoC's consideration in next 24 hours." Sources said UltraTech will also send a formal proposal of its higher revised offer of Rs 7,266 crore separately to the creditors shortly.

Dalmia's opposition

The creditors will, however,

be mindful of Dalmia Cement Bharat's opposition to the out-of-court negotiated deal proposed by BIL and UltraTech.

Rajputana Properties Pvt Ltd, the consortium of Dalmia Cement Bharat, Piramal Enterprises and Bain Capital, was declared the successful bidder on March 14.

After that, a letter of intent was given to Rajputana which it signed and submitted a bank guarantee.

"With the signing of the LoI and the submission of bank guarantee, a binding contract has come into existence between us and the lenders and in furtherance thereto, the resolution plan has been submitted for the approval of the NCLT," a letter sent by Rajputana to the CoC, said.

Mahendra Singh, group CEO of Dalmia Cement, said he was confident that Rajputana's offer would be selected. "It is legally not possible to do an out-of-court settlement once a case has been admitted at the NCLT," Singh said over the phone.

Meanwhile, operational creditors alleged that the CoC was delaying the process given that a resolution plan must be approved by April 21.

ESSAR STEEL INSOLVENCY PROCESS: SECOND ROUND

ArcelorMittal, Vedanta, Numetal-JSW bid

ENS ECONOMIC BUREAU
MUMBAI, APRIL 2

ARCELOMITTAL, ANIL Agarwal-led Vedanta and a consortium of Russia's NuMetal and JSW have put in bids to take over debt laden Essar Steel in the second round of bidding on Monday.

NuMetal, majority-owned by Russia's second largest bank VTB Group, dropped Aurora Trust, which has links to Rewant Ruia, son of Essar Steel promoter Ravi Ruia, in the second round of bidding. While its promoters bought out Aurora Trust's 25 per cent stake, NuMetal brought in JSW to make the revised bid.

ArcelorMittal, disqualified in the first round for being listed as a promoter of loan defaulter Uttam Galva Steel, bid along

VEDANTA, JSW STEEL NEW IN THE FRAY

■ Vedanta, third bidder to enter the fray on Monday, has already won a bid to acquire bankrupt Electrosteel Steels Ltd in

an insolvency auction

■ JSW showed interest after Tata Steel's buyout of Bhushan Steel for ₹35,200 cr

with Nippon Steel and Sumitomo Metal Corporation. ArcelorMittal declassified itself as a promoter of Uttam Galva Steel. The company sold its entire holding in Uttam Galva Steel before the first round of bids in February but its name had continued as a promoter on stock exchanges, leading to its disqualification.

ArcelorMittal in a statement said its subsidiary ArcelorMittal India Pvt Ltd along with Nippon

Steel & Sumitomo Metal Corporation put a revised bid on Monday.

In the first round, NuMetal and ArcelorMittal were the only two parties that bid to buy out Essar Steel but the insolvency resolution professional overseeing the auction was advised to reject both the bids as their promoters were linked to defaulter companies.

Vedanta, the third bidder to enter the fray on Monday, has al-

ready won a bid to acquire bankrupt Electrosteel Steels Ltd in an insolvency auction. Six firms had initially put in expressions of interest to acquire Essar Steel, whose Rs 51,800 crore of outstanding debt claims have been admitted under the bankruptcy process. These firms included Tata Steel, state-owned SAIL, ArcelorMittal, NuMetal, Vedanta and Singapore-based fund SSG.

JSW showed interest after Tata Steel's acquisition of Bhushan Steel for Rs 35,200 crore. However, bankruptcy rules did not permit anyone who had not put in an EoI to bid and so it aligned with NuMetal for bidding on Monday.

The National Company Law Tribunal (NCLT) has ruled that second round of bids cannot be opened before April 4.

Vedanta, JSW-Numetal in Fray to Acquire Essar Steel



Anil Agarwal co makes surprise bid, VTB drops Rewant Ruia to compete with ArcelorMittal

Our Bureau

Mumbai | Kolkata: Vedanta and JSW jumped into the fray to buy bankrupt Essar Steel with the Russian bank VTB roping in the Sajjan Jindal-led steel firm to increase its chances of securing the prized asset in a day of dramatic developments on Monday.

Anil Agarwal-controlled Vedanta made a surprise entry into the race for Essar and will now jostle for capturing control of the firm with ArcelorMittal and the Numetal-JSW consortium. VTB is the largest stakeholder in Numetal.

JSW replaced Rewant Ruia, whose presence in the Numetal consortium was

frowned upon by banks and lawyers. The committee of creditors overseeing the sale of Essar Steel declared the bids of Numetal and Arcelor Mittal ineligible last week prompting a fresh rounds of bids from all interested parties who had submitted expressions of interest.

April 2 was the date for submission of bids for the steelmaker but the identity of the winner will not be known till the Ahmedabad bench of the National Company Law Tribunal (NCLT) disposes of a petition by Numetal which had contested its disqualification by the committee of creditors last month.

Sources at Vedanta said their decision to bid was taken in just three days. "This (Essar Steel) is a good asset. When we got to know that there is a question mark on the eligibility of both Numetal and ArcelorMittal, we saw an opportunity," this person who did not want to be quoted said.

JSW Steel bought out Essar co-founder Ravi Ruia's son Rewant Ruia's 25% stake in Numetal through

Govt to Seek Law Min Opinion on IBC Tweak



The government will soon seek the law ministry's opinion on amendments to IBC suggested by a panel and may move an ordinance to make urgent changes, reports

Ruchika Chitravanshi. >> 11

Aurora Investments. "As part of its growth strategy, while expanding its capacities through brown-field expansions, it is also evaluating opportunities for inorganic growth," JSW said. "In pursuance to this strategy, JSW Steel Ltd in the capacity of an investor joined Nu Metal & Steel Pvt Ltd in submitting a binding bid for Essar Steel Ltd, which is under the corporate insolvency resolution process as per the provisions of Insolvency Bankruptcy Code 2016."

"Buying out Rewant Ruia's stake was the only route available to JSW," a source at JSW pointed out.

Renaissance Steel to challenge bids of Vedanta, Tata Steel for Electrosteel

Next NCLT hearing tomorrow; Resolution Professional submits Vedanta offer

OUR BUREAU

Kolkata, April 2

Renaissance Steel India on Monday said it will file an application before the Kolkata bench of the National Company Law Tribunal (NCLT), challenging the decision of the Committee of Creditors (CoC) that Vedanta and Tata Steel are eligible bidders for Electrosteel Steels.

"We will be filing an application challenging the CoC's decision to consider Vedanta and Tata as eligible bidders," said advocate Ratanank Banerjee, the counsel for Renaissance.

Abhishek Dalmia-led Renaissance Steel, one of resolution applicants for Electrosteel Steels, had earlier said Vedanta and Tata were

not eligible to bid as per Section 29A of the Insolvency and Bankruptcy Code (IBC) since there were allegations of criminal offences that are punishable with two or more years in jail.

The Resolution Professional (RP) submitted Vedanta's resolution plan, already approved by the CoC, before the tribunal. The RP has also filed the progress report.

The CoC had considered Vedanta and Tata Steel as 'eligible bidders' for the insolvent steel maker.

The next hearing is scheduled on April 4, when Renaissance's application will also be heard by the bench comprising Justice Jinan KR and Justice Madan Balachandra Gosavi.



The 270-day period for Electrosteel ends on April 17. The Kolkata bench of NCLT had, on March 20, directed the RP to place all the objections of Renaissance Steel against its two rival bidders before the CoC for an 'independent consideration' of the committee.

Anil Agarwal-owned Vedanta had informed stock exchanges that it was declared as the "successful resolution applicant" under the insolvency process and had received a Letter of Intent (LoI). The com-

pany said it had accepted the terms of LoI. "The closure of the transaction will be subject to compliance with applicable regulatory requirements and as per the terms approved by the National Company Law Tribunal," the company said in a notification to the bourses.

Ferro Alloys liquidation

The CoC for Ferro Alloys Corporations Ltd (FACOR), on Monday, informed the Kolkata bench of NCLT that it has rejected all bids for the company.

With the 270-day time limit for corporate insolvency process closed today (April 2), FACOR is likely to go for liquidation.

The company was referred to the corporate insolvency resolution process in June 2017 on account of default of Facor Power to the tune of ₹750 crore.

The battle for Essar Steel heats up

JSW to buy out Revant Ruia's stake in Numetal; Vedanta, ArcelorMittal also join the race

SURESH PIYENGAR

Mumbai, April 2

In rapid developments on Monday, three steel giants joined the bidding for Essar Steel.

While JSW Steel moved to join bidder Numetal, a consortium promoted by Russia's VTB Bank, ArcelorMittal submitted fresh proposals, and Vedanta also threw its hat into the ring, making it a three-way fight.

Essar Steel's lenders had called for rebids after the initial proposals by Numetal and ArcelorMittal were found to be non-compliant with the Insolvency Bankruptcy Code, 2016. Monday was the last day to submit fresh bids.

JSW Steel will buy out the 25 per cent stake of Rewant Ruia — son of Essar Steel promoter Ravi Ruia — in the VTB Bank-led consortium. Numetal's links to the Ruias was the reason for the rejection of its bid in

the first round. Earlier, JSW had attempted to bid on its own, but this was rejected by the Committee of Creditors on the ground that the fresh round of bidding was open to only those entities that had submitted an expression of interest in the first round.

ArcelorMittal, the world's largest steel producer, has severed links with debt-laden Uttam Galva so as to comply with the insolvency rules.

War of words

ArcelorMittal said JSW Steel's strategy is clearly a defensive move on the part of the Sajjan Jindal-backed company to keep out competition. "India needs new players to achieve its steel production target of 300 million tonnes," ArcelorMittal said.

A source close to ArcelorMittal said JSW would have over 90 per cent market share of steel-making



capacity in western India, which can be termed a monopoly.

"JSW initially said it would not bid for Essar due to its strong presence in western and southern India and did not submit an Expression of Interest. Of course, it may be thinking about a deal with the Ruias in the future," the source said.

Seshagiri Rao, Joint Managing Director, JSW Steel, however said that it was not right to term JSW a monopoly player as its 18 mtpa capacity is only a fraction of India's total production of 128 mtpa.

ArcelorMittal has also taken steps

to ensure that its earlier stake in debt-laden Uttam Galva does not inhibit its plans to acquire Essar Steel. Earlier, a minority shareholder, Sulbha Naik, had claimed that ArcelorMittal had stood as guarantor for Uttam Galva to raise ₹1,400 crore in 2011 and had assured the consortium of lenders led by SBI that it would not sell Uttam Galva shares without the lenders' approval. Naik said ArcelorMittal had not kept its word and sold its shares in order to make it eligible to bid for Essar.

ArcelorMittal has rejected the allegations.

IIP GROWTH EXPECTED TO STAY HIGH

Core Growth Up 5.3% in Feb on Higher Cement & Fert Output

Petro refinery production surges 7.8% against 2.8% fall in February 2017

Our Bureau

New Delhi: Core sector output grew 5.3% year on year in February on the back of steep rise in cement and fertilisers production, but could not match the previous month's growth rate of 6.1%.

Official data released by commerce and industry ministry on Monday showed a 22.9% rise in cement output and 5.3% increase in fertiliser production in February compared with a 19.6% rise and 1.6% decline, respectively, in January.

"Cement still is the main driver here along with steel where infrastructure expenditure by the government would be the main factor," said Madan Sabnavis, chief economist at CARE Ratings.

The eight infrastructure sectors of coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity that make up the core sector index constitute 40.27% of the Index of industrial Production (IIP) used to measure industrial growth.

Experts expect the industrial growth for February to be down marginally from January, but remain high following strong core sector performance in the month.

ICRA expects IIP growth at 6.5-

7.0% in February even as it sees sequential moderation in the pace of expansion. Industrial production was up 7.5% in January.

"Favourable domestic demand and remunerative prices in international and domestic markets are likely to bolster domestic steel production growth in the near term, although the risk of trade wars could affect exports and imports," said Aditi Nayar, principal economist at ICRA.

Coal and steel production grew 1.4% and 5% respectively during February against 6.6% and 8.7% growth respectively in the same month last year.

Petroleum refinery production surged 7.8% in February against a

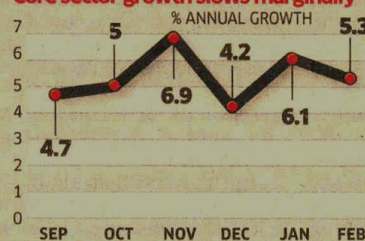
2.8% fall in the year-ago month. Electricity generation grew 4% in February against 1.2% expansion in February 2017.

While rising fuel prices may dampen refinery product demand and consumption a bit, strong vehicle sales are expected to drive consumption growth, said Devendra Kumar Pant, chief economist at India Ratings and Research, a Fitch group company. Electricity growth is also likely to improve in coming months due to stable IIP growth and summer month demand, he said.

"Solid cement and increasing steel sector growth suggests construction activities are gathering pace and positive for infrastructure sector," Pant said.

Slower But Steady

Core sector growth slows marginally



WHAT IT SHOWS

Growth on the lower side despite strong base effect of 0.6% growth in Feb 2017

Strong cement and reasonable steel sectors suggest pick up in infrastructure

IIP growth may moderate slightly in February but remain high

Core sector industries have over 40% weight in IIP

PRUDENT PURCHASE Co avoided buying costly assets in India and went for a value buy abroad for access to N America markets

With Acero Buy, JSW Steel Gains a Hedge for Exports

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India's JSW Steel has entered into an agreement to acquire US-based steel company Acero Junction Holdings weeks after the Trump government proposed higher tariffs for imported steel. The increasing protectionist measures by the US offer an opportunity for US-based steel producers and JSW Steel is taking advantage of its relatively strong balance sheet to ramp up its US presence.

The move will also give JSW a natural hedge for its exports business.

"The acquisition provides a unique opportunity for JSW Steel to establish its presence in the United States and gain deeper access to the North American market," said a company spokesperson. JSW Steel has been prudent to avoid buying assets at high valuations unlike other peers and has been less aggressive in bidding for Indian steel companies such as Bhushan Steel and Essar Steel. JSW has got an attractive deal with Acero.

At US\$ 180 million enterprise value (\$81 million debt and \$99 million equity) and assuming capital expenditure of another \$50 million, the transaction value implied is about \$155 EV/tonne, nearly one third of JSW's

recent brownfield expansions and has got a thumbs up from the analysts. This company's stock price closed up 3% on Monday at ₹297.

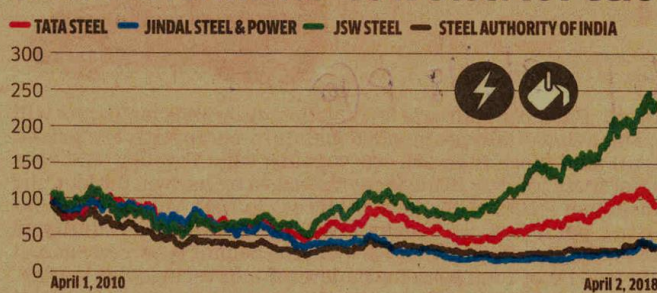
Acero, which has plants in Ohio, primarily owns 1.5 mtpa of EAF (electric arc furnace) based steel-making capacity and a 3 mtpa hot strip mill capacity. The asset is currently under stress and largely non-operational with revenue of just US\$44 million in the past 1.5 years. JSW will have to pump in \$50 million to restart operations. The company may also consider more investments to increase the steel capacity (Currently 1.5 mtpa) as it as has excess hot strip mill capacity

(3 mtpa) but it said this was subject to market dynamics.

Once fully operational, Acero will add 8% to JSW Steel's current capacity and the downstream hot strip mill business will take the company closer to customers. Though relatively modest, analysts expect the acquisition to add 10-15% of earnings once fully operational which would add ₹20 to ₹26 per share.

In the past, JSW has made several acquisitions. While the acquisition of Ispat in 2010 was a major success, it has not been able to meaningfully turn around a US-based plate and pipe mills business it acquired in 2007.

Stock Performance - JSW Steel vs Peers



Congress assails allocation of mines

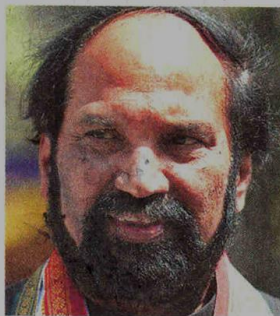
'SCCL CMD implementing TRS agenda'

SPECIAL CORRESPONDENT
PEDDAPALLI

Flaying the State government for allocating Tadicherla coal mines to private agencies, TPCC president N. Uttam Kumar Reddy wanted the government to explain why mining operations were not allocated to Singareni Collieries Company Limited (SCCL).

Tadicherla region has more than 300 million tonnes of coal reserves, he said.

Speaking in Ramagundam on Monday, he said the government and SCCL should also explain the reasons for low power purchase agreement (PPA) with Singareni Jaipur power plant when the government had procured power at higher rates from Chhattisgarh. He alleged that the CSR funds of Singareni are being spent in the Assembly constituencies of Chief Minister K Chandrasekhar Rao, Ministers K.T. Rama Rao and Eatala Rajender, violating the norms of spending only in Singareni coal belt Assembly constituencies.



N. Uttam Kumar Reddy.

Saying the government had neglected Singareni coal miners, he reiterated that the Congress after coming to power would revive the dependent employment scheme without any restrictions, jobs to the dismissed staff, regularisation of proxy employees and all contract labourers. He also promised to open more underground mines to provide employment.

Flaying SCCL Chairman and Managing Director Sridhar for implementing the political agenda of ruling party, he said the Congress, after coming to power, will order a probe into the allegations leveled against him.

THE INDIAN EXPRESS
DATE: 3/4/2018 P.N.12

ELECTROSTEEL RP submits Vedanta offer to NCLT

PRESS TRUST OF INDIA
KOLKATA, APRIL 2

THE RESOLUTION Professional (RP) on Monday submitted the Anil Agarwal group-owned Vedanta Ltd offer for bankrupt Electrosteel Steels Ltd before the Kolkata bench of the NCLT for approval. According to reports, Vedanta's offer is around Rs 4,500-5,000 crore.

The Committee of Creditors (CoC) approved the Vedanta offer after they met on March 29 to look into the Renaissance Steel's objections to bids made by Tata Steel and Vedanta in terms of their eligibility under Section 29(A) of the IBC.

BHUSHAN STEEL INSOLVENCY CASE

Tata Steel to pay ₹35,200 cr in cash

PRESS TRUST OF INDIA
NEW DELHI, APRIL 2

TATA STEEL has offered Rs 35,200 crore in cash and conversion of the remaining debt of about Rs 27,000 crore into equity to take over Bhushan Steel, the counsel for the Committee of Creditors (CoC) told NCLT on Monday.

The creditors would get 12.27 per cent equity in Bhushan Steel, said senior advocate Ravi Kadam to the Principal bench of the National Company Law Tribunal (NCLT) here. "Tata Steel is the highest bidder (H1) offering an upfront payment of Rs 35,200 crore. Remaining debt would be converted into equity," he said.

Kadam further said:

It offered conversion of remaining debt into equity

"Financial creditors would get 12.27 per cent of equity of the corporate debtor (Bhushan Steel) subject to SEBI approval."

As of February 1 this year Bhushan Steel had a total debt of Rs 57,160 crore. The firm has a financial debt of Rs 56,051 crore and operational debt of Rs 1,050 crore, he added. He further told that Bhushan Steel has a liquidation value of Rs 14,541 crore. Tata has also offered Rs 1,200 crore to its operational creditors depending on criticality to run the firm.

Dalmias challenge Vedanta's revised bid for Electrosteel

Udit Mukherjee
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Kolkata: The resolution professional for Electrosteel Steels on Monday submitted a revised plan by Vedanta to the National Company Law Tribunal (NCLT). The submission came after the committee of creditors rejected the argument of Renaissance Steel that both the Anil Agarwal-led firm and Tata Steel are not eligible to bid under clause 29A of the Insolvency and Bankruptcy Code (IBC), 2016.

In a twist to this ongoing battle, the Dalmias-led Renaissance again filed a petition on Monday, challenging the decision of the creditors' panel. The next hearing in the case is on April 4. It is also le-

arnt that Vedanta has upgraded its offer, to around Rs 4,900 crore from Rs 4,500 crore in the revised bid that was submitted on March 29. Vedanta's earlier offer was already the highest.

FRESH TWIST

In his submission before a division bench comprising Justices Jinan K R and Madan Balachandra Gosavi, Renaissance Steel's counsel Ratnanko Banerjee said, "We are opposing the committee of creditors' decision on eligibility of Vedanta and Tata Steel. We are also opposing the resolution plan (of Vedanta)."

Later, Banerjee told **TOI** that Renaissance is filing two applications challeng-

ing the creditors' decision that both Vedanta and Tata Steel are eligible bidders.

The Dalmias-led Renaissance had alleged that both Vedanta and Tata Steel were not eligible to bid under clause 29A of the IBC as one of its provisions says a company that has its executives convicted for any punishable offence with an imprisonment of two years or more under the Companies Act would not be eligible to apply. The Dalmias have claimed both Vedanta and Tata Steel come under this criterion.

However, Vedanta counsel Siddhartha Mitra said the company was not violating clause 29A as there was only a penalty and no imprisonment of any executive in a Vedanta sister concern in Zambia.

Singareni Collieries achieves record turnover and profit

Company sets record in coal despatch and OB removal

SPECIAL CORRESPONDENT
HYDERABAD

Public sector miner Singareni Collieries Company Limited has recorded a turnover of ₹22,667 crore during the just-concluded financial year 2017-18.

This was 27.8% higher than the previous year's ₹17,743 crore and the company had achieved an all-time record profit of ₹1,200 crore during the same period. The profit was 203% higher than the previous year's ₹395 crore. The public sector mining company despatched 646 lakh tonne coal during the just concluded financial year. The despatch is 6.2% higher over the previous year's 608 lakh tonne and

the public sector coal miner had touched a new high in removal of over burden reaching 396 million cubic meters with an increase of 26.9% over the previous year.

SCCL Chairman and Managing Director N. Sridhar said the company plans to take up developmental activities with an estimated ₹12,000 crore. According to a release, the company plans to open 13 new mines in the next five years to increase production from the existing 650 lakh tonne to 850 lakh tonne during the same period enabling the company to achieve turnover in excess of ₹34,000 crore. The company had already initiated

spree of developmental programmes for the welfare of workers. These include employment to the kin of the workers, 10-fold increase in matching grants, super-speciality medicare for workers' parents and payment of interest on loan upto ₹10 lakh obtained by workers to construct own houses.

AC facility was being provided to quarters of the employees and the company had resolved to bear the fee for children of workers who secure seats in premier institutions like IITs and IIMs. In addition, the company had filled 7,200 vacancies and regularised the services of 2,718 contract workers as general workers.

Essar Steel Bids: Arcelor Questions JSW's Entry

Co says the change in composition of the Numetal consortium is not appropriate under the terms of the request for proposal

Arijit Barman@timesgroup.com

Mumbai: ArcelorMittal and its partner Nippon Steel queried the inclusion of Sajjan Jindal's JSW in the rival Numetal consortium a day after revised bids for Essar Steel were submitted.

"I believe in order to participate in the re-bidding, you had to have submitted an expression of interest in the first round. I don't believe the current members of Numetal did that," ArcelorMittal executive vice president Brian Aranha told ET.

JSW replaced Aurora Enterprises Mauritius, a Singapore-based trust of which Rewant Ruia—son of Essar cofounder Ravi Ruia—was the beneficiary. Thus, the composition of the Numetal consortium that made the offer on April 2 was different from the one that submitted the expression of interest in October, ArcelorMittal said. Under the terms of the request for proposal (RFP), a consortium's constituents cannot be changed in such a manner, it said. A Numetal spokesperson rejected this.

"It is Numetal and not Essar Communications or Aurora Enterprises which had submitted the expression of interest (EoI) in response to the advertisement issued by the resolution professional of Essar Steel India Ltd," he said.

Numetal had to change the shareholding as the original EoI predated amendments that were introduced in November aimed at keeping out promoters of defaulters who didn't repay dues or their related parties and connected persons, said sources close to the consortium.

Moreover, Aurora had to relinquish its place in favour of JSW as the Numetal bid was ineligible because of its presence. The RFP gives potential resolution applicants full flexibility to organise their structure prior to submission of bids, said the people cited above. In the case of Essar Steel, the previous bid was cancelled and fresh bids were called. Under these circumstances, there is no restriction on who Numetal brings in as a partner or an investor, they said.

During the first round, a clause was added to the RFP to the effect



that a resolution applicant can bring in an investor even after submitting the bid, provided the details of the proposed investor and the investment structure are disclosed in the bid, sources said.

Last month, lenders led by State Bank of India sought fresh offers from all the five entities that had submitted expressions of interest after the resolution professional

concluded that the only two offers in the first round—from ArcelorMittal and Numetal—were not compliant with Section 29A of the Insolvency and Bankruptcy Code (IBC).

Both ArcelorMittal and Numetal have said their bids were compliant with the rules and have legally challenged their disqualification. ArcelorMittal decided to join forces with Nippon Steel, which had also submitted an EoI, on the Essar Steel bid.

"We are not afraid of competition," Aranha said. "Whether they are eligible or not is a different question. But we are very confident that no one else matches the industrial track record and standing of ArcelorMittal and Nippon Steel. We believe it would be difficult for anyone else in the steel industry to match that."

JSW's participation was a "defensive move" to block competition, he said. Moreover, if Numetal wins, it could mean JSW potentially controlling 90% of flat rolled products in key markets of western India, raising possible competition issues. "To achieve the ambitious

target of increasing steel production to 300 million tonnes, India needs new players," Aranha said.

He rejected the contention by minority shareholders in Uttam Galva that ArcelorMittal's exit from the debt-laden company to be eligible to bid for Essar Steel had violated a "non-disposal undertaking" that it had signed with the State Bank of India.

"As far as we are concerned, we are eligible," he said. "A lot of noise is being created to try to persuade people otherwise but we have been very clear on this from the start. We have made a strong and competitive offer and we expect it to be evaluated fairly."

ArcelorMittal is in favour of a quick resolution of the matter.

"There is an ongoing challenge on eligibility from the first round but fundamentally we don't want to delay the process," he said. "We know it's important for Essar and its stakeholders that a swift resolution is found within the set timetable. We don't want to frustrate that, but it seems that others participating do."

THE HITAVADA DATE: 4/4/2018 P.N.8

RTO to check smuggling of minor minerals

■ Staff Reporter

THE Regional Transport Authority, Nagpur, has recovered a fine of Rs 21.12 lakh from the owners of 115 goods carriers for transporting minor minerals more than the capacity. It has also suspended licenses of 149 vehicles and issued orders to 321 owners for suspending their licenses for breaking the rules.

This was informed in a meeting of the authority held here on Monday under the presidency of the Chairman of the authority and Collector,



File photo

Nagpur. The meeting was organised to take a review of the actions taken against vehicles carrying non-prominent minerals and the vehicle drivers not accepting the fare as the meter.

It was informed in the meeting that the officials installed GPS in case of 97 vehicles carrying non-prominent minerals illegally.

Similarly, a fine of Rs 7.06 lakh was recovered from 137 school bus drivers/owners for illegally transporting school students. Moreover, an action has been taken against 158 vehicle owners/drivers for not charging fares as per the meter reading. A fine of Rs 1.23 lakh has also been recovered from them.

The Regional Transport Authority has given permission to collect fine and take action

under section 86 of Motor Vehicle Act, 1988, against the license holders indulging in carrying goods than the prescribed capacity. On the same lines, it has become necessary to take action against vehicles illegally carrying non-prominent minerals without royalty and transporting illegally excavation of sand to curb the clandestine operations.

The authority has appealed to license holders not to carry goods illegally otherwise it will take suitable action against them, says a press note issued by the authority.

India may turn into net importer of copper: Report

■ Business Bureau

INDIA may turn into a net importer of copper by fiscal 2019-20 if healthy demand continues and no new plant is commissioned in this period, a report said. If domestic demand for copper grows at the current rate of 7-8 per cent, the market is likely to turn into a deficit in the next couple of years.

Rating agency Icria in a report today said the scope of increasing copper production in the country is limited as the refiners are already running their plants at high capacity utilisation levels. "Hence, with demand increasing at a healthy rate, India may turn into a net importer of copper by FY20 if no new plant is commissioned in this period," it added. Meanwhile, regarding the domestic demand-supply scene, consumption of the three key



non-ferrous metals - aluminium, copper and zinc - have registered a 7-10 per cent growths in the 9-months of FY18.

However, domestic non-ferrous metal production remained in excess of consumption despite the healthy growth rates. Icria said the excess supply situation in aluminium and zinc is likely to persist going forward as well, as domestic capacity is high and manufacturers are expected to operate the plants at a high asset utilisation level, which would lead to large export volumes.

"A high proportion of export

sales, however, would have an impact on margins, as typically export realisations are lower compared to domestic prices because of duty protections available on domestic sales," the report said.

The rating agency indicated that the global non ferrous metal prices are likely to remain range bound in the coming quarter as a result of improvements in non-ferrous metal supply globally.

Supply bottlenecks in 2017 had resulted in a sharp increase in international non-ferrous metal prices, which strengthened by 24-35 per cent during the year.

As for global output of non-ferrous metals, while aluminium production witnessed a degrowth as a result of the regulatory steps taken in China to control production from "illegal" and polluting sources, copper and zinc outputs suffered from issues in mine production and degra-

dation in quality of ore.

Jayanta Roy, Senior Vice-President, Icria said the end of the restrictions on production in China during the winter months, would temporarily improve supply of aluminium in the global market.

"On the other hand, higher production from copper and zinc mines would result in the balanced copper and zinc markets globally in the coming months," he added.

The improvement in aluminium supply is, however, likely to be temporary, according to Icria, as the restriction of aluminium production in China is likely to be implemented during the next winter months as well.

Even as consumption in the country is likely to expand by 8 per cent to 9 per cent on the back of healthy demand from the automobile and construction sectors.

THE TIMES OF INDIA

DATE: 5/4/2018 P.N.5

SC allows export of iron ore lying at Goa port

TIMES NEWS NETWORK

New Delhi: In a relief to mining companies in Goa, the Supreme Court on Wednesday allowed their plea to export iron ore lying at the port, which was excavated prior to March 15 when mining operations were stopped in the state on the orders of the court.

A bench of Justices Madan B Lokur and Deepak Gupta allowed the companies, including Vedanta, to transport the iron ore out of the state af-

ter they contended that huge amount of ores was lying at the port which was excavated in compliance with the the apex court's earlier order.

Senior advocate Shyam Divan and Kapil Sibal, appearing for the companies, contended that those ores were excavated prior to March 15 and the firms had all the statutory approvals to export them. They contended that companies were paying around Rs 12.5 lakh per day for keeping the ores at the port.

THE BUSINESS LINE

DATE: 5/4/2018 P.N.3

JSW Steel posts record output

New Delhi, April 4

JSW Steel today posted its highest monthly and quarterly crude steel production as of March 31 — 1.52 million tonnes (mt) and 4.31 mt, respectively. During the entire 2017-18, the company produced 16.27 mt, which also is its highest annual output, JSW Steel said in a statement. "The production of 1.52 mt for March signifies a capacity utilisation of 101 per cent," it said. The production last month was high compared with 1.45 mt during the same month in 2016-17. The output in January-March stood at 4.31 mt, up 5 per cent from the production in the year-ago quarter. PTI

Coal India registers 2.4% output growth, 32.6 MT short of target

Clocks up sales of 580.3 MT at growth rate of 6.8%

SPECIAL CORRESPONDENT
KOLKATA

Coal India Ltd. (CIL) closed 2017-18 with an output of 567.4 million tonnes, which was 32.6 million tonnes short of the year's target. The growth rate at 2.4% was lower than the 2.9% clocked in 2016-17. At least two coal subsidiaries closed the year with a negative growth rate.

Coal off-take (i.e. coal sales) at 580.3 million tonnes was higher than the output, reflecting a 6.8% growth rate against 1.6% a year ago. However, this too was lower than the 600 million target for the year. This availability, achieved through liquidation of inventories, was a record, accord-



ing to a regulatory filing made by the PSU.

The company said that its power sector supplies rose by 7% to touch 454.3 million tonnes.

Negative growth

The coal companies with negative growth rates were Bharat Coking Coal Ltd. and Central Coalfields Ltd.

Nagpur-based Western Coalfields Ltd. achieved a low growth of 1.3% in 2017-18. CIL said that coal inventory stood at 55.5 million tonnes against last year's 68.4 million tonnes.

CIL's capital expenditure stood at ₹8,697 crore in 2017-18 against ₹8,500 crore a year ago. Five new projects with an annual capacity of 23.36 million tonnes and a sanctioned capital of ₹4,427.2 crore were approved in 2017-18.

Three CIL subsidiaries – Eastern Coalfields Ltd., BCCL and WCL – were allotted 11 new coal blocks, which would enable each of them to produce 100 million tonnes annually.

India pips Japan, becomes second largest manufacturer of crude steel

Growth attributed to Centre's steps to curb imports, 'Make in India', among others

PRESS TRUST OF INDIA
MUMBAI

In a major achievement, India has overtaken Japan to become the world's second largest producer of crude steel in February, according to the Steel Users Federation of India (SUFI). At present, China is the largest producer of crude steel in the world, accounting for more than 50% of the production.

India's crude steel production was up 4.4% and stood at 93.11 million tonnes (MT) for the period April 2017 to February 2018, compared with April 2016 to February 2017. This had helped India to overtake Japan and become the second largest producer of crude steel in



■ **Past record:** India overtook the U.S. in 2015 to become the third largest producer of crude steel. ■ AP

the world, SUFI said in a statement here.

India overtook the U.S. in 2015 to become the third largest producer of crude steel.

Attributing the growth in steel production to the poli-

cies undertaken by the government, Nikunj Turakhia, president, SUFI said, "The government has taken a host of steps to curb imports, push local demand with initiatives like 'Make in India',

and implement GST and infrastructure projects, to encourage the domestic market."

According to the World Steel Association, India produced 8.4 MT of crude steel in February 2018, up 3.4% over February 2017.

Mr. Turakhia said the Steel Ministry was working pro-actively to prepare a road map to achieve 300 MT by 2030.

"In addition, quick resolution of various big-ticket steel mills under the Insolvency and Bankruptcy Code and the National Company Law Tribunal is expected to further hasten the process of achieving higher capacity utilisation," he added.

Buy gold if it dips to \$1,315/oz

GNANASEKAART

Comex gold futures fell on Thursday after the United States and China signalled willingness to resolve a trade dispute through negotiations, reducing demand for bullion as a safe place to park assets.

Comex gold futures moved as expected, but did not follow-through higher denting confidence. As mentioned in the previous update, prices are finding good support and consolidating in a range between \$1,300/10 and \$1,335/45 an ounce zone and the consolidation could last for some more time. The lower end of the zone could once again come in for a test in the coming sessions.

Price structures, however, favour a gradual rise. Near-term upticks could be capped in the \$1,350-55 zone and a close above here could trigger up move towards \$1,374 or even higher. 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 \$1,310-15 to hold for a push higher towards \$1,355 or even higher to \$1,374. Unexpected fall below \$1,302 could see a sharp decline to \$1,278-80, which is not our favoured view.

Wave counts: It is most likely that the fall from the record \$1,925

to the recent low of \$1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards \$1,025-30 or a complete correction of A-B-C ending with this decline. Subsequently, a corrective wave "B" could unfold with targets near \$1,375 or even higher. After that, a wave "C" could begin lower again.

Alternatively, we can also expect wave "B" to extend to \$1,476. If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term. An eventual break above \$1,355 could see the wave "B" scenario emerge in the coming sessions. While \$1,270 holds, we still favour prices rising higher towards \$1,450-75 in the form of wave "B". We will reassess around \$1,450-70 on the potential for a wave "C" decline subsequently.

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.

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 HINDU

DATE: 5/4/2018 P.N.14

Vedanta can transport royalty-paid iron ore: SC

NEW DELHI

The Supreme Court on Wednesday allowed Vedanta and some other firms to transport royalty-paid iron ore extracted and lying on jetties in Goa on or before March 15. In its February 7 judgment, the court had held as illegal the renewal given to the companies. The apex court, in February, quashed the second renewal of 88 iron ore mining leases and asked the firms to stop all mining operations from March 16. PTI

JNARDDC to organise one-day meet on 'bauxite potential' on April 9

■ Staff Reporter

JAWAHARLAL Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur, is organising a one-day meeting on 'Opportunities and Potential of value addition in Bauxite' on April 9 at JNARDDC premises, Amravati Road, Wadi.

Technology Information, Forecasting and Assessment Council (TIFAC), Department of Science and Technology, Government of India, New Delhi and JNARDDC

will jointly discuss the issue related to value addition in bauxite mineral.

In this event, the technical requirement and way forward to tackle the issue of value addition of bauxite ore will be discussed. The inauguration of the meet will take place at 10.15 am.

The meeting will focus on the aspects of technical needs and requirements for value addition in this sector. Technical challenges and issues from exploration/ pro-

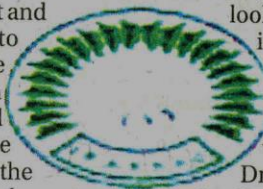
duction to finished products and needs of industries specifically the technical ones would also be

looked at along with identification of areas for technology infusion.

Joint session will be chaired by

Dr Anupam Agnihotri, Director,

JNARDDC and Prof Prabhat Ranjan, Executive Director, TIFAC along with Sanjay Singh, Scientist-G, TIFAC and Rahul Kumar, Scientist-D, TIFAC will part of the meeting.



Gems and Jewellery Council Sets a Target of \$100 b by 2025

Press Trust of India

Mumbai: The All India Gems & Jewellery Domestic Council on Thursday said it has set a target of \$100 billion by 2025 for the domestic gems and jewellery sector.

At present, the domestic gems and jewellery sector is estimated at \$75 billion.

"We have launched our Vision 2025 programme of \$100 billion for the indigenous gems and jewellery sector and we plan to add 2 million more jobs in the sector," the council's chairman Nitin Khandelwal told reporters on the sidelines of 'Manthan Gems & Jewellery' conclave here.

The market sentiment is improving, according to him, and the council is expecting an in-

crease in demand for gold jewellery due to forthcoming marriage season.

India's gems and jewellery business is a sterling example of the government's 'Make-in-India' initiative, contributing around 7% of the country's GDP, according to Khandelwal.

It provides jobs to more than 46 lakh people of the country, thus making significant contribution to the country's socio-economic framework, he claimed.

The All India Gems & Jewellery Domestic Council (GJC) has drawn up a roadmap for adding 2 million new jobs in the gems and jewellery sector, including 40% of the new jobs for women, said Khandelwal.

West Bengal government has already allotted land sized

25,000 sq ft for a gem and jewellery park at Ankurhati, Domjur and Maharashtra government has proposed a gems and jewellery park on a 25-acre land in Navi Mumbai.

"We are also looking at setting up training centres across the country," he said.

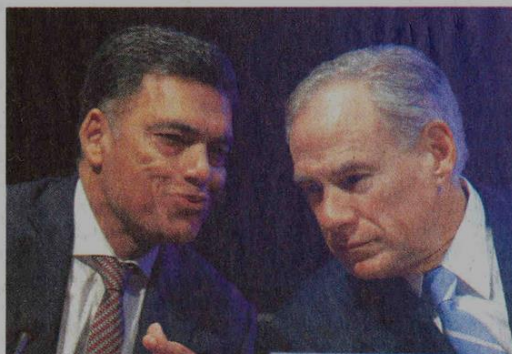
The association hopes to bring 100 per cent gems and jewellery trade under the organised platform from 60 per cent at present after successful implementation of the goods and services tax (GST).

JSW not allowed to bid for Essar Steel

Numetal and ArcelorMittal to bid again; the firms have challenged the CoC's decision on eligibility

PIYUSH PANDEY
MUMBAI

JSW Steel has been restrained from bidding for Essar Steel, leaving the field clear for ArcelorMittal and Russian VTB Capital-led Numetal. Sajjan Jindal, chairman, JSW Group, told *The Hindu*, "We are not allowed to bid for Essar Steel. We wanted to bid but they (CoC) want only those parties, who had initially submitted their EoIs, to bid, citing that fresh bids would further delay the process."



Fresh funds: Sajjan Jindal, CMD, JSW, left, with Gregory Wayne Abbott, Governor of Texas, on Monday. ■ PAUL NORONHA

Paths to eligibility

ArcelorMittal and Numetal are likely to bid aggressively after their bids were disqualified in the first round of bidding even as both have moved the Ahmedabad bench of the NCLT challenging the rejection of their

bids. ArcelorMittal has recently been declassified as a promoter of Uttam Galva Steels, obviating a reason that had been cited earlier to consider it ineligible to bid.

ArcelorMittal had submitted its bids along with Nippon Steel for acquiring Essar

Steel last month. "ArcelorMittal... continues to believe that our... bid for Essar Steel India... was fully eligible and therefore should have been placed before the Committee of Creditors (CoC) by the Resolution Professional," said ArcelorMittal in a statement.

"However, we received formal notification on March 23 that our bid was deemed ineligible due to the technicality of still being a promoter of Uttam Galva on the stock exchange, even though we had sold our shareholding before submitting our offer. We have, therefore, today proposed a legal challenge to the decision of the resolution professional in the court in Ahmedabad."

Numetal is likely to buy out its minority shareholder Aurora Investments, owned by Rewant Ruia, to gain eligibility to bid this time around. Rewant Ruia is the son of Essar Steel promoter Ravi Ruia.

However, last Tuesday, Numetal had filed an application in the Ahmedabad bench of NCLT seeking approval to submit a resolution plan for Essar Steel. The

NCLT had issued a notice to the CoC through the Resolution Professional, stating that any decision taken or resolution passed by the CoC on March 21 would be subject to the outcome of Numetal's application.

The case is likely to come up for hearing on Tuesday. "If NCLT approves our earlier bids, [we] will be eligible or, we will have to submit fresh bids in accordance [with the rules] before the deadline," said a Numetal official.

Separately, JSW Steel's U.S. arm signed an MoU with the Texas government to invest \$500 million in its steel pipes and plates facility in that State to achieve the 1-million tonne installed capacity of the plant and stop sourcing raw steel from Latin America and India.

Binani Cement OCs reject Dalmia's offer to pay ₹151-cr outstanding amount

PRESS TRUST OF INDIA
MUMBAI, APRIL 6

THE ONGOING Binani Cement insolvency case has taken a new twist with the operational creditors (OCs) of the debt-ridden firm terming the Dalmia Bharat offer for their outstanding dues as "pittance" and rejecting it outright, vowing to fight "tooth-and-nail".

"The operational creditors (OCs) dues, in reality, are over Rs 700 crore. The total amount due to the OCs has been wrongly verified by the resolution professionals (RP) as Rs 503.37 crore of which Dalmia offers to pay just Rs 151 crore," Binani Operational

The National Company Law Tribunal is slated to hear the case again on Monday

Creditors Forum spokesperson Siddharth Tibrewal said in a statement here. The National Company Law Tribunal is slated to hear the case again on Monday.

"The entire Dalmia package is a cruel joke on us as most of us have patiently waited and worked with Binani to bring it to the stage of ongoing concern from its bankruptcy," added Tibrewal.

This assumes significance as

the committee of creditors (CoC) has not taken any decision on an out-of-court settlement to the issue, as suggested by the NCLT, thus paving the way for the Dalmia offer going through the proceedings.

Binani Cement owes about Rs 7,000 crore to both financial and operational creditors. Even though Dalmia Bharat, with its offer of Rs 6,500 crore, had been voted as the highest bidder by lenders, things took a different turn when Binani Industries approached UltraTech to buy out its stake in Binani Cement for Rs 7,266 crore, which was UltraTech's increased offer for the asset and involved a 100 per cent payout to both secured and unsecured lenders.

MOIL achieves highest ever turnover of over Rs 1,300 crore

■ Business Bureau

MOIL Limited, a Miniratna schedule 'A' CPSE under the administrative control of Ministry of Steel, has achieved the highest ever turnover of more than Rs 1,300 crore (unaudited and provisional) during financial year 2017-18, registering a growth of more than 31 per cent over previous years turnover of Rs 990 crore.

The company has produced about 1.2 million tonnes of manganese ore which is the highest ever production in last 10 years. It has recorded the highest ever production as well as sales of non-fines manganese ore during the financial year 2017-18.

In order to achieve the production target of 2 million tonnes by 2021 and 2.5 million tonnes

by 2025, MOIL has taken up various mine development and expansion projects which include setting up of high speed shaft at Balaghat and Gumgaon mines with total investment of about Rs 460 crore.

With a view to diversify its activities, MOIL's Board has recently approved projects for setting up of ferry alloy plant of total 75,000 MT capacity at Balaghat and Gumgaon mines with total investments of about Rs 419 crore.

To promote renewable energy and to save the energy cost, the company is in the process of setting up 10.5 MW capacity at Rajgarh District in Madhya Pradesh with total investment of about Rs 110 crore, informs a press release issued here by the company.

अवैध गौण खनिज वाहतुकीवर कारवाई

२१ लाख १२ हजाराचा दंड वसूल :
१४९ वाहन चालकांचे परवाने निलंबित

लोकमत न्यूज नेटवर्क

नागपूर : प्रादेशिक परिवहन प्राधिकरणाच्यावतीने गौण खनिजाची अवैध वाहतूक करणाऱ्या ११५ वाहनांवर कारवाई करण्यात आली. या कारवाईत २१ लाख १२ हजार रुपयाचा दंड वसूल करण्यात आला आहे.

गौण खनिज तसेच मीटरप्रमाणे भाडे न स्वीकारणाऱ्या वाहनांवर कारवाई करण्याच्या उद्देशाने प्रादेशिक परिवहन प्राधिकरणाच्यावतीने ठोस पावले उचलण्यात येत आहे. विभागाच्या वतीने ९७ अवैध गौण खनिज वाहतूक करणाऱ्या वाहनांना जीपीएस यंत्रणा लावण्यात आली आहे.

याशिवाय १४९ वाहन चालकांचे परवाने निलंबित करण्यात आले आहे. ३२१ अवैध गौण खनिज वाहनधारकांचे



परवाने निलंबित करण्याचे आदेश संबंधित

कार्यालयास देण्यात आले. विद्यार्थ्यांची अवैध वाहतूक करणाऱ्या १३७ स्कूलबसवर कारवाई करत ७ लाख ६ हजार ४० रुपये दंड वसूल करण्यात आला. याशिवाय मीटरप्रमाणे भाडे न स्वीकारणाऱ्या १५८ वाहनांकडून १ लाख २३ हजार रुपये दंड वसूलण्यात आला आहे.

गौण खनिजाची विना रॉयल्टी व अवैध वाहतूक करणाऱ्या वाहनांवर मोटार वाहन अधिनियम १९८८ चे कलम ८६ अन्वये विभागीय कारवाई करण्यात येणार असल्याचे प्रादेशिक परिवहन अधिकारी, नागपूर (शहर) यांनी सांगितले आहे.

MECL का सर्वोत्तम निष्पादन

व्यापार संवाददाता

नागपूर. नगर स्थित केंद्रीय सार्वजनिक उद्यम, मिनरल सक्सप्लोरेशन कॉर्पोरेशन लिमिटेड ने अपने स्थापना काल से अब तक का सर्वोच्च 6.32 मीटर का वेधन पूरा करते हुए वित्त वर्ष 2017-18 में सबसे अच्छा निष्पादन कार्य दर्ज किया है, जो गत वित्त वर्ष के निष्पादन 5.19 लाख की तुलना में 22 प्रश अधिक है. भौतिक निष्पादन के अतिरिक्त कम्पनी ने वित्त वर्ष 17-18 के दौरान 382 करोड़ का सर्वोच्च टर्नओवर दर्ज किया है. सीएमडी आरएन झा ने इस उपलब्धि का श्रेय एमईसीएल के सभी कर्मचारियों को दिया. कर्मचारियों के सहयोग और समर्पण से यह संभव हुआ है. कम्पनी की आधुनिकीकरण योजना से इस

सर्वोच्च भौतिक निष्पादन में सहायता मिली. इसके अंतर्गत वेधन बोर्ड में 12 नई हाइड्रोस्टैटिक ड्रिलिंग रिंगें ली गई हैं. कम्पनी ने हाल ही में भारत सरकार को प्रथम बार 19.73 करोड़ रुपये का अंतरिम लाभांश का भी भुगतान किया है. कम्पनी वित्त वर्ष 2012-13 से लाभांश प्रदान कम्पनी बनी हुई है. देश में आवश्यकता को देखते हुए कम्पनी ने गैर-ऊर्जा खनिजों का गवेषण बढ़ाया है. इसने देश में कच्चे माल की सुरक्षा सुनिश्चित करने के लिए खनिज और खनन उद्योग की सहायता हेतु अधिक गवेषण करने तथा नीलामी योग्य ब्लाक उपलब्ध कराने के लिए 12 राज्यों और नेशनल मिनरल एक्सप्लोरेशन ट्रस्ट के साथ त्रिपक्षीय करारों पर हस्ताक्षर किए हैं.

SCCL 'violating' environment norms, says panel

Fresh approvals not taken while renewing mining leases

B. CHANDRASHEKHAR
HYDERABAD

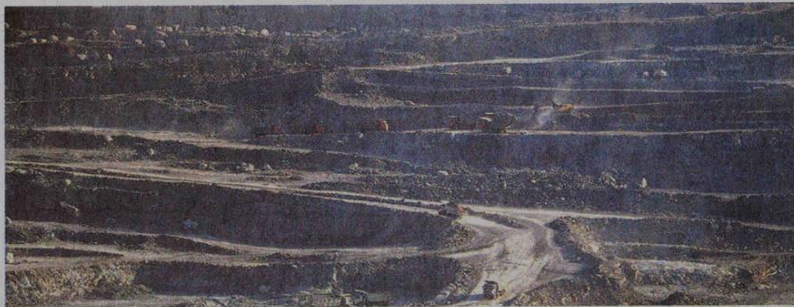
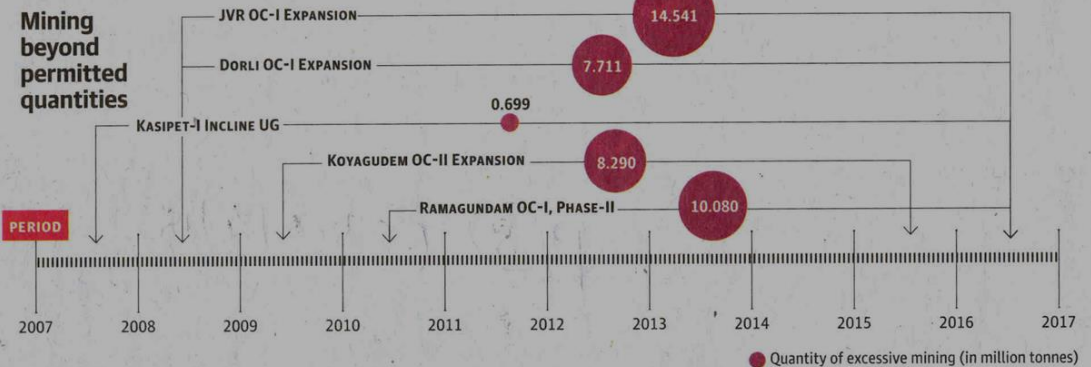
The expert appraisal committee of the Ministry of Environment, Forests and Climate Change (MoEF) has pointed out violation of environment impact assessment notification amounting to illegal mining by Singareni Collieries Company Ltd in case of its 13 mines and has sought the Ministry's advice on the issue.

In its meeting held on March 21 and 22 at New Delhi, the appraisal panel has confirmed the violation of environment impact assessment (EIA) notification in case of Ravindra Khani No. 8 Incline, Ramagundam Opencast-I Expansion Phase-II, Godavarikhani-7, Venkatesh Khani No. 7 Incline, Koyagudem Opencast-II Expansion, Kasipet-I Incline, Dorli Opencast-I Expansion, Jalagam Vengal Rao Opencast-I Expansion, Indaram Khani-1A Incline and the cluster of underground coal mines - Godavarikhani No.1 & 3, Godavarikhani No.2 & 2A Inclines and Godavarikhani No.5 Incline.

Action recommended

The MoEF panel observed that environmental clear-

Mining beyond permitted quantities



A file photo of one of the open cast mines of Singareni Collieries Company Ltd. in Khammam district. ■ G. N. RAO

ance (EC) for the projects should have been obtained while renewal of the mining leases and as it was not yet done it amounts to violation of the EIA notification. The committee has recommended the State government and State Pollution Control

Board (SPCB) to take action against the project proponent under the provisions of the Environment (Protection) Act and not to give consent to operate or till the projects are granted EC.

Further, the committee recommended the project

proponent to conduct public hearings, prepare environment management plans, to submit bank guarantee equivalent to the amount of remedial plan and natural and community resource augmentation plan with the SPCB prior to the grant of

EC. Besides, the project proponent is liable to pay compensation against the illegal mining under the provisions of Mines and Minerals (Development and Regularisation) Act.

While deferring the proposals for issuance of recommendation for EC, the expert committee has decided to seek advice of the ministry on the procedures to appraise such cases including where credible action for violation of the EP Act is not visible.

The committee has also pointed out that production of coal was 41.321 million tonnes in excess of the quantity permitted in the EC for five mines during the period from 2007-08 to 2016-17.

Essar Steel: ArcelorMittal raises issue of capacity concentration if JSW wins bid

Says CCI sure to step in as top 3 steel firms will command 90% of flat products market

SURESH PIVENGAR

Mumbai, April 8

As the battle for the stressed assets of Essar Steel gets fiercer, ArcelorMittal is now claiming that JSW Steel's bid could come in for scrutiny from the Competition Commission of India.

"If JSW Steel wins the bid for Essar Steel, it will have 41 per cent of the flat-rolled coil market in India, and the top three players — JSW Steel, Tata Steel and SAIL — will command 90 per cent of the flat-rolled business. This kind of concentration is not really in the best interest of the country, and the competition authority would naturally look at it," Brian Aranha, Executive President, ArcelorMittal, told *BusinessLine*.

JSW has bid for Essar Steel by joining hands with Russia's VTB Bank-promoted Numetal. Aranha said that JSW would take charge of Essar Steel as the operator, as the bank (VTB) is not likely to run the steel plant.

A senior JSW Steel official declined to respond beyond saying ArcelorMittal's allegations were "baseless and unfounded".

JSW Steel has a production capacity of 18 mtpa (million tonnes per annum), which is around 14 per cent of the total steel produced in India. Even if Numetal wins the bid for Essar Steel, JSW's production will reach about 28 mtpa, which will still be just over 20 per cent. JSW plans to add 5 mtpa to its Dolvi unit in Maharashtra.



Tata Steel, which is leading the race to acquire the 5.6 mtpa capacity of Bhushan Steel, has 13 mtpa capacity and plans to increase this to 18 mtpa. SAIL is raising its capacity to 21 mtpa from 17 mtpa.

A steel industry expert said globally, a monopoly is defined as a single company having over 50 per cent market share. When ArcelorMittal acquired Ilva in Italy, he said its market share in cold-rolled steel there increased to 83 per cent. Yet, steel prices did not change much either in

Europe or Italy, he said. Aranha is confident that the exit from the debt-laden Uttam Galva will not be a hindrance to the bid for Essar Steel. There are allegations that ArcelorMittal's exit from the debt-laden company violated an agreement with State Bank of India.

"Our bid was made ineligible by the Resolution Professional because we were not declassified as a promoter of Uttam Galva when we placed the bid. So, all other issues being raised by rivals are irrelevant," he said.

Asked why Nippon Steel & Sumitomo Metal decided to join hands with ArcelorMittal after independently placing an expression of interest for Essar Steel, Hideki Ogawa, Managing Director, said it was part of its global expansion strategy and the company had a good relationship with ArcelorMittal.

NAVBHARAT

DATE: 9/4/2018 P.N.11

भारत उठाएगा इस्पात शुल्क वृद्धि का मुद्दा

एजेंसियां

दिल्ली. अमेरिका के इस्पात एवं एल्युमीनियम उत्पादों पर शुल्क बढ़ाने के मामले को भारत 10 अप्रैल को होने वाली व्यापार नीति मंच (टीपीएफ) की बैठक में उठाएगा. वाणिज्य मंत्रालय के एक अधिकारी ने यह बात कही. अधिकारी ने कहा कि बैठक में आम जैसे फलों के लिए अधिक खुला बाजार और वीजा सहित अन्य मामलों पर विचार किया जाएगा. बैठक में भारत और अमेरिका के वरिष्ठ अधिकारी मौजूद होंगे. टीपीएफ दोनों देशों के बीच व्यापार एवं निवेश से संबंधित मामलों पर चर्चा और समाधान करने के लिए यह प्रमुख द्विपक्षीय मंच है.

अमेरिका के साथ 10 को बैठक

₹289 करोड़ खनिज राजस्व वसूल

निज संवाददाता

नागपुर. वित्त वर्ष 2017-18 के लिए सरकार ने जिले से 120 करोड़ राजस्व वसूली का लक्ष्य गौण खनिज के लिए दिया था. जिले में विभाग उद्देश्य से अधिक 126 करोड़ रुपये सरकारी खजाने में जमा करने में सफलता पायी. इसकी तरह जिले के प्रमुख खनिज के लिए सरकार ने 258 करोड़ रुपये का उद्देश्य दिया था, विज्ञान व खनिकर्म संचलनालय द्वारा निश्चित सिस्टम का उपयोग कर 289 करोड़ राजस्व की वसूली कर जमा की गई.

NAVBHARAT

DATE: 9/4/2018 P.N.8

THE BUSINESS LINE

DATE: 9/4/2018 P.N.13

India to flag US steel duty hike issue

New Delhi, April 8

India will take up the issue of duty hike on certain steel and aluminium products by the US at the Trade Policy Forum (TPF) meeting on April 10, a Commerce Ministry official said. Other issues, including greater market access for certain fruits like mangoes as well as visa related matters, will also figure in the meeting of senior officials of India and the US, the official said. The TPF is the premier bilateral forum for discussion and resolution of trade and investment issues between the two countries. PTI

Tata Chemicals acquires Allied Silica for ₹123 crore

OUR BUREAU

Mumbai, April 8

Tata Chemicals has acquired Allied Silica in a slump sale for ₹123 crore. It has entered into a business transfer agreement to buy out the Highly Dispersible Silica manufacturing facility of the company in Tamil Nadu and is expected to close the deal in three months.

This acquisition is a part of the ₹295-crore investment in the specialty business approved by the board in February, said the company in a statement on Sunday.

The specialty chemical product represents a downstream value addition to Tata Chemicals' soda ash business, where it ranks among the top manufacturers globally.

R Mukundan, Managing Director, Tata Chemicals, said the acquisition is another step to build a technologically-enabled differentiated business with greater customer focus.

Versatile product

Precipitated silica is a versatile product with applications in many industries, including rubber, oral care, coatings and agrochemicals.

The acquisition also offers the possibility to make value-added silica in the future for applications that demand high performance.

The Innovative Centre of Tata Chemicals in Pune has developed new technology for manufacturing HDS and has already filed eight patents.

LOKMAT DATE: 9/4/2018 P.N.3

खाण घोट्यात कारवारच्या आमदारास समन्स

लोकमत न्यूज नेटवर्क

पणजी : गोव्यातील खाण घोट्यात प्रकरणात विशेष तपास पथकाने (एसआयटी) कर्नाटकमधील कारवार येथील अपक्ष आमदार सतीश सैल यांना समन्स बजावले आहे. सोमवारी

त्यांना एसआयटीपुढे हजर राहण्यास सांगण्यात आले आहे.

या आमदाराचा खाण घोट्यात प्रत्यक्ष सहभाग असल्याचे पुरावे एसआयटीला मिळाले आहेत. विशेषतः बेकायदेशीरपणे खनिज निर्यात प्रकरणात ते गोवा

एसआयटीला हवे आहे. सोमवारी सकाळी ११ वाजता रायबंदर येथे गुन्हा अन्वेषण विभागाच्या कार्यालयात त्यांना हजर राहण्यास सांगण्यात आले आहे. मल्लिकार्जुन शिपिंग प्रायव्हेट लिमिटेड या निर्यातदार कंपनीचे सैल संचालक आहेत.

Gold wavers amidst US-China trade war

Though the broad \$1,300-1,370 sideways move can continue, the bias remains bullish

GURUMURTHY K

It was a volatile week for gold. The tariff retaliations between the US and China saw gold prices swinging between \$1,319 per ounce and \$1,348 per ounce last week. China, on Wednesday last week, proposed to introduce tariffs on about 106 US products that included soyabean, cars, etc. In turn, the US President directed the United States Trade Representatives to consider an additional tariff of about \$100 billion on China.

The yellow metal, which had made a high of \$1,348 on Wednesday after China's move, came off from there to make a low of \$1,319 on Friday. Gold has, however, managed to bounce from the low and

close the week 0.6 per cent higher at \$1,333 per ounce.

Silver, on the other hand, retains its \$16.10-\$17 per ounce sideways range. Global spot silver prices have close the week on a flat note at \$16.38 per ounce.

On the domestic front, the MCX-Gold futures contract was broadly range-bound between ₹30,350 per 10 gm and ₹31,000 per 10 gm. The contract closed at ₹30,694 per 10 gm, up 0.9 per cent for the week. The MCX-Silver futures contract on the other hand surged to a high of ₹39,054 per kg initially on Monday. But the contract reversed sharply lower from there to close the week 0.25 per cent lower at ₹38,235 per kg.

The ongoing trade war between the US and China is likely to keep gold and silver prices volatile, going forward.

Dollar outlook

The US dollar index rose to a high of 90.6 after hovering in a narrow range around 90 for

most part of the week. However, the index reversed lower again on Friday as the US job numbers failed to meet the market expectation. The US added 103,000 to its non-farm payroll in March. Market was expecting the US to add 193,000 jobs.

The dollar index came-off from around 90.6 to close the week at 90.10. The immediate outlook is unclear for the index. Support for the index is in between 89.65 and 89.50. As long as the index remains above this support zone, the bias remains positive for the dollar index to move up to 91 and 91.5 in the short-term. But a fall below 89.5 can drag the index lower to 89 or even 88.5

Gold outlook

The global spot gold (\$1,333 per ounce) has support at \$1,320. As long as it remains above this support, an upmove to \$1,350 is possible in the near-term. A strong

break above \$1,350 will then pave way for the next targets of \$1,360 and \$1,370.

As mentioned last week, gold can continue to remain in its broad \$1,300-\$1,370 sideways range. A breakout on either side of \$1,300 or \$1,370 will then decide the next trend. The bias continues to remain positive for gold to breach \$1,370 and rally towards \$1,400 or even higher levels going forward.

The MCX-Gold (₹30,694 per 10 gm) is stuck in between ₹30,000 and ₹31,000 over the last several weeks. A strong break above ₹31,000 will take



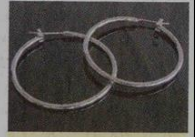
ISTOCK.COM/GRASSETTO

the contract higher to ₹31,250. On the other hand, if the MCX-Gold contract declines below ₹30,000, it can target ₹29,850 or even ₹28,500.

Silver outlook

The global spot silver (\$16.38 per ounce) is stuck in between \$16.1 and \$17 over the last several weeks. A breakout on either side of \$16.1 or \$17 will decide the next move. A break below \$16.1 can drag the prices lower to \$15.5. On the other hand, if silver sustains above \$16.1 in the coming days, an up-move to \$16.75 or \$17 is possible again.

The MCX-Silver (₹38,235 per kg) hovers above a key near-term support level of ₹38,150. If the contract declines below this support, it can fall to ₹37,775. On the other hand, if the contract manages to sustain above ₹38,150, there is a strong likelihood of the contract rallying back towards ₹38,800 and ₹39,000 again.



MCX Gold

Supports

₹30,000, ₹29,850
Resistances
₹31,000, ₹31,250

MCX Silver

Supports

₹38,150, ₹37,775
Resistances
₹38,500, ₹38,800

Cement industry may post flat 5% growth in FY19: ICRA

PRESS TRUST OF INDIA

Mumbai, April 9

The cement industry is likely to register a flat growth of around 5 per cent in the current financial year despite a pick-up in demand in recent months and healthy outlook ahead, a report said on Monday.

The profitability margins and debt metrics of the cement companies may also come under pressure in the coming quarters on higher petcoke, coal and diesel prices, rating agency ICRA said in its report.

"The cement demand has picked up from Q3 FY18 and the trend is expected to continue in Q4 FY18, but the growth of the industry may remain flat at 5 per cent in FY19," it said.

ICRA expects the cement demand to show a moderate



Profitability margins and debt metrics of cement companies may come under pressure due to higher petcoke, coal and diesel prices

growth of around 5 per cent in FY18 as well.

"A demand pick-up in the recent months — October 2017 to January 2018 — by 13.4 per cent, is backed by demand for low-cost housing in the eastern markets, Andhra Pradesh and Telangana along with the infrastructure demand from the eastern, southern and western markets," it said.

However, the sand availab-

ility issues persist in Rajasthan, Uttar Pradesh, Bihar and Tamil Nadu, which according to the agency, are adversely impacting the demand in these regions.

ICRA said a pick-up in the affordable and rural housing segments and infrastructure — primarily road and irrigation projects — is likely to continue the demand growth momentum of around 5 per cent in FY19.

Hindustan Zinc

SATYA SONTANAM

With the revival in domestic economic growth and favourable export prospects, the metal space has turned attractive over the past few months. In this light, Hindustan Zinc, a leading producer of zinc and silver, appears well-placed to cater to the demand for these metals.

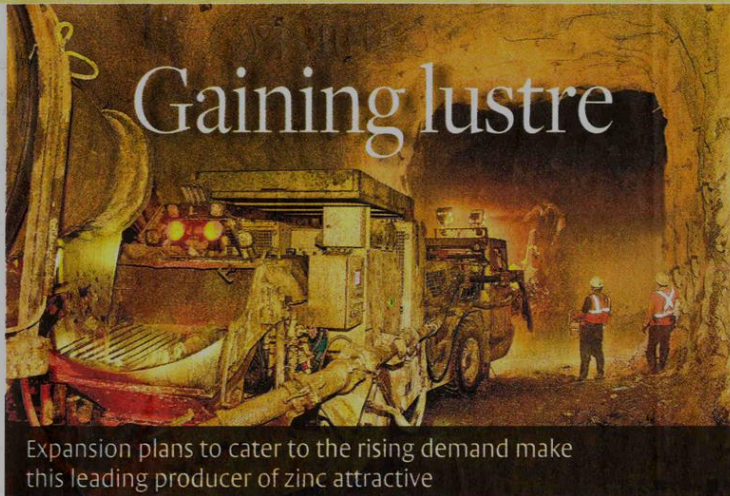
The ongoing trade 'war' between the US and China could impact metal prices in the short term. But the company's near monopoly in the domestic market and its ability to hedge prices to protect realisations should assuage investor concerns.

Its standing as one of the largest producers of zinc in the world, low production cost and a substantial reserve base are positives for the stock. Hindustan Zinc's mine life is greater than 25 years, giving it a fair bit of resource visibility.

Financially too, the company's position is robust as it enjoys massive operating and net margins, and is debt-free.

Additionally, being a stock with a healthy dividend yield is an attraction for investors to buy the stock with a two-three year horizon. At the current market price of ₹314, the stock is reasonably valued at about 13 times its trailing 12-month earnings, which is a tad higher than 11 times, the average for the past three years.

Going by Hindustan Zinc's dividend pay-out over the past couple of years, the yield works



Expansion plans to cater to the rising demand make this leading producer of zinc attractive

out to a whopping 9-plus per cent. Over the past five years, the operating profit margin has been 61-67 per cent.

Visible demand

Zinc accounts for nearly three-fourth of the company's overall revenues, while lead and silver chip in with 13 per cent and 9 per cent, respectively, in the first nine months of FY 2018.

In FY 2017, nearly 75 per cent of the company's revenues were derived from the domestic market and the balance 25 per cent from exports, mostly to Asian markets.

Thus, the company has a good blend of local and overseas markets to cater to. As per the Inter-

national Lead and Zinc Study Group estimates, the global demand for zinc and lead in FY 2017 outpaced the supply. According to Hindustan Zinc's management, global zinc consumption is expected to be 14.8 million tonnes in 2018, while mine supply is likely to be only 13.8 million tonnes.

The domestic zinc demand is based on the growth of the steel market, as 70 per cent of Indian zinc consumption is in the galvanising sector. And steel growth in India is driven by consumption in the auto and construction sectors. Government measures (such as minimum import prices) help protect the Indian steel market. Zinc demand in In-

dia is projected to grow at 4-5 per cent in FY19. Lead's demand is estimated to increase with rising demand for vehicle production and e-bikes, and silver's demand is expected to be driven by its industrial use.

Also, as the company currently has a near-monopoly in India for its products, with nearly 95 per cent market share for zinc and silver, it enjoys significant pricing power.

As Hindustan Zinc's sales of zinc and lead are linked to the London Metal Exchange (LME) prices, the movement in commodity prices is a risk to the company's realisations. The company hedges sales to realise LME prices.

Hindustan Zinc has been maintaining an overall mine life of over 25 years. Ore production capacity of all the mines put together is 16.45 million tonnes per annum (mtpa), and the actual ore production was 11.87 mtpa. The company is aiming to expand the mine production levels from 13.10 mtpa currently to 17.50 mtpa in the next three years.

The company, with a current metal production capacity of 1 mtpa, appears on course to achieve a 1.2-million mine metal production capacity by FY 2020.

It is also setting up three fumer plants to further improve recovery of metals from the slag, which will also boost its metal production.

Each fumer helps recover nearly 35 tonnes of silver and around 15,000 tonnes of both zinc and lead together, thus aiding revenues.

Decent financials

For the nine months of FY18, Hindustan Zinc's revenue was ₹16,039 crore, up 35 per cent compared with the same period a year ago, while operating profit rose 46 per cent to ₹8,717 crore.

However, the operating profit margin for this period was 54 per cent, a tad lower than that in the same period the previous year due to higher met coke and coal prices which are the key raw materials. Future linkages with Coal India and other measures will reduce costs, according to the management.



Why

- High dividend yield
- Debt-free
- Mine life of over 25 years

Did you know?

Disinvested in 2002, Hindustan Zinc has invested over \$3 billion in four phases of expansion



'Cement industry may post 5% growth in FY19'

■ Business Bureau

THE cement industry is likely to register a flat growth of around 5 per cent in the current financial year despite a pick-up in demand in recent months and healthy outlook ahead, a report said. The profitability margins and debt metrics of the cement companies may also come under pressure in the coming quarters on higher petcoke, coal and diesel prices, rating agency Icra said in its report.

"The cement demand has picked up from Q3 FY18 and the trend is expected to continue in Q4 FY18, but the growth of the industry may remain flat at 5 per cent in FY19," it said.

Icra expects the cement demand to show a moderate growth of around 5 per cent in FY18 as well. "A demand pick-up in the recent months, October

2017 to January 2018 by 13.4 per cent, is backed by low-cost housing in the eastern markets, Andhra Pradesh and Telangana along with the infrastructure demand from the eastern, southern and western markets," it said.

However, the sand availability issues persist in Rajasthan, Uttar Pradesh, Bihar and Tamil Nadu, which according to the agency, are adversely impacting the demand in these regions.

Icra said a pick-up in the affordable and rural housing segments and infrastructure - primarily road and irrigation projects - is likely to continue the demand growth momentum of around 5

per cent in FY19.

Budget FY19 has provided higher rural credit, increased minimum support price (MSP), and allocation for rural, agricultural and allied sectors and stressed on continued focus on the Pradhan Mantri Awas Yojna (PMAY) and

infrastructure investments.

However, the agency expects the capacity overhang and the moderate

demand growth to continue to keep the industry's capacity utilisation level close to 65 per cent over the medium-term. According to the report, in Q3 FY18, cement prices remained largely similar on a quarter-on-quarter basis in most markets,

except Hyderabad, where they witnessed a decline by 5 per cent.

In other markets, a pick-up in the demand supported prices have continued to remain largely stable in January to February compared to Q3 FY18.

In the Hyderabad market, the prices were on a declining trend and reached around Rs 265 per bag in November 2017, after which they increased by Rs 20 per bag to Rs 285 per bag in December 2017 and sustained at the same level until February 2018.

Overall, in 11 months of FY18, the average cement prices in Ahmedabad and Kolkata have been higher by Rs 45 per bag and Rs 20-25 per bag, respectively, on a year-on-year basis. While the prices in Chandigarh in 11 months of FY18 are largely similar to that in 11 months of FY17, those in Hyderabad are lower by Rs 5-10 per bag.



MECL posts turnover of Rs 382 cr in 2017-18

■ Business Bureau

MINERAL Exploration Corporation Limited (MECL), the city-based CPSE, has posted its finest performance since its inception with highest drilling target hitting as high as 6.32 lakh meters in the financial year 2017-18. As per a press released issued here by the corporation, it is 22 per cent higher than last financial year's performance. The company has registered highest turnover of Rs 382 crore during the fiscal 2017-18.

R N Jha, CMD (I/C) has congratulated all its employees on this achievement which has been possible with their full support and dedication. The modernisation plan of the company has helped in this highest physical performance by inducting 12 nos. of new Hydrostatic Drilling Rigs in its drilling fleet. The company has also paid first time Interim Dividend of Rs 19.73 crores to

Gol recently. It became a dividend paying company since fiscal 2012-13. Looking to the need of the country, the company has enhanced exploration of non-energy minerals.

It has signed Tripartite agreements with 12 number of states and National Mineral Exploration Trust (NMET) to explore more and provide auctionable blocks to support mineral and mining industry for ensuring raw material in the country.

MECL has completed over 1383 projects/reports and established 161120 million tonnes of ores/mineral reserves of minerals like Coal, Lignite, Bauxite, Copper, Gold, Lead-Zinc, Iron Ore, Limestone, Manganese, Chromite, Fluorspar and several other Industrial Minerals since inception. It has recently diversified in to mining and beneficiation of minerals, Production well drilling for CBM and sampling and analysis of coal stocks.

Cement Industry may Grow 5% in FY19

Mumbai: The cement industry is likely to register a flat growth of around 5 per cent in the current financial year despite a pick-up in demand in recent months and healthy outlook ahead, a report said on Monday.

The profitability margins and debt metrics of the cement companies may also come under pressure in the coming quarters on higher petcoke, coal and diesel prices, rating agency Icra said in its report.

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However, the agency expects the capacity overhang and the moderate demand growth to continue to keep the industry's capacity utilisation level close to 65 per cent over the medium-term. — PTI

Gold imports in March halve as price rally dents demand

REUTERS

Mumbai, April 9

Gold imports by the country in March halved from a year ago to 52.5 tonnes as a rally in local prices to 16-month high slashed demand in the world's second-biggest consumer of bullion, provisional data from precious metals consultancy GFMS and bank dealers showed.

The drop in purchases by India, though, could weigh on global prices, which are still up nearly 8 per cent from a mid-December trough, despite dropping back from a 17-month high hit at end-January.

Lower gold imports could also help the country reduce its trade deficit, which fell to lowest in five months in February. "Higher prices and weak demand from rural areas squeezed imports," said Sudheesh Nambiath, a senior analyst with GFMS, said.

Two-thirds of India's gold demand comes from rural areas, where jewellery is a traditional store of wealth. India imported 103.7 tonnes of gold in March 2017. Gold imports in the January to March quarter fell 32 per cent from a year ago to 163.1 tonnes, data compiled by GFMS showed.

Imports will improve in April as inventories with jewellers have been depleted due to lower imports in three straight months, said a Mumbai-based head of the gold trading desk with a private bullion importing bank. "Due to the wedding season and Akshay Tritiya demand would be higher in April," the dealer said.

"Demand will improve if prices remain stable at the current level. Many price-sensitive consumers have postponed purchases," said a Mumbai-based gold dealer.

JSPL posts record crude steel production

NEW DELHI, Apr 9 (PTI)

PRIVATE steel maker JSPL on Monday posted its highest monthly and quarterly crude steel production as of March 31 at 0.45 million tonne (MT) and 1.26 MT, respectively. The figures do not include the crude steel production at Jindal Shadeed, Oman, Jindal Steel and Power Limited (JSPL) said in a statement. In India, the company has two integrated steel plants in Raigarh and Angul where it produces steel.

While the production during January-March was 38 per cent higher from 1.26 MT the company produced in the year-ago quarter, the output in March was 55 per cent higher at 0.29 MT during the same month a year ago.

With the recently-completed basic oxygen furnace (BOF) at 5 MTPA integrated steel plant at Angul going operational, the company has posted its highest-ever monthly crude steel production in March 2018, JSPL said.

"With the 250 MT basic oxygen furnace (BOF) going operational in December 2017 end, we



are in a position to progressively harness the full capacity levels of our 3.2 MTPA blast furnace," N A Ansari, CEO - Steel, JSPL said. Now the company is aiming to surpass all its performance records with every passing quarter of FY 2018-19 by achieving 85 per cent plus capacity utilisation levels at Angul in 3-4 months time, he added.

"A series of measures, coupled with a delay-free track record of servicing its debt obligations, led to credit rating upgrade of JSPL's financial instruments to

Investment Grade with stable outlook by leading ratings analyst firm CARE recently," JSPL said. During FY 2017-18, JSPL infused fresh equity of Rs 1893 crore, Rs 1200 crore through a successful QIP issue and Rs 693 crore through issue of warrants to promoter group, it added.

The company also divested certain non-core assets to enhance its liquidity position by over Rs 2,000 crore, it added.

Shares of the company were trading 1.17 per cent higher at Rs 242.95 on BSE.

SUPPLY DISRUPTION and higher prices for the commodity likely to benefit Hindalco, Nalco and Vedanta

US Curbs on RUSAL Could be Good News for Local Aluminium Producers

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Sanctions imposed by the Trump government on Russia's largest and world's second-largest aluminium producer RUSAL will take away over 6% of global supply, and 14% outside China. Since this announcement, LME prices have gained 7% to \$2,140 a tonne. Indian aluminium companies such as Hindalco, Nalco and Vedanta will benefit from the higher prices due to the supply disruption if the sanctions last.

The US has barred its companies from dealing with RUSAL and said that other countries transacting with it would also be punished. RUSAL's biggest export markets are the US and the EU, which are also the biggest aluminium deficit markets with a reported deficit of 4.7 and 3.8 million tonnes, respectively.

LME Aluminium 3 Months Rolling Forward (US\$/tn)



India imported around 1.5 million tonnes of aluminium in 2017, mainly from China. Given the sanctions on RUSAL, China may find it more lucrative to target the Western markets for exports thereby reducing its exports to India, giving a boost to domestic producers.



The sanctions may also impact RUSAL's expansion plans at a time when new projects are hard to come by. Of the four major project ramp-ups globally, two are to be commissioned by RUSAL which now face uncertainty. China, which accounts for half of the

world's production and consumption, is going slow on capacity addition due to environmental issues and will not have any new capacity after 2020.

Also, the global aluminium inventory is lowest in the past seven years. These factors together are expected to keep prices firm. This augurs well for the Indian aluminium producers. What will benefit Hindalco and Nalco more is that they are backward integrated, that is they can procure alumina, a major raw material, from their own mines. This makes them among the lowest-cost producers in the world. Prices of alumina have risen 22% in the past month after a partial shutdown of Brazil's Alunorte, the world's largest alumina refinery, contributing 5% to global output. Vedanta is not fully backward integrated. On Tuesday, Hindalco, NALCO and Vedanta shares gained 4%, 3% and 1%, respectively.

SATYA SONTANAM

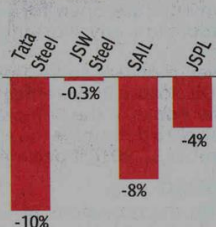
STATISTALK

The Trump effect

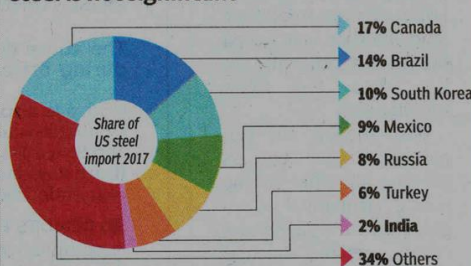
The Indian steel industry, which was on a recovery path over the last one year, is in a muddle again with the US imposing 25 per cent tariff on its steel imports. Though the order will not have a direct impact on steel producers, increase in global surplus could affect realisations

Steel stocks decline

Change in stock prices from March 1, 2018, when the tariff hike announcement was made

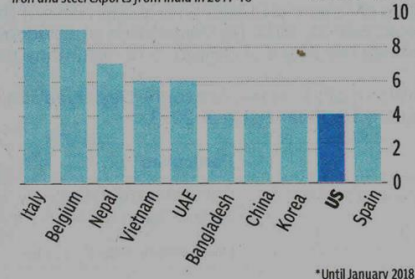


But US import of Indian steel is not significant



Similarly, India is not dependent on the US for steel exports

Iron and steel exports from India in 2017-18*



*Until January 2018

Trade war can however impact steel prices

Chinese hot rolled steel prices crashed after the tariff imposition



Falling prices can increase imports

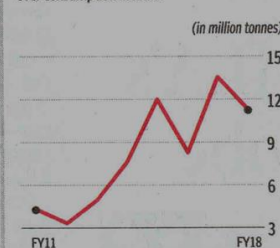
Due to global surplus, steel could be dumped into India



*Up to February 2018

Sale of domestic surplus may get difficult

Excess of steel production over consumption in India



Source: Ministry of Commerce and Industry; US Department of Commerce; International Trade Administration; Bloomberg; IBEF

Graphic: Visveswaran V

Coal India gas drill gets nod

A STAFF REPORTER

Calcutta: The Cabinet Committee on Economic Affairs on Wednesday permitted Coal India to extract natural gas (coal bed methane) from coal seams.

Earlier, Coal India and its subsidiaries had to apply to the oil ministry for a licence to extract methane from its blocks.

The cabinet ruling ensures the PSU will no longer require such permission. Coal India and its subsidiaries — BCCL and ECL — have identified blocks in Jharia and Raniganj for methane.

Union coal and railways minister Piyush Goyal had informed the Rajya Sabha last month a coal-bed methane block had been delineated in the BCCL mining leasehold within an area of 24 square kilometres covering Kapuria, Moonidih, Jarma and Singra blocks.

Another block has been delineated in the ECL mining leasehold with an area of 57 square kilometre covering Sripur, Satgram and Kunustoria areas.

“Due to this amendment, relaxation is

ENERGISER

- Cabinet allows Coal India to extract methane from its coal seams. Earlier PSU needed licence



- Coal India has identified blocks in Raniganj and Jharia for extraction

- Permission in line with ease of doing business of the government

- Obtaining tech biggest challenge

granted under the Petroleum & Natural Gas Rules 1959 (PNG Rules, 1959) to Coal India Ltd (CIL) and its subsidiaries for not applying for grant of licence/lease under the PNG Rules, 1959 for extraction of CBM under their coal bearing areas,” an official statement said.

Stating that the decision is in line with the government's initiatives of “ease of doing business”, the statement said the

move will expedite the exploration and exploitation of CBM, enhance the availability of natural gas and reduce the demand-supply gap.

“The increased development activities for exploration and exploitation of CBM gas reserves in-and-around the block will generate economic activities which in turn has potential to create employment opportunities in CBM operations and in the industries,” the statement said.

Technology hurdle

The biggest challenge that Coal India faces in the extraction of methane stems from the lack of technology it possesses to undertake extraction and the development of allied infrastructure.

Goyal in his reply had said, “CIL does not have the required technology for extraction of CBM. As such, a demonstration project was taken up in Jharia coal-fields. Further, for commercial exploitation, CIL is contemplating to extract CBM by engaging experienced developer/service provider through global tender.”

Aluminium set for biggest gain in 30 years on sanctions

BLOOMBERG

April 11

Aluminium is heading for its biggest winning streak since 1988 in the four days since the US slapped sanctions on United Co Rusal and as top exchanges said they'll stop accepting metal from the Russian smelting giant.

The metal advanced 3 per cent on Wednesday to \$2,266.50 a tonne by 11 a.m. on the London Metal Exchange. That is up 13 per cent since Thursday, before the US announced sanctions.

Both the LME and CME Group Inc's Comex have said they won't allow new deliveries of metal from Russian billionaire Oleg Deripaska's Rusal, the biggest aluminium producer outside of China.

"I think there's definitely potential for prices to pass recent peaks," Helen Lau, an analyst at Argonaut Securities Asia Ltd, said from Hong Kong. "Imagine how tight the world market is going to be if you lose a 10th of world supply, even for the short-term. More and more companies are responding to the sanctions."

After declining through most of this year, aluminium is heading back toward its peak of \$2,290.50 a tonne reached last December, a more than five-year high.

While Rusal's stock has been hammered in Hong Kong, the rally in aluminium prices has fuelled gains in the shares of rivals worldwide. The block on Russian supplies adds to earlier import tariffs imposed by the US to benefit Amer-

ican producers most. Alcoa Corp, the largest US producer, has climbed 14 per cent since the close last Thursday, before the sanctions announcement. Rusal shares have dropped more than 50 per cent this week.

The LME introduced a temporary suspension on placing Rusal metal on warrant with effect from April 17 unless the owner demonstrates it won't breach sanctions, the bourse said. It set the date on the view that metal warranted before then would have been produced and supplied by Rusal prior to April 6, the day sanctions were announced. Rusal is evaluating the effect, it said in a statement.

Comex said it has revoked the approved status for warranting and delivery of the company's brands against the futures contract.

Glencore Plc, the largest commodities trader, has said it won't proceed with a plan to swap its 8.75 per cent stake in Rusal for shares in another of Deripaska's companies, while Chief Executive Officer Ivan Glasenberg has resigned from Rusal's board. Glencore, which has a multi-year deal to buy Rusal metal, says it is evaluating other contracts with the group. "Still, there is no real way that aluminium from Rusal can be prevented from finding its way onto the global market eventually," according to Sanford C. Bernstein analysts. "China or any other non-ally of the US will likely buy shipments, and there are no means to effectively audit trade flows," they said.

THE BUSINESS LINE
DATE: 12/4/2018 P.N.5

Vedanta's Q4 iron ore output falls

New Delhi, April 11

Metal and mining giant, Vedanta, on Wednesday said its iron ore production in Goa fell 58 per cent to 1.5 MT in March quarter due to lower demand for low grade ore and closure of mining operations in the State. In Goa, production and sales during the quarter were 1.5 MT and 2.4 MT, respectively, the company said in a filing to BSE. "The production volumes were lower year-on-year primarily due to reduced demand for low-grade ore and mine closure pursuant to a Supreme Court judgement," it said. The apex court in an order dated February 7 directed mining operations in Goa to stop with effect from March 16. In Karnataka, the company's iron ore production stood at 0.1 MT. During the quarter, Vedanta's pig iron production stood at 1,82,000 tonne. Output of copper cathodes grew 3 per cent to 1,06,000 tonne from 1,03,000 tonne in the year-ago quarter. PTI

Singareni faces an uphill task

SCCL may find it difficult to meet target

K.M. DAYASHANKAR
PEDDAPALLI

The management of Singareni Collieries Company Limited (SCCL), faced with declining numbers of coal miners, is likely to utilise machinery to achieve the uphill task of meeting the target coal production of 68 million tonnes during the financial year (FY). In its 17 open cast projects (OCP) and 29 underground mines (UG), SCCL had set a target of producing 66 million tonnes of coal during FY 2017-18, but could only achieve 62.01 million tonnes. The current target of 68 million tonnes may be a Herculean task, trade union leaders and coal miners fear.

A decade ago, during FY 2007-08, SCCL produced 40.60 million tonnes of coal. At that time, it had 75,573 coal miners on its books. In FY 2017-18, the 62.01 million tonnes were produced with only 54,043 miners. Despite losing over 20,000 miners, the management's ever increasing production targets have steadily increased the burden on the staff.

Officials are confident of achieving the target by increasing the performance of machinery in all the mines. The side dump loader (SDL) and load-header dumpers (LHD) - which were functioning for 8 hours to 10 hours per day in three shifts -

would function between 14 hours and 16 hours per day to increase coal production in underground mines.

In OCPs, the miners may also face increased working hours. The management plans to make the workers use showels for increasing coal production in the open cast mines. The officials claimed if the available machinery is put to efficient use, the target coal production could definitely be achieved this year.

Trade union leaders and miners expressed concerns that to meet the target, the work load on the miners may be too taxing. Already a

majority of the miners are aged over 50 years. They are also suffering from various ailments and burdening them with heavy workload would prove dearly, the trade union leaders stated. Stating that the management was encouraging private contractors in the execution of coal and overburden work in the OCPs, the trade union leaders demanded that the government should accord priority for the recruitment of coal miners.

They insisted that more underground mines be opened up to provide employment and increase coal production.

Industrial production grows 7.1 pc in Feb on manufacturing boost

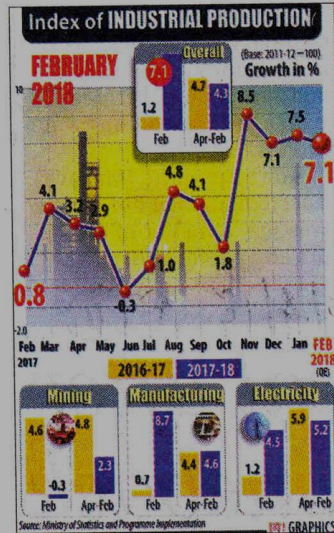
NEW DELHI, Apr 12 (PTI)

MAINTAINING high growth for the fourth month in a row, industrial production grew at 7.1 per cent in February, mainly driven by robust performance of the manufacturing sector coupled with higher offtake of capital goods and consumer durables.

Factory output measured in terms of the Index of Industrial Production (IIP) had grown by 1.2 per cent in February 2017, as per data released by the Central Statistics Office (CSO) on Thursday.

The Index of Industrial Production recorded a growth of 8.54 per cent in November, 7.1 per cent in December and 7.4 per cent in January, as per the revised data.

During April-February, Index of Industrial Production growth has slowed to 4.3 per cent from 4.7 per cent in the same period last fiscal.



Manufacturing sector, which constitutes over 77 per cent of the index, grew at 8.7 per cent in February as compared to almost flat growth of 0.7 per cent in the same month a year ago.

Similarly, capital goods output

rose by a robust 20 per cent in the month under review as against a contraction of 2.4 per cent earlier.

Consumer durables too grew at 7.9 per cent as against a contraction of 4.6 per cent in February 2017. Electricity generation also grew by 4.5 per cent compared to 1.2 per cent.

However, mining output declined by 0.3 per cent against a growth 4.6 per cent earlier.

As per use-based classification, the growth rates in February 2018 over February 2017 are 3.7 per cent in primary goods, 3.3 per cent in intermediate goods and 12.6 per cent in infrastructure/construction goods.

The consumer non-durables sector recorded a growth of 7.4 per cent.

In terms of industries, 15 out of the 23 industry groups in the manufacturing sector have shown positive growth during February 2018.

Buy gold if it touches \$1,335/ounce

GNANASEKAAR T

Comex gold futures slipped from their 11-week high on Thursday as the dollar gained and investors booked profits, but geo-political tensions in Syria capped the losses.

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 per ounce zone.

The lower end of the zone could once again come in for a test before rising. Price structures favour a gradual rise after correcting lower from \$1,365 a previous resistance.

Near-term upticks could be capped in the \$1,365 zone and a close above here could trigger sharper up move immediately towards \$1,374 or



even higher subsequently.

A positive trigger for the medium-term in sustaining the uptrend is likely to be above a close of \$1,375 levels.

In the coming week, we expect \$1,338-40 levels to hold for a push higher towards \$1,365 opening the way for to \$1,374 levels or even higher to \$1,400 subsequently.

Unexpected fall below \$1,328 could see a sharp decline to \$1,310 levels again,

which is not our favoured view.

Wave counts: It is most likely that the fall from record \$1,925 to the recent low of \$1,088 so far, was either a possible corrective wave "A", with a possibility to even extend towards \$1,025-30 levels or a complete correction of A-B-C ending with this decline.

Subsequently, to this decline, a corrective wave "B" could unfold with targets near \$1,375 or even higher. After that, a wave "C" could begin lower again.

Alternatively, we can also expect wave "B" to extend to \$1,476 levels. If the current decline as a whole from \$1,920 can be considered as a fourth wave, then the fifth wave could begin and cross \$1,700 in the long-term. An eventual break above \$1,355 could see the wave "B" scenario emerge in the coming sessions.

While \$1,270 holds, we still favour prices rising higher towards \$1,450-75 in the form of wave "B". We will reassess around \$1,450-70 levels on the potential for a wave "C" decline subsequently.

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

Therefore, buy Comex gold on dips around \$1,335-40 with the stop-loss at \$1,325 targeting \$1,374 followed by \$1,395.

Supports are at \$1,340, 1,320 and 1,305. Resistances are at \$1,365, 1,374 and 1,398.

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

ICEX launches 30-cents diamond futures contract

MUMBAI, Apr 12 (PTI)

THE Indian Commodity Exchange on Thursday launched 30-cents diamond futures contracts, adding to its existing product basket of 1-carat and 50-cents contracts.

ICEX had launched the world's first diamond derivatives contracts in August last year with 1-carat futures contracts, and had subsequently added the 50-cents contracts.

With the addition of 30-cents, ICEX now serves a larger chunk of the diamond industry in terms of providing direct hedging facilities, a statement issued here said.

Initially, three monthly futures contracts of 30-cents diamonds will be available for trading on the exchange for July 2018, August 2018 and September 2018. The important quality parameters for diamonds to be traded on the exchange platform are HVS2, triple X with pointed culet and negligible fluorescence.



Since its launch in August 2017, the exchange has witnessed the delivery of 282.39 carats of diamond valuing Rs 8.02 crore, according to the release.

Earlier, ICEX had started the facility of delivering the diamond purchased by clients on its platform to their doorsteps and had selected Malca Amit as the logistic partner. The stones are delivered in tamper-proof covers, with certificates evidencing all details of the same.

According to Sanjit Prasad, managing director and chief executive officer, ICEX, in an exchange environment, the physical delivery is effected from its designated warehouse where the client has to come physically to take delivery.

"Such a practice dissuades buyers who belong to locations other than the designated delivery centers. ICEX understood the gap and devised a mechanism wherein the vault agency delivered the diamond bought by the investor at the doorstep of the client," he added.

LN Mittal-led Aperam to Buy VDM Metals

Our Bureau

Kolkata: LN Mittal-led Aperam, a leading producer of stainless, electrical and specialty steels, has signed an agreement to buy VDM Metals for €438 million, a move that is likely to create a leader in global premium speciality alloys.

In a statement issued on Thursday, Aperam said it has signed a share purchase agreement with Falcon Metals and Lindsay Goldberg Vogel to acquire VDM Metals Holding GmbH.

"This acquisition will allow us to profitably grow in this segment by offering customers the largest range of speciality alloy products and services with an enhanced footprint. While maintaining our priority of a strong balance sheet, consistent with investment grade ratios, we are confident that this acquisition will create further value for all Aperam's stakeholders," said Aperam CEO Timoteo Di Mauro.

THE ECONOMIC TIMES DATE: 14/4/2018 P.N.1

SC Rejects Bid to Scrap IBC Process for Binani Cement

Forces parent Binani Ind to withdraw the plea as matter will be heard in NCLAT on April 19

**Samanwaya Rautray
& Vatsala Gaur**

New Delhi | Mumbai: The Supreme Court stalled UltraTech's bid to acquire bankrupt Binani Cement, reviving the chances of the Dalmia Bharat-led consortium that had come out ahead in the February auction held as part of the resolution process under the Insolvency and Bankruptcy Code (IBC).

The bench forced Binani Industries Ltd, the parent of Binani Cement, to withdraw its urgent plea to scrap the IBC process after getting a better offer from UltraTech that would allow the repayment of all dues. That matter will be heard elsewhere, the court said.

"Why should we go into all this? Isn't it coming up again on April 19 before the NCLAT (National Company Law Appellate Tribunal)?" said the Supreme Court bench of Justices Adarsh Kumar Goel and RF Nariman on Friday.

The top court, however, said it would hear another plea by a group of operational creditors that's backing the Binani promoters' higher offer. That hearing is scheduled for April 19.

Under the resolution process,

the committee of creditors had accepted a Rs 6,350-crore offer by Dalmia Bharat in consortium with a private equity fund formed by Bain Capital and Piramal Enterprises. Dalmia Bharat was represented by subsidiary Rajputana Properties. That March 14 vote for the Dalmia-led offer, to the extent of 99.5% of creditors by value, came hours after UltraTech filed a revised bid with the National Company Law Tribunal (NCLT), Kolkata, increasing its earlier bid by Rs 700 crore to Rs 7,266 crore.

Dalmia Bharat welcomed the decision.

"The message is loud and clear that once an H1 bidder has been chosen through a rigorous process as laid down by the IBC code, the sanctity of the same needs to be preserved," said Mahendra Singhi, group CEO, Dalmia Bharat. "We are encouraged by the fact that the primacy of the IBC code in insolvency cases has been established and this will help in attracting high-quality domestic and international capital to facilitate resolution of the mounting NPAs (non-performing assets) of the banking sector in an expeditious manner."

UltraTech declined to comment.

Binani counsel Harish Salve said nothing in the IBC stood in the way of a promoter paying a company's dues in full and exiting the resolution process. "If I pay up all my dues, the law has achieved its purpose," he said. The Binani petition was filed through Mahesh Aggarwal.

Binani withdraws termination plea of insolvency process

**INDUBHAN,
MITHUN DASGUPTA &
SHAMIK PAUL**
NEW DELHI/KOLKATA/
MUMBAI, APRIL 13

THE SIGNIFICANCE

■ The apex court's verdict assumes significance for the IBC process as it will deter bidders from seeking resolutions outside of the purview of the IBC

WITH THE Supreme Court unwilling to interfere in the proceedings under the Insolvency and Bankruptcy Code, 2016 (IBC), Binani Industries (BIL) on Friday withdrew its appeal for termination of the insolvency process under the IBC. BIL was hoping to pursue an out-of-court settlement for the sale of its subsidiary Binani Cement.

With this, Dalmia Bharat is set to take control of the loss-making cement manufacturer, subject to clearance by the National Company Law Tribunal (NCLT). Dalmia Bharat's resolution plan was approved by the committee of creditors (CoC) in March and it is believed to have submitted a bid of about Rs 6,600 crore.

The apex court's verdict assumes significance for the IBC process as it will deter bidders from seeking resolutions outside of the purview of the IBC.

A bench comprising justices AK Goel and Rohinton Nariman was unimpressed with BIL's plea to terminate insolvency proceedings. Nariman questioned BIL's urgency in the matter when the National Company Law Appellate Tribunal (NCLAT) was scheduled to hear the matter on April 19. "What is going to happen till then... Why should we interfere? UltraTech, the second highest bidder who was outbid, has put you up. Now the owner is taking a loan from UltraTech to repay the lenders so that it can come back," the judge said.

Senior counsel CA Sundaram contended the code bars promoters and the company acting in consort with it from making any offer. "Here is the promoter who has defaulted, winding up

petition against it is already pending in the Calcutta High Court and has siphoned off Rs 2,400 crore. Now he has brought a failed bidder. They are barred from giving any resolution plan. I have gone through the whole process and my resolution plan has been approved by the creditors," he said. Senior counsel NK Kaul, appearing for Dalmia Bharat, argued that it was an "unholy alliance between a promoter and a failed bidder... They can't introduce settlement in this manner."

In early April, the NCLAT had instructed the NCLT to follow the IBC guidelines while resolving the Binani Cement case. On March 16, the CoC had approved the resolution plan submitted by Dalmia Bharat-controlled Rajputana Properties. A large financial creditor to Binani Cement said, on condition of anonymity, the out-of-tribunal offer had been considered because the Kolkata bench of the NCLT had asked the CoC to do so. "If the tribunal gives the CoC directions, we will meet," he said.

Binani Industries had reached an in-principle understanding with UltraTech Cement last month that would allow the latter to buy Binani Industries' 98.43 per cent stake in Binani Cement for Rs 7,266 crore provided the resolution process under the IBC was terminated. **FE**

White House to decide on rollback of tariff on Indian steel, aluminium

US Trade Representative office forwards New Delhi's arguments to Trump's office

AMITI SEN

New Delhi, April 13

The White House will take a final call on India's request for a rollback of higher import tariffs on steel and aluminium imposed by the US.

"The US Trade Representative's office has forwarded to the White House all arguments made by India on why it should not be saddled with higher import duties. It is the US President's office which would now have to decide the matter," a government official, privy to the recent India-US Trade Policy Forum dialogue, told *BusinessLine*.

The US imposed a 25 per cent levy on steel and 10 per cent on aluminium on a handful of countries, including India and China, in March, ostensibly to protect US national security and economic interests.

India wants the US to revoke the levy as was done in the case

of the EU, Argentina, Australia, Brazil, South Korea, Canada and Mexico.

"Our main argument against the duty increase is that India has actually taken steps over the past year to reduce the trade deficit with the US and the same can't be said about countries like China," the official said.

In 2017, the US' trade deficit with India came down to \$22.8 billion from \$24.3 billion. "In a single year, 2017, the US exports to India jumped to \$25.7 billion, from \$21.7 billion in 2016," the official said.

The US trade deficit with China, on the other hand, increased to about \$375 billion in 2017 from \$345 billion in 2016.

"We pointed to the concrete efforts made by the country in increasing imports from the US at the India-US Trade Policy Forum meeting this week and insisted that these should be re-



US President Donald Trump

cognised and the increased duty on steel and aluminium be rolled back," the official said.

Strategic partner

New Delhi also pointed out that the country has been a strategic partner of the US in defence for a long time and posed absolutely no security threat.

"The USTR office representatives assured us that all our arguments were being forwarded to the White House which will go through it and take a final

decision on the matter," the official said. The government is working on the actual hit that the steel and aluminium industry could take because of the increased tariffs by the US.

"The hit that our industry will take will not just be restricted to the fall in exports to the US. The fallout would also be incidental as it could get crowded out of its other global markets which would see more intense competition from China and Japan which stand to lose their market in the US," the official explained.

While China has hit out at the US' unilateral measures by announcing reciprocal tariffs on a number of items exported by the US to the country, no other country has yet adopted the tit-for-tat measure.

New Delhi could complain to the World Trade Organisation (WTO) against the higher import tariffs (if these are not withdrawn) as the duties have been imposed selectively and go against multilateral trade rules.

Gold imports shrink 40 pc to USD 2.49 bn

NEW DELHI, Apr 13 (PTI)

INDIA'S gold imports fell 40.31 per cent to USD 2.49 billion in March, which is expected to keep a lid on the current account deficit (CAD). Total imports of the precious metal in the corresponding period of 2016-17 stood at USD 4.17 billion, according to Commerce Ministry data.

According to industry experts, softening prices of the precious metal in the global markets could be the reason for the decline in the value of imports.

The imports had recorded negative growth in January and February as well.

India is one of the largest gold importers in the world and the shipments mainly take care of the jewellery industry demand.

Silver imports, however, grew by 31 per cent to USD 267.33 million in March. At present, gold import attracts 10 per cent duty. The gems and jewellery industry



along with the Commerce Ministry have time and again urged the Finance Ministry to consider reducing the import duty. In volume terms, India imported 500 tonnes of gold in 2016-17. The CAD more than doubled to 1.9 per cent of GDP in the April-December 2017 period from 0.7 per cent in the corresponding period of 2016-17 due to wider trade deficit.

The CAD, which shows the difference between foreign exchange earned and spent, rose to 2 per cent of the GDP at USD 13.5 billion in the December quarter.

Unions' strike plan against commercial mining fizzles out

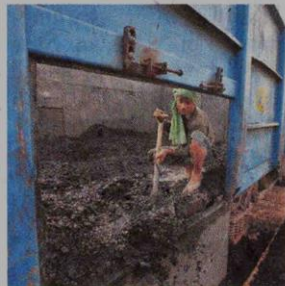
Five central unions call off strike intended for April 16

INDRANI DUTTA
KOLKATA

The proposed strike by five central unions to protest the government's move to open up the coal sector for commercial mining, has fizzled out, with the strike call for April 16 being withdrawn.

This followed meetings between the trade unions and officials of the Union Coal Ministry and the Coal Minister on April 12 and 13.

The meetings were attended by representatives of four central trade unions affiliated to the Bharatiya Mazdoor Sangh, the Hind Mazdoor Sabha, the All India Trade Union Congress and



the Centre for Trade Unions which had jointly called for a day's strike at Coal India Ltd. and Singareni Collieries Company Ltd. on April 16.

The Indian National Mineworkers Federation, affiliated to the Indian National Trade Union Congress, was

not called to the meeting since it had been kept out of all labour-related formal talks over a few legal issues since last year.

'No option for INMF'

The INMF had followed the March 14 joint strike notice with its own notice on April 5. It is now "left with no option but to withdraw its decision to go for a one day strike," INMF secretary general S.Q. Zama said in a letter to the Coal Secretary.

Later, an office-bearer at a trade union said it had been decided to form a committee to examine issues relating to commercial mining.

Gold glitters on global trends

PRESS TRUST OF INDIA
NEW DELHI

Gold regained its sheen by bouncing ₹300 to ₹32,100 per 10 grams at the bullion market largely due to a firm trend overseas as political tensions in West Asia rose amid fresh buying by local jewellers.

Silver also rebounded by ₹250 to ₹40,000 per kg largely on the back of increased offtake by industrial units and coin makers.

Marketmen said a firming trend overseas as tensions in West Asia raised demand for the precious metals as a safe haven and pick-up in buying by local jewellers to meet retailers' demand at the domestic spot market, mainly led to a rise in gold prices.

Gold rose 0.83% to \$1,345.40 an ounce and silver 1.22% to \$16.63 an ounce in New York.