



खनिज समाचार

KHANIJ SAMACHAR

Vol. 2, No-17

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



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KHANIJ SAMACHAR



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FROM
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INDIAN BUREAU OF MINES
VOL. 2, NO-17, 1st –15th SEPTEMBER, 2018

BUSINESS LINE DATE : 3/9/2018 P.N.8

Metals (\$/tonne)						
Aluminium	2102	2.4	2.0	0.1	2603	1966
Copper	5968	0.0	-5.0	-11.7	7324	5841
Iron Ore	62	-0.3	1.4	-19.1	79	58
Lead	2058	0.8	-3.9	-13.1	2683	1973
Zinc	2462	-0.5	-8.0	-21.6	3619	2325
Tin	19053	-0.5	-5.6	-8.7	22104	18662
Nickel	12708	-3.7	-8.8	8.2	15749	10170

DAINIK BHASKAR DATE : 2/9/2018 P.N.3

केंद्र
सरकार
पर द्रमुक
और
तमिलनाडु
सरकार
का हमला

स्टरलाइट यूनिट को लेकर फिर विवाद वेदांता लिमिटेड के समर्थन में रिपोर्ट तैयार की गई

एजेंसी | चेन्नई

तमिलनाडु सरकार ने तूतीकोरिन में केंद्र सरकार इलाके के भूजल प्रदूषण केंद्र सरकार द्वारा तैयार की गई रिपोर्ट को खारिज कर दिया है। राज्य सरकार का कहना है कि यह रिपोर्ट पूरी तरह से संदिग्ध है और इससे ऐसा लगता है कि वेदांता लिमिटेड के समर्थन में यह रिपोर्ट तैयार की गई है। गौरतलब है कि



तूतीकोरिन में वेदांता लिमिटेड के प्लांट के खिलाफ स्थानीय लोगों द्वारा जमकर प्रदर्शन किया गया, जिसके बाद राज्य सरकार ने यहां वेदांता की स्टरलाइट यूनिट को बंद करवा दिया था। इस मामले पर राज्य की मुख्य विपक्षी पार्टी के मुखिया एमके स्टालिन ने केंद्र सरकार के साथ-साथ राज्य की एआईएडीएमके सरकार को भी आड़े हाथ लिया। स्टालिन ने कहा- भाजपा और एआईएडीएमके स्टरलाइट प्लांट को फिर से शुरू करने के लिए हाथ मिला चुके हैं, यह निंदनीय है। केंद्रीय जल संसाधन मंत्रालय ने तुतुकुडी के आसपास स्वतंत्र रूप से भूजल विश्लेषण का आयोजन किया लेकिन यह बहुत चौकाने वाला है कि विश्लेषण स्टरलाइट प्लांट के पक्ष में था।

अप्रैल में जांच करने के बाद बंद की गई यूनिट



केंद्रीय जल संसाधन मंत्रालय की इस रिपोर्ट के जवाब में मुख्य सचिव गिरिजा वैद्यनाथन ने जल संसाधन मंत्रालय, के सचिव को पत्र लिखकर कहा-तमिलनाडु को इस बात से घबराहट हो रही है कि रिपोर्ट को बिना राज्य सरकार या तमिलनाडु प्रदूषण नियंत्रण बोर्ड को शामिल किए ही तैयार की गई। तमिलनाडु प्रदूषण नियंत्रण बोर्ड द्वारा तूतीकोरिन में वेदांता स्टरलाइट कॉपर यूनिट को अप्रैल में बंद किए जाने पर मुख्य सचिव ने कहा-तमाम कारकों की जांच और विश्लेषण करने के बाद ही यह फैसला लिया गया था। 7 सितंबर को लिखे गए पत्र में उन्होंने लिखा है-वैज्ञानिक अध्ययन के आधार पर तमिलनाडु प्रदूषण नियंत्रण बोर्ड इस नतीजे पर पहुंचा कि स्टरलाइट कॉपर यूनिट की वजह से स्थानीय लोगों के स्वास्थ्य को नुकसान पहुंचा है, इसीलिए इस यूनिट को बंद किया गया।

Near-term outlook positive for gold

Price action on the chart indicates a relief rally to \$1,230

GURUMURTHY K

Gold prices remained subdued last week. Global spot gold prices began the week on a positive note and made a high of \$1,214 per ounce. However, it failed to sustain higher and fell back to a low of \$1,196, before closing the week at \$1,203.6 per ounce. The price action last week indicates that gold is lacking fresh buyers to take it decisively higher.

At the same time, the yellow metal managing to sustain above \$1,200 almost all through the week also indicates the absence of strong sellers to drag gold decisively below the psychological level of \$1,200. This leaves the near-term outlook mixed for gold. As such, the price action in the coming days will need a close watch to get a cue on the direction of the next move.

Trade war

The next wave of trade war between the US and China is all set to begin. The US is gearing up to impose tariffs on Chinese goods worth \$200 billion this week. A retaliation from China is likely to follow. Gold has failed to gain glitter ever since the US triggered the

trade war in March by levying import duty on aluminium and steel. Will this trend change? Will gold manage to gain safe-haven status from this new wave of trade war? We have to wait and see.

Dollar getting support

The US dollar index bounced higher on Friday after hovering around 94.5 for most part of the week. The index made a low of 94.43 and moved up, to close the week on a flat note at 95.14. The level of 94.5 has provided strong support and limited the downside for the index last week. As long as the index sustains above 95, an upmove to 95.8 or 96 is likely in the near term. This can continue to keep gold prices subdued. A strong break above 96 will then increase the likelihood of the index extending its upmove to 97.

The index will come under pressure only if it decisively breaks below 94.5. It can then fall to 94 or 93.85 initially. A further break below 93.85 will increase the downside pressure and drag the index to 93 thereafter.

The US non-farm payroll and the unemployment data release is due on Friday. The

outcome of this data will be key to setting the next trend in the dollar index.

Gold outlook

The global spot gold (\$1,203.6 per ounce) has a cluster of supports between \$1,200 and \$1,190. As long as it sustains above this support zone, there is a strong likelihood of seeing a relief rally to \$1,225 or \$1,230 in the near term.

The bias will turn negative only if the yellow metal breaks below \$1,190. The next targets are \$1,185 and \$1,180. The outlook will turn bearish if gold declines below \$1,180. In such a scenario, a revisit of \$1,170 and \$1,160 levels is possible in the short term.

Silver tumbles

Silver underperformed compared with gold last week.

Global spot silver prices tested the psychological \$15-per-ounce mark, but failed to breach it decisively. The prices fell sharply, giving back all the gains, and closed 1.9 per cent lower for the week at \$14.54 per ounce.

A key support is at \$14.4. But silver looks vulnerable for a fall below \$14.4 and may target \$14 or even lower levels. Silver will get a breather only if it breaks above \$15 decisively, which looks less probable at the moment.

Rupee aids domestic prices

The rupee falling to a new record low of 71 against the US dollar last week helped the domestic bullion prices sustain higher compared with the global prices.

The gold futures contract on the Multi Commodity Exchange (MCX) surged to an intra-week high of ₹30,359 per 10 g, but reversed lower, giving back some of the gains, and closed at ₹30,129 per 10 g, up 0.76 per cent.

The weak rupee also helped limit the loss in the MCX-Silver futures contract compared with the global prices last week. The MCX-Silver contract closed the week at ₹36,701 per kg, down 0.82 per cent. MCX-Gold (₹30,129) has strong support at ₹29,900. As long as the contract remains above this support, the outlook will be positive. An intermediate resistance is at ₹30,275. A break above it can take the contract higher to ₹30,600. A strong break and a decisive close above ₹30,600 will then pave the way for a fresh rally to ₹31,000 or even ₹31,500 thereafter.

The outlook for MCX-Silver (₹36,701 per kg) is negative. Immediate support is at ₹36,500. A strong break below it can drag the contract lower to ₹36,000. But the outlook will turn positive only if the contract decisively breaks above the key resistance at ₹37,500. Such a break will then increase the likelihood of the contract targeting ₹38,000 and ₹38,500 thereafter.



MCX Gold

Supports:
₹29,900/29,700
Resistances:
₹30,600/31,000

MCX Silver

Supports:
₹36,500/36,000
Resistances:
₹37,500/38,000



ISTOCK.COM/RAVITALY

Coal import rises to 79 MT in 4 months

■ Business Bureau

INDIA'S coal import rose 11.9 per cent to 78.7 million tonnes in the first four months of the current fiscal. The country had imported 70.3 million tonnes (MT) coal in April-July period of the last fiscal, mjunction services, a joint venture between Tata Steel and SAIL, said. "Overall, coal and coke imports during the first 4 months (April-July) of 2018-19 stood at 78.79 MT, about 12 per cent higher than 70.33 MT recorded for the same period last year," it said.

The country's coal import in July increased by 42 per cent to 20.79 MT (provisional), over 14.64 MT (revised) in the same month previous year.

"Coal import (all types of coal) in July 2018 stood at 20.79 million tonnes (MT) (provisional), higher than 18.75 MT (revised) in June 2018 and also higher than 14.64 MT (revised) in July 2017," mjunction services said.

The increase in coal and coke imports in July is mainly due to



a 12.9 per cent growth (month-on-month) in non-coking coal shipments, it said.

There was also a marginal growth in coking coal imports in July on a monthly basis, it added.

"Steam coal imports went up in July as the power plants continued to face shortage despite the best efforts by domestic miners to mitigate the gap. Also, there was a slight easing of prices in the international markets and

expectation of further corrections, going forward, prompted the buyers to take fresh positions," mjunction CEO Vinaya Varma said.

The Government earlier said that during 2017-18 coal imports increased to 208.27 MT due to increase in demand by consuming sectors. The country's coal import fell from 217.7 million tonnes in 2014-15 to 190.9 MT in 2016-17.

BUSINESS LINE

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

Coal India output grows 12%

SPECIAL CORRESPONDENT
KOLKATA

Coal India Ltd. (CIL) clocked a 12% growth rate in the first five months of this fiscal, producing 216.2 million tonnes of coal, according to a filing. Most of the output growth came from CIL subsidiaries – Eastern Coalfields Ltd., Northern Coalfields Ltd., South Eastern Coalfields Ltd. and Assam-based North Eastern Coalfields.

CIL's loading for the power sector increased by 11.8% between April and August. Coal offtake at 246.9 million tonnes was 9.5% higher in this period. Coal stock at linkage-based thermal power plants, as on August 30, stood at 14.7 million tonnes, CIL said.

THE HINDU DATE : 4/9/2018 P.N.14

Vedanta Resources: decks clear for delisting on Oct. 1

Minority shareholders agree to sell shares

VIDYA RAM
LONDON

Vedanta Resources, the first Indian company to have gained a premium listing on the London Stock Exchange, is expected to be delisted on October 1, after minority investors agreed to sell their shares to the family investment vehicle of its executive chairman Anil Agarwal.

On Monday, Volcan Investments Limited, the holding company wholly owned by Mr. Agarwal's discretionary trust, said it now held or had received acceptances of its offer on 92.31% of Vedanta Resources share capital and the cash offer had now become unconditional in all



Anil Agarwal

respects. The offer remains open for acceptances until further notice.

All-cash offer

The effort to take Vedanta Resources private has moved rapidly from early Ju-

ly, when the plan to acquire the 33.47% that it did not own was announced by Volcan Investments, valuing the company at £2.325 billion (\$3.03 billion). The all-cash offer of £8.25 a share marked a 28% premium on the closing price of Vedanta Resources on the Friday before the offer was announced.

The offer was recommended by an independent committee of the company which described the offer as an "attractive" one that secured "delivery of future value today in cash, whilst providing shareholders with the ability, should they choose, to retain exposure to the Vedanta Group growth story."

Short-term view bullish for MCX Aluminium

GURUMURTHY K

BL Research Bureau

The aluminium futures contract on the Multi Commodity Exchange, witnessed a strong rally, as expected in the past week. The contract surged about 5 per cent intra-week and made a high of ₹152.35 a kg on Thursday. The contract has, however, come off from its high and is currently trading at ₹149 per kg.

The short-term outlook is bullish. However, an intermediate dip to test the key near-term support at ₹147 cannot be ruled out. But a break below ₹147 looks less probable. Indicators on the

chart are also emitting bullish signals.

The 21-day moving average has crossed over the 200-day moving average and is on the verge of crossing over the 55-day moving average. This is a bullish signal indicating that the downside could be limited in the near term.

As such, dips to ₹147 are likely to find fresh buyers coming into the market. A strong bounce from ₹147 will have the potential to take the MCX Aluminium futures contract higher to ₹154 initially.

A further break above ₹154 will then pave the way

for the next targets of ₹158 and ₹160 in the coming weeks.

The bullish outlook will get negated if the contract declines below ₹147. In such a scenario, a fall to ₹144 or ₹143 is possible.

Medium-term traders with long positions taken last week at ₹145, can hold them with a revised stop-loss at ₹146. Move the stop-loss higher to ₹149 as soon as the contract moves up to ₹152. Book profits at ₹155.

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

Vedanta to delist from LSE on Oct 1

New Delhi: Mining mogul Anil Agarwal-led Vedanta Resources looks to delist from London Stock Exchange (LSE) on October 1, after the holders of 26% of shares have agreed to sell their stake to his family trust Volcan Investments, as per a regulatory filing.

"The board of directors of Volcan Investments Ltd (Volcan Investments) is pleased to announce that the recommended cash offer by Volcan Investments for Vedanta Resources Plc has become unconditional in all respects," Volcan Investments said in a regulatory filing to the London Stock Exchange on Monday.

Volcan is a holding company wholly owned by Agar-

wal's discretionary trust. "Volcan Investments intends to procure that Vedanta Resources will apply to the London Stock Exchange and the UK-LA (UK Listing Authority) to cancel the admission of Vedanta shares to trading on the



London Stock Exchange's main market for listed securities and the admission to listing of Vedanta shares on the premium listing segment of the official List, respectively. This delisting is expected to occur on 1 October 2018," it said.

Agarwal is also Anglo American's biggest shareholder with a nearly 20% stake through Volcan. AGENCIES

Resistance caps the upside in MCX Zinc

GURUMURTHY K

BL Research Bureau

The zinc futures contract on the Multi Commodity Exchange (MCX) made a high of ₹180.5 per kg on August 28 and has reversed lower from there. The contract has fallen 2.8 per cent and is now at ₹175.5/kg.

The pull-back in the past week indicates that the contract lacks fresh buying interest to take it decisively higher.

A key resistance at ₹179 has halted the up-move that had begun from the August low of ₹163.8. As long as the contract trades below this resistance, a dip to ₹171 is likely in the near-term. A strong break below ₹171 will bring selling pressure on the contract. Such a

break will then increase the likelihood of the contract tumbling to ₹165 or even ₹160.

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

The contract has to surpass the hurdle at ₹179 in order to bring back the bullish momentum. Such a break will ease the downside pressure and take the contract higher to ₹182 and ₹183.

A further, decisive break above ₹183 will then pave the way for a fresh rally to ₹186 and ₹190 in the coming weeks.

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



खनिज रायल्टी देने में सेकंड



**₹27482.9 लाख का
2017-18 में योगदान**

व्यापार प्रतिनिधि

नागपुर. इससे ज्यादा विडंबना और क्या हो सकती है कि जिस यवतमाल जिले में सर्वाधिक किसान आत्महत्या कर रहे हैं, उस जिले से सरकार को खनिज से सबसे ज्यादा रायल्टी मिलती है. पूरे राज्य में यवतमाल का नंबर दूसरे स्थान पर है. पहले नंबर पर चंद्रपुर है. राज्य के कुल 11 जिलों से सरकार को खनिज के लिए रायल्टी मिलती है, जिनमें विदर्भ के 3 जिलों का योगदान सबसे ज्यादा है.

यवतमाल के आंकड़े देखकर लगता है किसान आत्महत्या का असर खनन उद्योग पर पड़ा है, क्योंकि जिले का राजस्व योगदान वर्ष दर वर्ष कम होता जा रहा है. हालांकि इसके बावजूद यवतमाल दूसरे नंबर पर ही है. पहले नंबर पर रहे चंद्रपुर से गतवर्ष राज्य को वर्ष 2015-16 में यवतमाल ने 36435.77 लाख, वर्ष 2016-17 में 21709.98 लाख और वर्ष 2017-18 में 27482.9 लाख रुपये का योगदान दिया है. 3 वर्षों में जिले का योगदान 85646.65 लाख रुपये रहा है. हालांकि वर्ष 16 की तुलना में 18 में योगदान लगभग 1000 लाख करोड़ कम हो गया है.

चंद्रपुर रहता है अक्वल

राज्य के कुल राजस्व में चंद्रपुर का योगदान लगभग 45 फीसदी के आसपास रहता है. इस जिले की योगदान राशि के बाद दूसरे स्थान वाले लगभग आधे पर रहते हैं. चंद्रपुर ने वर्ष 2015-16 में 46993 लाख, वर्ष 2016-17 में 45390 लाख और वर्ष 2017-18 में 60551 लाख रुपये का योगदान दिया है. इस जिले का योगदान निरंतर बढ़ता जा रहा है. आने वाले दिनों में जिले का योगदान और बढ़ने की उम्मीद है, क्योंकि कई बड़ी खदानें इसे जिले में शुरू होने जा रही हैं.

किन जिलों से मिलती है कितनी रायल्टी

जिले	2015-16	2016-17	2017-18	3 वर्ष का कुल (लाख रु.में)
नागपुर	18326.37	21670.73	31101.86	71098.96
भंडारा	968.26	1402.94	1680.29	4051.49
गोंदिया	27.41	49.09	43.62	12.12
चंद्रपुर	46993.70	45390.93	60551.02	152935.65
गडचिरोली	39.74	235.32	554.07	829.13
अमरावती	0.84	1.6	5.22	7.66
यवतमाल	36453.77	21709.98	27482.9	85646.65
रत्नागिरी	769.21	152.74	185.06	1107.01
सिंधुदुर्ग	2054.20	1766.31	923.68	4744.19
कोल्हापुर	2110.64	1776.49	1827.14	5714.27
रायगढ़	150.98	176.04	21.94	348.96
कुल	107895.12	94332.17	124376.8	326604.09

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**खदानें
यवतमाल में**

प्राप्त आंकड़ों के अनुसार यवतमाल में आरंभ से लेकर अब तक 38 खदानें हैं. इनमें से अधिकांश खदान लाइमस्टोन, डोलोमाइट की हैं. इसके अलावा कोयले की खदानें हैं. जिले की वणी तहसील में ही 26 खदानें संचालित हो रही हैं. इसके अलावा जरीजामिनी और मोरेगांव तहसील में खदानें हैं.

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**फीसदी खनिज
विदर्भ में**

विभागीय आंकड़ों के अनुसार राज्य में कुल खनिज का 70 फीसदी हिस्सा विदर्भ के जिलों में है. विदर्भ के बाहर रत्नागिरी, सिंधुदुर्ग, कोल्हापुर और रायगढ़ जिले में ही कुछ खनिज है, जहां से राज्य सरकार को रायल्टी मिलती है. देश में खनिज उत्पादन और राजस्व अर्जन दोनों ही मामले में महाराष्ट्र राज्य 9वें नंबर पर है. अधिकारियों का कहना है कि इसमें सुधार होने की गुंजाइश है और हम एक-दो पायदान ऊपर चढ़ सकते हैं.

1,400

**करोड़ का
टारगेट छूटा**

भूतत्व एवं खनिज विभाग को चालू गत वित्त वर्ष 2017-18 के दौरान 1400 करोड़ रुपये रायल्टी का टारगेट दिया गया था, लेकिन मंदी एवं नोटबंदी के कारण यह लक्ष्य हासिल नहीं हो पाया. विभाग 1243 करोड़ रुपये तक ही पहुंच पाया. हालांकि इस बार औद्योगिक माहौल अच्छा दिख रहा है और विभाग को उम्मीद है कि इस बार दिए गए लक्ष्य को हासिल किया जा सकेगा.

**31,101
लाख नागपुर
का योगदान**

नागपुर जिले का योगदान भी बढ़ रहा है. पिछले कुछ समय में कुछ नई खदानें भी खुली हैं और उत्पादन भी बढ़ा है, जिसके कारण राजस्व में वृद्धि हुई है. नागपुर जिले ने वर्ष 2015-16 में 18326.37 लाख, वर्ष 2016-17 में 21670.73 लाख और वर्ष 2017-18 में 31101.86 लाख रुपये का योगदान दिया है.

MCX Natural gas range-bound

GURUMURTHY K
BL Research Bureau

Natural gas prices have been range-bound over the last few weeks. The Natural Gas futures contract on the Multi Commodity Exchange (MCX) has been stuck in a sideways range between ₹200 and ₹210 per mmBtu for the past three weeks.

The futures contract is currently trading at ₹205. Although the near-term outlook is mixed, and the contract may continue to remain range-bound, the broader view is bullish.

Positive outlook

The contract has vital support in the band between ₹200 and ₹195.

The downside is expected to be limited to ₹195 even if the contract breaks below the current range of ₹200. The bias will turn negative only if it

breaks below ₹195 decisively. But such a break looks less probable as the indicators on the charts have been giving positive signals.

The 21-week moving average is on the verge of crossing over the 100-week moving average.

This is a bullish signal indicating that the downside could be limited in the short-term.

As such, intermediate dips to ₹200 or ₹195 are likely to trigger fresh buying interest.

A strong break and a decisive close above ₹210 will boost the momentum and take the

contract higher to ₹215 or ₹217 in the short-term.

Inability to breach the ₹215-₹217 resistance region can trigger a pull-back to ₹210 or ₹208.

However, the outlook will continue to remain positive. An eventual break above ₹217 will then increase the likelihood of the contract targeting ₹225 over the medium-term.

Trading strategy

Traders with a medium-term perspective can go long at current levels and also accumulate at ₹202 and ₹197.

A stop-loss can be placed at ₹193 for the target of ₹225. Revise the stop-loss higher to ₹207 as soon as the contract moves up to ₹213.

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

A strong break and a decisive close above ₹210 will boost the momentum and take the contract higher to ₹215 or ₹217 in the short-term

भारतीय खान ब्यूरो में हिंदी पखवाड़ा का शुभारंभ



नागपुर। भारतीय खान ब्यूरो (मुख्यालय), नागपुर में हिंदी पखवाड़ा - 2018 का शुभारंभ किया गया। कार्यक्रम के मुख्य अतिथि परमाणु खनिज अन्वेषण एवं अनुसंधान निदेशालय के क्षेत्रीय निदेशक सुरेश कुमार व भारतीय खान ब्यूरो के उप महानिदेशक (सांख्यिकी) के. थॉमस द्वारा दीप प्रज्वलित कर उद्घाटन किया गया। इस अवसर पर मंदू विश्वास, मुख्य खान नियंत्रक (प्रभारी), इंदिरा खिन्दरन निदेशक, खनिज प्रसंस्करण प्रभाग, डॉ. पी. के. जैन, मुख्य खनिज अर्थशास्त्री एवं राजभाषा अधिकारी तथा प्रमोद एस. सांगोले, उप-निदेशक (राजभाषा) भी उपस्थित थे। अपने अध्यक्षीय भाषण में के. थॉमस ने दैनंदिन कार्यालयीन कार्य अधिकाधिक हिंदी में ही करने पर जोर दिया। समारोह के मुख्य अतिथि सुरेश कुमार ने सभा को संबोधित करते हुए कहा कि हिंदी में कार्य करना हमारा कर्तव्य है। उन्होंने भारत के वर्तमान खनिज परिदृश्य की भी रूप रेखा सभा के समक्ष रखी। इसके पूर्व राजभाषा अधिकारी डॉ. पी. के. जैन ने स्वागत भाषण दिया। हिंदी पखवाड़ा के उद्घाटन समारोह का संचालन प्रतिभा शर्मा, सहायक भंडारपाल (तकनीकी) ने किया तथा धन्यवाद ज्ञापन असीम कुमार, हिंदी अनुवादक द्वारा दिया गया।

Local Cos Fear Dumping by Foreign Steel Players

Firms expect diversion of shipments by China, Japan & Korea originally meant for US, EU to India; ICRA says exports may improve soon

Vatsala.Gaur@timesgroup.com

Mumbai: India is under the threat of dumping of foreign steel, led by the diversion of exports originally meant for the US and the European Union, which could lead to an encore of 2016 when local mills making the alloy were crippled by shipments from overseas, fear domestic steelmakers.

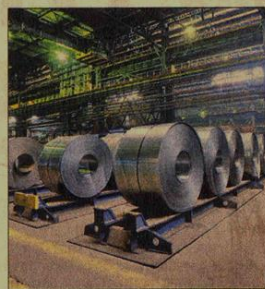
Rating agency ICRA in a note on Wednesday said that in the first quarter of FY19, the country's steel exports dropped by over 33% whereas steel imports grew by over 11%, and consequently India turned a net steel importer in Q1 FY2019, after having been a net exporter for the last two years.

However, with a sharp rupee depreciation in the recent months, the rating agency expects a "slide in steel

imports" and a "boost in exports" in the coming months, which is likely to improve India's overall steel trade balance.

The industry has also started "sensitising" the government to take action to check unfair imports that could accelerate in the future. It wants the reference price of the anti-dumping duty to be pushed up or a replication of what Europe has recently done to protect local steelmakers by providing safeguard measures.

"In the last quarter (first quarter of FY19), China, Japan, and Korea diverted twice their exports to the US into India," Seshagiri Rao, joint MD at JSW Steel had told reporters in July at a conference held to announce the company's first quarterly earnings. He said the recent imposition of safeguard measures by the EU will hit the indus-



FILE PHOTO

try more in the coming quarters.

He had bolstered his statement with data from last quarter: Imports into the US from China, Japan and, Korea

reduced by 240,000 tonnes after the imposition of tariffs. But their collective shipments into India increased by 450,000 tonnes — a case of diversion of imports.

"Countries are putting safeguard measures to protect their domestic steel industry against unfair dumping. Indian government had taken safeguard measure by way of reference price at \$480/tonne to curb dumping. This has now become redundant in view of the higher international prices. Consequently, imports into India have risen by 31% in Q1 of FY19 compared to Q4 FY18. Hence there is a definitive case for revision in reference price," said an Essar Steel spokesperson.

While the US had, in March, imposed a 25% import tariff on steel entering the country, more recently, on Ju-

ly 18, the European Commission has announced safeguard provisional measure to curb diversion of exports to Europe. According to the measure, a 25% tariff will be imposed once imports exceed the average import of the last three years. This will be applicable to all countries save some developing countries.

"Unlike the USA, the EU tariffs would be more worrying for Indian steelmakers, given that export volumes by Indian mills to EU are over five times of volumes exported to the USA," said Jayanta Roy, group head, corporate sector ratings at ICRA. "Moreover, as per India's Q1 FY19 steel import data, redirection of impacted steel volumes from countries like Japan and South Korea, with whom India has Free Trade Agreements (FTA), is clearly visible," Roy added.

Under pressure, short-term view turns negative for MCX Nickel

GURUMURTHY K

BL Research Bureau

Nickel prices have been under pressure for the last few weeks. After hitting a high of ₹969.5 a kg on August 9, the contract has tumbled over 7 per cent and currently trades at ₹897 per kg on the MCX.

The fall has dragged the contract decisively below a key support level of ₹920. Moreover, the contract hovers below the 200-day moving average and the outlook is negative.

But, an intermediate bounce above ₹900 is likely to bring in selling pressure at higher levels.

The resistance at ₹920 is likely to cap the upside. A fall to ₹870 or ₹860 is likely in the coming days.

A bounce from the ₹870-₹860 support zone can then trigger a corrective rally to ₹900. But if the contract breaks

below ₹860 decisively, the downside pressure will increase. In such a scenario, there is a strong likelihood of the contract tumbling to ₹820 or even lower levels over the medium term.

The contract will get a breather from the downtrend only if it breaks above ₹920 decisively. Such a break can then take it higher to ₹950 and ₹960 levels again.

Trading strategy

Short-term traders can make use of rallies to go short at ₹905 and ₹915.

A stop-loss can be placed at ₹925 for the target of ₹875. Revise the stop-loss lower to ₹898 as soon as the contract moves down to ₹889.

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

Buy gold if it touches \$1,195/oz

GNANASEKAART

Comex gold futures clawed higher on Thursday, propelled by a weaker dollar, short-covering and physical buying in Asia. Worries of new US trade tariffs on China, however, cast a cloud over the market. Gold has tumbled more than 12 per cent so far in 2018.

Comex gold futures has been moving in line with our expectations. We expected prices to stabilise and reverse higher towards \$1,235/ounce levels.

As we have been maintaining for a while, the medium-term picture still holds some promise, therefore caution should be exercised on getting excessively bearish. A positive trigger for the medium-term in sustaining the uptrend is likely to be above a close of \$1,275.

In the short-term, we expect prices to be in the \$1,145-1,275 range or even extending to

\$1,120-25, where strong supports can be seen again. Only a close above \$1,275 in the bigger picture could revive bullish hopes once again for \$1,335 or even higher.

In the coming sessions, crucial support will come into play around \$1,190-95 and we expect prices to stabilise and move higher towards \$1,225, or even higher to \$1,235. Only a fall below \$1,180 could force us to abandon our mildly bullish view.



Wave counts: It is most likely that the fall from the all-time highs at \$1,925 to the recent low of \$1,088, was either a 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.

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 towards \$1,450-75 in the form of wave B. RSI is in the neutral zone hinting that it is neither overbought nor oversold. The averages in MACD are still below the zero line of the indicator again, showing bearishness to be intact. Only a crossover again above the zero line could hint at a reversal in trend.

Therefore buy Comex gold around \$1,190-95 with a stop-loss at \$1,180 targeting \$1,225 followed by \$1,236.

Supports are at \$1,195, 1,175 and 1,145. Resistances are at \$1,225, 1,236 and 1,265.

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

BRAZIL FACTOR Largest refiner Alunorte to resume full output soon, ending global supply bottlenecks and Indian PSU's windfall gains

Supply Glut Fears of Alumina Send Nalco Stock Crashing

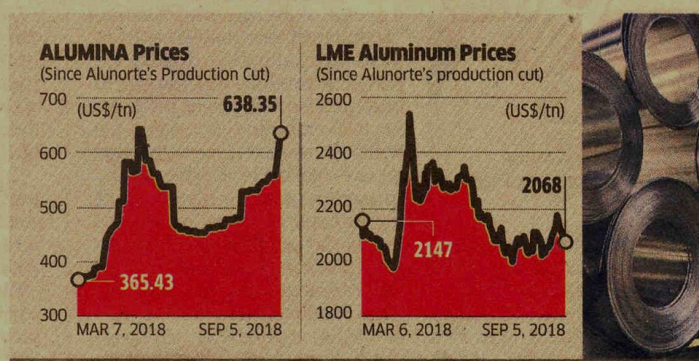
Jwalit.Vyas@timesgroup.com

ET Intelligence Group: Concerns of a global supply glut of alumina sent Nalco investors panicking, with the stock of India's largest alumina producer crashing 6% on Thursday.

Recent windfall gains from restricted alumina supply could well be short-lived as output cut at the world's largest alumina refinery is expected to end soon.

Norwegian aluminium maker Norsk Hydro, which owns the largest alumina refinery — Alunorte in Brazil — said on Wednesday that it had signed two deals with Brazilian authorities involving social and environmental obligations. That could pave the way for a resumption of full output at the company's Alunorte alumina refinery. It was accused of polluting the environment earlier this year. Alunorte, with 5.8 MT alumina smelting capacity, is the largest alumina producer in the world.

The sanctions imposed on the refiner by the Brazilian government in February this year forced the company to operate only at 50% capacity or 3 MT, thus curbing the global sup-



ply and pushing up alumina prices by 75% to \$640 per tonne. These prices have remained elevated despite the weak aluminium demand during this period — LME aluminium prices have corrected 5%.

Nalco, India's largest alumina producer with capacity of 2.1 MT, has benefitted from this strong rally in the alumina prices. In the June quarter, its sales grew by 65% year-on-year to ₹2,973 crore, EBITDA (operating profit before tax) by 344% to ₹1,011 crore, and adjusted net profit by 433% to ₹687 crore.

Nalco's average alumina realisation, per tonne was \$555 per tonne. Hence, the stock rose almost 20% in the past one month before correcting on Thursday. The September quarter too is expected to remain strong with alumina prices remaining firm for the first two months of the quarter. However, the same cannot be said for the following quarters.

Although the exact timeline for resumption in production for Alunorte remains unclear, it could happen sooner than anticipated, say industry experts.

THE TELEGRAPH
DATE : 7/9/2018 P.N.8

Steel rating

■ **NEW DELHI:** Global trade protectionism poses low-to-moderate risk to steel producers in India as there is lesser dependence on exports and safeguard measures on imports, India Ratings and Research said. PTI

Tata Steel unveils sustainable production technology in Europe

LONDON, Sept 6 (PTI)

TATA Steel on Thursday announced a "ground-breaking" new sustainable technology which could save half the amount of carbon dioxide released during steelmaking following tests at its IJmuiden site in the Netherlands.

Its Hlsarna technology for producing iron consists of a reactor in which iron ore is injected at the top.

The ore is liquefied in a high-temperature cyclone and drips to the bottom of the reactor where powder coal is injected.

This significantly reduces the number of energy-intensive steps required for the traditional steelmaking process, the Indian steel major said.

"Hlsarna's results show we can make a significant contribution to improving the sustainability of

steel production with this Tata Steel technology," said Hans Fischer, Chief Executive Officer and Chief Technical Officer of Tata Steel's European operations.

"The development of this technology forges our ambition to become a steel company which is sustainable in all respects," he said.

The company said that testing has shown this technology can lead to a significant reduction in CO2 emissions from the steel production process. During the final test campaign, experiments were done with the use of steel scrap and biomass. This revealed it was possible to achieve a CO2 reduction of more than 50 per cent.

Tata Steel's Hlsarna plant has now become a permanent part of the production chain at the IJmuiden site, with molten iron joining that from the blast furnaces in the steelmaking process.

Mixed outlook for MCX Lead

GURUMURTHY K

BL Research Bureau

The lead futures contract on the Multi Commodity Exchange (MCX) has been volatile over the last week.

The contract broke above the key ₹148-149 resistance to record a high of ₹151.65 per kg on Monday. But it failed to sustain the momentum and reversed sharply lower.

The contract tumbled 3.6 per cent to make a low of ₹146.15 on Wednesday. However, the contract has bounced back, recovering some of the loss and currently trades at ₹149/kg.

The volatile move in the past week keeps the near-term outlook mixed for the contract. Key supports are at ₹146 and ₹144.5 (21-day moving average) while significant resistance is in the ₹151-₹152 region.

The MCX-Lead futures contract can remain range-bound between ₹144 and

₹152 in the near-term. A break-out on either side of ₹144 or ₹152 will then decide the next direction of move.

A strong break below ₹144 will bring fresh selling pressure on the contract. Such a break will increase the likelihood of the contract tumbling to ₹140 or even ₹138 thereafter.

On the other hand, the contract will have to breach ₹152 decisively to gain fresh momentum. Such a break will ease the downside pressure. It will then increase the possibility of the contract rallying to ₹155 and ₹157.

Such a rally to ₹155 and ₹157 will also signal the reversal of the downtrend that has been in place since June. A decisive break and close above ₹157 will confirm the trend reversal.

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

NuMetal can bid for Essar Steel: NCLAT

However, rival ArcelorMittal has to clear the dues of 2 firms to be eligible to bid

SOIBAM ROCKY SINGH
NEW DELHI

The National Company Law Appellate Tribunal (NCLAT) on Friday ruled as eligible the second bid of Russian VTB Bank-promoted consortium NuMetal for debt-ridden Essar Steel. And, rival bidder ArcelorMittal would have to first clear all the dues of Uttam Galva and KSS Petron, in which it holds stakes, to become eligible to bid for the steelmaker, the appellate tribunal said.

NCLAT gave ArcelorMittal time till September 11 to clear all the dues of the two firms saying that the "stigma will continue" till the payment of all arrears. Both NuMetal and ArcelorMittal had moved the NCLAT over bidding eligibility. They had filed individual petitions challenging their disqualification in the first round of bids by the Committee of Creditors (CoC).

Bidders move NCLT

Even as the bidding for Essar Steel went into a second round, both bidders moved the Ahmedabad bench of the National Company Law Tribunal (NCLT) challenging their disqualification.

NCLT, in April, quashed the first round of bid-

 NuMetal, ArcelorMittal moved NCLAT over bidding eligibility

ding for Essar Steel on grounds that the CoC and the resolution professional did not follow the procedure prescribed under the Insolvency and Bankruptcy Code.

Bidders given time

NCLT, however, gave both the bidders time to cure any defects in their bids. Subsequent to the NCLT verdict, NuMetal and ArcelorMittal moved the NCLAT challenging each other's eligibility.

Earlier, ArcelorMittal had claimed that it addressed the concerns raised by the Committee of Creditors as it deposited ₹7,000 crore in an escrow account of State Bank of India to clear the defaulted dues of Uttam Galva and KSS Petron. NuMetal also removed Rewant Ruia, son of Essar Group co-founder Ravi Ruia, from the company's shareholding to become eligible to bid.

ArcelorMittal should raise bid to match NuMetal's ₹37,000-cr. offer

PIYUSH PANDEY
MUMBAI

ArcelorMittal will have to increase its bid from ₹30,500 crore to match NuMetal's bid of ₹37,000 crore for bankrupt Essar Steel, besides paying ₹7,000 crore dues on account of Uttam Galva and KSS Petron, by Tuesday.

The company's resolution plan for Essar Steel included ₹30,500 crore upfront cash for the lenders and another ₹8,000 crore of working capital for Essar Steel, which had dues of over ₹49,000 crore with bankers. Comparatively, NuMetal's resolution plan offered ₹37,000 crore upfront payment to the secured financial creditors. The company had proposed to spend another ₹7,000 crore to settle the dues of unsecured financial creditors, operational creditors, workman dues and working capital for the revival of the Es-

sar company. When asked if ArcelorMittal will go to the Supreme Court against the NCLAT order, the company, in an e-mail statement said, "We note today's NCLAT judgment and await the full order, which we will review before determining our next steps."

Sanjeev Bhasin, executive vice-president - Markets at IIFL, said, "Essar Steel plant is very attractive and is a strategic fit for ArcelorMittal and they will go to any extent [Supreme Court] to secure this deal."

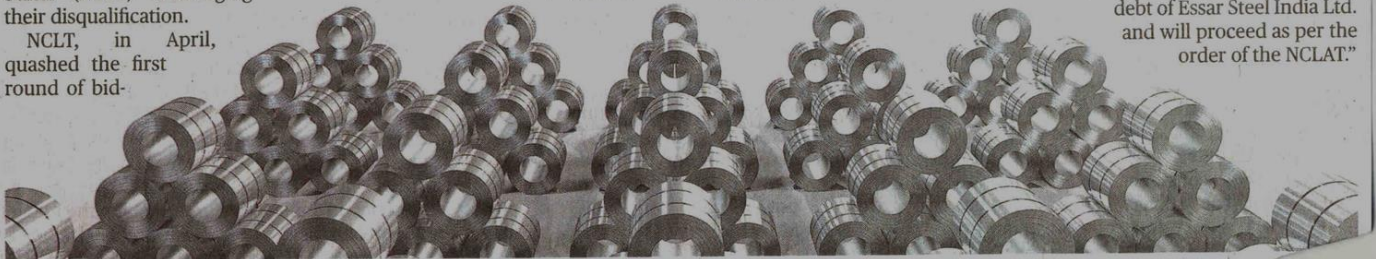
"Anil Agarwal gave a hint that they [Vedanta] will not be aggressive in Essar Steel, so it will be a tough fight between ArcelorMittal and NuMetal. Mittal will have to pay the existing dues and match NuMetal's revised offer to buy Essar Steel. I am happy that the defaulting promoters are out and bankers are getting their money not only for Essar Steel,

but also for Uttam Galva and KSS Petron," investment advisor S.P. Tulsian told *The Hindu*.

Paras Bothra, president - Equities at Aashika Stock Broking, said chances of NuMetal winning the Essar Steel bid appeared high given that ArcelorMittal would have to comply with other obligations of the court order, making it incrementally difficult for the L.N. Mittal firm.

"It's a good deal, whoever gets it, given that one is getting a 10 MTPA steel unit for ₹40,000-₹45,000 crore, while it will take more than ₹60,000-₹70,000 crore to set up a new plant. Land acquisition and regulatory hurdles make it more difficult to set up any steel unit," Mr. Bothra said.

On the order, an SBI spokesperson said, "In view of the NCLAT order pronounced today, SBI withdraws the process of sale of debt of Essar Steel India Ltd. and will proceed as per the order of the NCLAT."



NCLAT clears NuMetal and Vedanta's bids for Essar Steel

Asks ArcelorMittal to repay group firms' debt in 3 days to qualify as bidder

SURESH PIYENGAR

Mumbai, September 7

The National Company Law Appellate Tribunal (NCLAT) on Friday ruled that Numetal's ₹37,000-crore second-round bid for Essar Steel is valid, but asked rival bidder ArcelorMittal to clear the ₹7,000-crore dues of Uttam Galva and KSS Petron, firms with which it was associated, within three days to qualify as a bidder.

The NCLT had held that the first-round bid by Russia's VTB Group-backed Numetal in February was ineligible as the firm was 25 per cent owned by Rewant Ruia, son of Ravi Ruia, the defaulting promoter of Essar Steel. But he exited the firm before the second round of bids was submitted in March.

The NCLAT today directed Essar Steel's Committee of Creditors (CoC) to consider Numetal's second-round bid, in which JSW Steel is a stakeholder, too, as a

Essar Steel under IBC: A timeline

2017

June 27: Insolvency proceedings initiated against Essar Steel at NCLT

July 4: Essar moves Gujarat High Court against the insolvency proceeding

July 17: Gujarat HC disposes of Essar Steel petition

July 24: Essar challenges SBI application in NCLT on technical grounds

August 2: NCLT Ahmedabad admits insolvency petition against Essar Steel; appoints IRP

October 20: IRP invites EoIs for Essar Steel

November 23: Disqualification clause 29(A) introduced in IBC, which bars promoters from bidding for an asset

ESSAR

2018

February 12: First round of bids submitted by Numetal, ArcelorMittal

March 19: IRP holds Numetal and ArcelorMittal bids ineligible

March 20: Numetal moves NCLT challenging rejection of bid

March 26: ArcelorMittal challenges disqualification

April 2: Second round of bids invited

April 19: NCLT Ahmedabad asks IRP to re-examine first round of bids. Says some provisions of IBC were not followed by IRP in rejecting bids in first round

September 7: NCLAT clears NuMetal and Vedanta's bids. Asks ArcelorMittal to repay group firms' debt in 3 days to qualify as bidder

shareholder. Anil Agarwal-owned Vedanta, which had placed a financial bid for Essar Steel in the second round, will also be considered.

The first round of bids placed by ArcelorMittal and Numetal had been rejected as the National Company Law Tribunal (NCLT) had ruled that they were not eligible bidders. The NCLT gave the companies a week's time to 'cure' themselves and ordered the CoC to call for a second round of bidding.

While challenging the NCLT order at the NCLAT, ArcelorMittal made a conditional deposit of

₹7,000 crore in its own current account to settle the dues of its group companies and Numetal forced Ravi Ruia to sell his stake.

Escrow deposit not a payment

On Friday, NCLAT said ArcelorMittal's deposit in its own escrow account does not qualify as payment of the overdue amount. A conditional offer to repay cannot be accepted, said the 69-page judgment passed by Justices SJ Mukhopadhyaya and Bansilal Bhat.

In the case of Numetal, the order said that as of March 29, it was not

a shareholder in any of the related parties, hence the 'stigma' of Section 29A of the IBC goes.

ArcelorMittal said in statement: "We note today's NCLAT judgment and await the full order, which we will review before determining our next steps."

A Numetal spokesperson said the order vindicates the company's conviction that it is an eligible bidder. The NCLAT has also excluded the period of appeal (over four months) from the 270 days granted for the insolvency proceedings under IBC.

Both ArcelorMittal, Numetal Back in Race for Essar Steel

Enter the Eagles

ArcelorMittal's bid will be entertained once Uttam Galva & KSS Petron clear their dues to banks

It has to pay ₹7,000 crore to clear the dues

Numetal's bid on Mar 29 excluding Rewant Ruia is eligible
Essar Steel has outstanding dues of ₹49,000 crore

ArcelorMittal offered ₹30,000 cr while Numetal offered ₹18,000 crore in first round

JSW Steel and Vedanta too may give a fresh bid since the tribunal has allowed lenders to consider new resolution plans

Around four and half months would be excluded from the 270 days since an appeal was pending with the tribunal

NCLAT opens window of opportunity for Vedanta Resources and JSW Steel too

Sangita.Mehta@timesgroup.com

Mumbai: The National Company Law Appellate Tribunal (NCLAT) ruled that both Numetal, a consortium headed by Russia's VTB Bank, and ArcelorMittal are eligible to bid for the bankrupt Essar Steel, ending months of speculation about the fate of their offers. In the process, the appellate tribunal opened the door to pitches from other parties as well.

Numetal will no longer have a member of the Ruia family that founded the Essar Group as part of the consortium. ArcelorMittal's bid will be entertained once the companies in which CEO LN Mittal was classified a promoter

—Uttam Galva and KSS Petron— clear their dues to banks.

The ruling allows other bids to be considered by the committee of creditors, opening up a window of opportunity for Anil Agarwal-led Vedanta Resources and Sajjan Jindal-led JSW Steel which had expressed interest in the asset.

"We give one opportunity to the resolution applicant — AM India Ltd (ArcelorMittal) — to make payment of all overdue amount with interest thereon and charges relating to nonperforming accounts of both the Uttam Galva and the KSS Petron in their respective accounts within three days i.e. by 11th September, 2018," the order said.

"If done, the committee of creditors will consider the resolution plan submitted by AM India Ltd along with other resolution plans, including the resolution plan submitted by the Numetal Ltd."

ArcelorMittal has to pay ₹7,000 crore to clear dues of Uttam Galva and KSS Petron

Essar Steel auction: Numetal's 2nd bid valid

NEW DELHI, Sept 7 (PTI)

THE NCLAT on Friday ruled that Numetal's Rs 37,000 crore second-round bid for Essar Steel is valid, but asked rival bidder ArcelorMittal to clear Rs 7,000 crore dues of its previously associated firms within three days to qualify for the acquisition.

A two-member bench of NCLAT headed by its Chairman Justice SJ Mukhopadhyaya in a 68-page order asked lenders, who are auctioning Essar Steel to recover over Rs 49,000 crore of unpaid loans, to consider the second round bid of Numetal and mining baron Anil Agarwal-led Vedanta. ArcelorMittal's bid will be considered if it pays dues by September 11.

For ArcelorMittal India (AMI), which was the only other bidder besides Numetal in round-1, the NCLAT held that it needs to remove the "stigma of defaulter" attached to it because of its previous 29 per cent stake in Uttam

Galva Steel and KSS Petron.

The National Company Law Appellate Tribunal held that the first round of bid by Russia's VTB Group-backed Numetal in February was ineligible as the firm was 25 per cent owned by Rewant Ruia, scion of Essar Steel's promoter Ruia family. But, he exited the firm before second round of bid was submitted in March, making Numetal eligible.

NuMetal and steel tycoon Lakshmi Mittal-led ArcelorMittal had in February submitted separate bids to takeover of Essar Steel. The Committee of Creditors (CoC), however, disqualified both bids saying their promoters were tied to companies, which were bank loan defaulters and so ineligible under Section 29A of the Insolvency and Bankruptcy Code.

The second round of bids was called where JSW Steel joined NuMetal to put in a bid of Rs 37,000 crore, while Vedanta entered fray as a third bidder. AMI too put in a bid.

THE TELEGRAPH

DATE : 10/9/2018 P.N.8

NMDC move

■ **HYDERABAD:** State-owned NMDC Ltd has approached the western Australian government seeking a licence to explore tungsten, a metal needed for the defence and aerospace sectors. PT

GST relief hope for cement

R. SURYAMURTHY

New Delhi: The GST Council may take up a proposal to cut the tax rate on cement to 18 per cent from 28 per cent at its meeting later this month as the move may create more jobs and boost the economy ahead of the general elections.

However, a dip in the August revenue collection could weigh on the council's decision. The council may not immediately cut the tax rate on the cement sector as it would have a revenue impact, sources said.

According to some estimates, the cut in the GST to 18 per cent could have a revenue impact of around Rs 1,000 crore per month. The GST Council is slated to meet for two days, beginning September 28.

Finance minister Arun Jaitley had earlier said that the GST Council may look to reduce the tax rates on cement, air-conditioners and large screen televisions as revenues improve.

The Cement Manufacturers Association has been pitching for the reduction in the GST as it would boost infrastructure spending. They had argued that a cut in the tax rate would help the government looking to create more jobs and boost the economy. Also, if the GST Council approves the proposal, it could be a shot in the arm for both homebuyers and builders.

The GST Council in July reduced the tax rate on around 30 items, including paints and white goods such as refrigerators and washing machines, to 18 per cent from 28 per cent, which had a revenue implication of about Rs 10,000 crore per annum.

The GST collections for August declined 1.7 per cent to Rs 93,960 crore from Rs 96,483 crore in the previous month because of deferred purchases by consumers.

However, analysts have argued that a

cut in the GST rate for the construction sector will boost demand and increase revenue collection.

At present, while cement is taxed under the 28 per cent slab, many other items used in construction are in the 18-per-cent slab.

"A reduced GST rate on cement will help to bring down tax costs for not only individual buyers, but also for businesses as construction-related GST credits are typically not available. These benefits will further enhance if the GST rate on paints is also reduced to 18 per cent," Abhishek Jain, partner at EY, said.

The government has also taken several steps to boost the construction sector by relaxing rules that would enable more homebuyers to access the interest subsidy scheme.

Construction is a labour-intensive sector that contributes 8 per cent to the gross domestic product.

WTO: US rejects India's request to join Russia in dispute against duties on steel, aluminium

Move will not augur well for bilateral talks between India and US, says expert

AMITI SEN

New Delhi, September 9

Signalling its unwillingness to be flexible on its decision to impose penal import duties on aluminium and steel from countries such as India, Russia and China, the US has rejected New Delhi's request to be an interested party in the dispute filed by Russia against Washington's move at the World Trade Organisation (WTO).

"Issues of national security are political matters not susceptible to review or capable of resolution by WTO dispute settlement," the US said in a reply to India.

While the US has the authority to reject a member's request to join consultations that another country has requested to hold with it on a matter of dispute, it will not have a say if the issue takes the form of a full-fledged dispute and a dispute settlement panel is established.

"If Russia asks for the establishment of a dispute settlement panel to resolve the dispute and India reserves its third-party rights, the US will not have the right to stall it," a

Delhi-based trade expert told *BusinessLine*.

Duty woes

Washington's continued hard posture on its decision to impose additional duties on aluminium and steel unilaterally on a handful of countries doesn't augur well for the bilateral talks India is having with the US to try to persuade it to do away with the duties, the expert added.

"The fact the US is holding firm on its argument that the duties have been imposed due to security concerns and no other country or institution should have a say in it indicates that it may show the same inflexibility in the bilateral talks it is holding with India to settle the matter," the expert said.

Earlier this year, the US had imposed additional duties on imports of steel and aluminium from a handful of countries including India, Russia, China, Turkey and the EU to the tune of 20 per cent and 10 per cent respectively on grounds of security concern.

In response to the unilat-



Firm stand The US is holding firm on its argument that the duties have been imposed due to security concerns BLOOMBERG

eral measure, India notified retaliatory duties worth \$230 million on US imports of 29 items including almonds, apples and certain steel products on June 20, but put off its implementation till August 4 to give some time to the US to sort out the matter. It further extended the deadline by 45 days to September 17 when the issue could not be resolved by August 4.

No dilution

"It seems unlikely now that the US would revoke or dilute the application of import duties on aluminium and steel from India by September 17. One has to wait and see

whether India will postpone implementation of retaliatory tariffs yet another time," the expert added.

Consultations pending

India had also launched a dispute at the WTO earlier this year against the unilateral US measure by requesting consultations to settle the matter. If consultations fail, India will have the authority to ask for a dispute settlement panel to sort out the matter.

With Russia, too, requesting consultations with the US at the WTO on the same issue, India had requested in July to be a third party to the consultations.

Jindal Stainless (Hisar)

Focus on value

Strong demand outlook and diversified product mix are positives for the company

SATYA SONTANAM

In the underpenetrated stainless steel market in India, Jindal Stainless (Hisar) Limited (JSHL) is well-placed to reap the benefits of a growing segment. JSHL comes under Jindal Stainless group.

With strong demand outlook for stainless steel and the company's focus on value-added and specialty products, the prospects for JSHL look impressive.

At the current market price of ₹132, the stock is reasonably valued at about six times its trailing 12-month earnings, lower than what it traded at, on an average, over the past three years — 33 times. The high valuation in the previous years could be due to weak earnings caused by muted traction in the steel industry.

The stock has fallen over 25 per cent over the last one year, presenting a good buying opportunity for long-term investors.

Robust outlook

India has been the second largest producer of stainless

steel in the world in the past couple of years. It produced nearly 7 per cent (3.4 million tonnes) of the world's steel in 2017 with a 5 per cent increase in volume from the previous year. The per capita consumption of stainless steel in India (2 kg) is way lower compared to the global average of 5 kg, providing scope for healthy demand.

In FY18, JSHL produced 6,97,545 tonnes (rise of 5 per cent Y-o-Y) of stainless steel, close to 20 per cent of India's total production of the metal. The company's sales have also risen by a healthy 13 per cent, indicating increased demand for the metal.

JSHL is an integrated stainless steel manufacturer with a production capacity of 0.8 million tonnes per annum, with manufacturing facilities at Hisar, Haryana and Visakhapatnam, Andhra Pradesh.

The company's main customers are the Railways, auto, pipes and tubes, architecture, building and construction, and industrial applications firms.

Government initiatives such

as smart cities, expansion and modernisation of Railways, the proposed Bharat-VI norms in the automotive sector and airport modernisation, are expected to boost the demand for stainless steel in India.

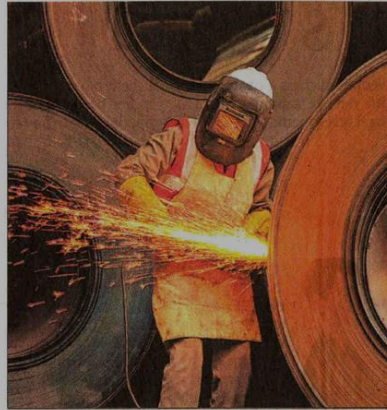
Also, the government has mandated use of stainless steel in specific areas through the 2017 National Steel Policy, recognising the life-cycle cost and safety advantages of stainless steel.

As per reports, over the past two decades, Indian stainless steel consumption has moved away from the most primary usage in cookware/durable to new value-added categories of architecture, building, construction and process industries.

CRISIL expects stainless steel demand to grow by 8-9 per cent CAGR over the next five years.

Value-added products

JSHL holds a significant portion of the specialty products market, especially blade steel, coin blanks, specialty precision



stream value-added products, which claims premium over other products, and diversifying product mix are expected to drive its growth, going ahead.

Steady financials

The company has reported steady earnings and has been profitable at operating level even in tur-

bulent times. In FY18, the consolidated revenue grew by 24 per cent over the previous year to ₹10,563 crore.

Operating and net profit surged by 26 per cent and 102 per cent to ₹1,230 crore and ₹588 crore respectively.

The improvement was on the back of higher volumes, better product mix and superior operational efficiencies.

Risks

The ongoing trade war and dumping of imports from countries that have signed FTA agreements may exert pressure on the prices which could affect the profitability of the company.



Why

- Inexpensive valuation
- Strong offset from user industries
- Profitable at operating level across cycles

Did you know?

JSHL has been supplying stainless steel coin blanks to the Indian Government mint



ArcelorMittal raises bid for Essar Steel by 20% to ₹42k cr

L N Mittal-Led Consortium Moves SC Against NCLAT Order

Reeba.Zachariah
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Mumbai: In a day of high drama, global giant Arcelor-Mittal raised its offer for Essar Steel to Rs 42,000 crore — which is 20% higher than its previous bid — while moving the Supreme Court against a National Company Law Appellate Tribunal (NCLAT) order that had said it will be eligible to bid for the debt-ridden company only after it clears arrears related to its investment in two other entities.

On Friday, NCLAT had given ArcelorMittal time till Tuesday evening to settle the Rs 7,000-crore dues of Uttam Galva Steels and KSS Petron. The development further delays the bankruptcy proceedings of Essar Steel, which owes Rs 49,000 crore to banks and other creditors.

Earlier on Monday, ArcelorMittal, along with its partner Nippon Steel & Sumitomo Metal Corporation, made an unsolicited offer of Rs 42,000 crore to the creditors of Essar Steel, surprising other contenders Numetal and Vedanta. The offer trumps Numetal's Rs 37,000-crore proposal. Vedanta, the third bidder, has made an offer of Rs 34,000

TWISTS & TURNS

June 16, 2017: RBI orders banks to initiate insolvency proceedings against 12 large loan defaulters, including Essar Steel

June 27, 2017: Banks initiate action against Essar Steel

July 4, 2017: Essar moves Gujarat high court, challenging move

Aug 2, 2017: NCLT admits insolvency petition



Nov 23, 2017: Govt amends IBC to bar promoters of defaulting companies from bidding

Feb 12, 2018: ArcelorMittal & Numetal submit bids

March 21, 2018: Both bids rejected

April 2, 2018: ArcelorMittal-Nippon Steel, Numetal-JSW Steel, Vedanta Group submit bids in second round

May 14, 2018: Matter heads to NCLAT

Sept 7, 2018: NCLAT rules Numetal eligible to bid, ArcelorMittal asked to clear dues to be eligible

crore for the Indian steel maker. While the Luxembourg-based ArcelorMittal confirmed that it has submitted a revised proposal to Essar Steel's creditors, it didn't comment on the financial terms of it, except that the "offer represents a material increase to its previous one".

The bid has raised hopes that the latest battle for the Indian steel company may help lenders recover almost their entire dues as they expect the other two in the fray to improve their offers. Banks are also cheering the recovery of another Rs 7,000 crore or so from two companies, which were also defaulting in loan repay-

ments, sources said.

ArcelorMittal's offer is that it would pay Rs 7,000 crore to the financial creditors of Uttam Galva Steels and KSS Petron only if it wins the bid for Essar Steel. The L N Mittal-led bidder has deposited the money in an escrow account of State Bank of India's London branch towards the loan repayment of the two companies.

While ArcelorMittal has moved the apex court regarding its eligibility to bid for Essar Steel, its latest offer has set the benchmark for the valuation of the defaulting company. Mauritius-based Numetal, in which Russia's VTB and Sajjan Jindal's

JSW are investors, and Anil Agarwal's Vedanta may now have to up their offers to remain in the fray.

The NCLAT had said that if ArcelorMittal clears the Rs 7,000-crore dues of Uttam Galva Steels and KSS Petron, then the creditors should consider its bid for Essar Steel and thereafter can "negotiate" with all the contenders.

The NCLAT had ruled that Numetal's bid was valid as it had eliminated Rewant Ruia, a member of the promoter family of Essar Steel, from being a shareholder. Bankruptcy rules bar defaulting promoters from participating in the auction process of insolvent assets.

ArcelorMittal revises bid for Essar Steel to Rs 42,000 cr

MUMBAI, Sept 10 (PTI)

WORLD'S largest steel producer ArcelorMittal on Monday offered Rs 42,000 crore to acquire Essar Steel Ltd, upstaging a Rs 37,000 crore bid by Russia's VTB Group-backed Numetal, sources with direct knowledge of the development said. Days after the National Company Law Appellate Tribunal (NCLAT) held the second round of bids for debt-laden Essar Steel valid, ArcelorMittal India put in a revised offer to the lenders of the company, they said.

This would be in addition to Rs 7,000 crore it will pay to clear dues of Uttam Galva and KSS Petron -- delinquent borrowers it was previously associated with



-- to become eligible to acquire Essar Steel. The dues have to be cleared by tomorrow as per the NCLAT order.

Sources said the second round of bids by three bidders -- a consortium of ArcelorMittal and Japan's Nippon Steel & Sumitomo Metal Corporation, Numetal in association with JSW Steel and Vedanta Ltd, were opened and

placed in a sealed envelope for examination by Grant Thornton, advisor to the Resolution Professional. ArcelorMittal had put in a bid for about Rs 31,000 crore to Rs 32,000 crore in the second round. But before the opening of the bids, it revised upwards the offer to Rs 42,000 crore. This surpasses Rs 37,000 crore offer made by Numetal.

Essar Steel Gets Fresh Offers

ArcelorMittal's bid pegged at ₹42,000 cr, Numetal's at ₹44,000-45,000 cr

Rakhi Mazumdar
@timesgroup.com

Kolkata: ArcelorMittal and Numetal have submitted fresh bids for bankrupt Essar Steel, in line with a ruling by the National Company Law Appellate Tribunal (NCLAT), said people with knowledge of the matter. Vedanta too has made an offer, they said.

The revised offer by ArcelorMittal is pegged at Rs 42,000 crore along with a commitment to repay the Rs 7,000 crore dues of two companies as per last week's NCLAT decision,

said the people cited above. Its previous offer was said to have been in the region of Rs 38,500 crore.

Vedanta too makes offer; ArcelorMittal moves SC against NCLAT order directing it to clear ₹7,000-cr dues

Numetal's bid is estimated at a total of Rs 44,000-45,000 crore while that of Vedanta is put at Rs 30,000-35,000 crore. The NCLAT decision had opened up the field to contenders other than first round bidders ArcelorMittal and Numetal.

ArcelorMittal confirmed that it had revised its bid for Essar Steel

India Ltd (ESIL), which is undergoing resolution under the Insolvency and Bankruptcy Code (IBC).

However, it filed an appeal before the Supreme Court on Monday evening against the NCLAT order on repaying the dues of KSS Petron and Uttam Galva. A source close to the developments confirmed the company's move. But neither ArcelorMittal nor a spokesperson representing the company confirmed it.

"The financial terms of the proposal are confidential, but represent a material increase to the previous offers made by the company," the company said in a release.

Robust steel demand will keep end-product prices high: Moody's

Consumption rising 5.5-6% every year tracking strong GDP growth, says report

OUR BUREAU

New Delhi, September 10

India will be the brightest spot for the steel sector over the next 12-18 months, according to Moody's Investors Service. A Moody's statement said India's steel consumption is rising 5.5 to 6 per cent every year, tracking strong GDP growth of 7.3 per cent to 7.5 per cent.

"Rated Indian steel producers have marginal exposure to the US. We estimate that their indirect exposure may also be limited, given most of their sales are to domestic automotive and manufacturing companies," the state-

ment said. "With minimal new steel capacity expected to be commissioned until 2021 in India, robust steel demand — especially from the construction, infrastructure and automotive sectors — will keep end-product prices high, even as rising costs for key inputs, coking coal and iron ore, pressure profitability. Meanwhile, India's steel sector consolidation will drive improvement in the industry's capacity utilisation levels and mute the pressure on profitability," the statement added.

Tata Steel's acquisition of Bhushan Steel Ltd will underpin the increase in Tata's steel



shipments by over a third. "We expect a mid-single-digit increase in EBITDA per tonne for Tata Steel's Indian operations over the next 12 months. Moreover, Tata Steel's backward integration in iron ore and coking coal augurs well in times of rising input prices," the Moody's statement said.

"JSW's EBITDA per tonne will also increase by a mid-single digit, with the effect of

rising input prices compensated by an increasing proportion of speciality and high value-added products, and cost reductions," Moody's said.

Asian steel

Moody's also noted that the outlook for the Asian steel industry is stable, reflecting the consideration that the profitability of rated producers will increase moderately over the next 12 months against the backdrop of overall steady regional demand.

"Profitability, as measured by average EBITDA per tonne for our rated steel companies, will grow slightly over the next 12 months — following a strong improvement in 2017 — underpinned by steady re-

gional demand," Chris Park, a Moody's Associate Managing Director, said.

"China's capacity cuts and stringent environmental protection measures will also support profitability," Kai Hu, a Moody's Senior Vice-President, said.

The profitability of rated Japanese and Korean companies will diverge because of their differing exposures to various end-markets, and China Baowu Steel Group Corporation Ltd's EBITDA per tonne will fall slightly because of an expected decline in demand and prices.

Asian steel demand will remain steady over the next 12 months to June 2019, because solid growth in 2018 will offset a likely softening in 2019.

ArcelorMittal raises bid for Essar Steel

Offers to pay ₹42,000 cr. for the bankrupt firm against Numetal's ₹37,000 cr., and Vedanta's ₹34,000 cr.

PIYUSH PANDEY
MUMBAI

ArcelorMittal is understood to have revised its offer for the bankrupt Essar Steel to ₹42,000 crore, against Russia's VTB Group-backed NuMetal's offer of ₹37,000 crore and Vedanta's ₹34,000 crore.

"ArcelorMittal confirms that it has submitted a revised proposal to Essar Steel India Limited's (ESIL) Committee of Creditors (CoC) for the acquisition of ESIL," the company said in a statement without disclosing the amount offered.

'Value to creditors'

"The financial terms of the proposal are confidential, but represent a material increase to the previous offers made by the company. The

Race heats up



- Essar's total outstanding debt: **₹49,000 crore**
- ArcelorMittal's revised offer: **₹42,000 crore + ₹7,000 crore** dues to lenders of Uttam Galva and KSS Petron
- Numetal's existing offer: **₹37,000 crore** to secured financial creditors + **₹7,000 crore** for unsecured creditors, workmen dues, capex, working capital.
- Vedanta's offer: **₹34,000 crore**

revised offer, which includes a commitment to pay the entire amount due to the financial creditors of Uttam Galva and KSS Petron, therefore, represents unprecedented value to all concerned creditors," said the company.

"Through the revised offer, ArcelorMittal demonstrates its serious commitment to India, creditor banks and all ESIL's stakeholders," the statement added.

"ArcelorMittal, in a letter to the lenders, expressed its

willingness to pay ₹7,000 crore due to the lenders of Uttam Galva and KSS Petron. Paying up ₹7,000 crore is different from showing intent to pay. Unless, they pay ₹7,000 crore unconditionally, their offer of ₹42,000 crore for Essar Steel will have no meaning," said a person with knowledge of the development.

The National Company Appellate Law Tribunal (NCALT) had ordered ArcelorMittal to pay ₹7,000 crore to the lenders of Uttam Galva and KSS Petron (in which ArcelorMittal holds stakes) by September 11 to become eligible to bid for Essar Steel.

ArcelorMittal's letter to the lenders, it is learnt, mentions that the company would have the right to move the Supreme Court despite

the revised offer being made.

NuMetal may revise its bid of ₹37,000 crore only after ArcelorMittal pays the ₹7,000 crore to the lenders of Uttam Galva and KSS Petron, the deadline for which expires on September 11, said a source.

Asked about the possibility of NuMetal revising its bid, a spokesperson said, "We have not been called by the CoC as of now. As and when they call us for discussion, we will update."

Vedanta Limited is unlikely to revise its offer of ₹34,000 for Essar Steel, sources added.

The National Company Law Appellate Tribunal on Friday had also ruled as eligible the second bid of NuMetal for the debt-ridden Essar Steel.

Near-term outlook mixed for MCX-Aluminium

GURUMURTHY K

BL Research Bureau

Contrary to expectations, the aluminium futures contract on the Multi Commodity Exchange (MCX) fell in the last week, breaking below the key support level of ₹147 per kg to a low of ₹145.3 on Thursday.

The contract has managed to recover slightly since then and is currently trading at ₹147 per kg.

The immediate outlook is mixed. A near-term support is at ₹145 and resistance is at ₹149. A breakout on either side of ₹145 and ₹149 will decide the next direction of movement.

A break below ₹145 can take it to ₹144 initially. A further break below ₹144 will then increase the likelihood of the contract falling to ₹140 or even lower.

On the other hand, if the aluminium future contract sustains above ₹145 and breaks above ₹149, it can move up to test the ₹151-₹152 resistance region.

A strong break and a decisive close above ₹152 will boost the momentum. Such a break will trigger a fresh rally to ₹158 or even ₹160.

Trading strategy

Traders with a big appetite for risk and a medium-term perspective can go long on a break above ₹149.

A stop-loss can be placed at ₹144 for the target of ₹158. Revise the stop-loss higher to ₹151 as soon as the contract moves up to ₹153.

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

JSW crude steel output grows 8% to 14.5 lakh tonnes in August

PRESS TRUST OF INDIA

New Delhi, September 10

JSW Steel today said its crude steel output grew 8.3 per cent to 14.48 lakh tonnes (lt) during August 2018.

The company's crude steel production was at 13.37 lt in

August 2017, it said in a filing to BSE.

Last month, the production of flat-rolled products was almost flat at 9.81 lt against 9.79 lt in August 2017, it said.

The output of long rolled products increased 9.7 per

cent to 3.05 lt over 2.78 lt in the same month last year, it said. JSW Steel is a part of the diversified \$13 billion JSW Group, which has a presence in steel, energy, infrastructure, cement, ventures and sports.

India hopeful to occupy second slot in global crude steel output: Ministry

- The National Steel Policy 2017 has set a target of 300 million tonnes per annum (MTPA) of production capacity by 2030
- Production capacity in 2017-18 has already reached 137.97 million tonnes (MT)

NEW DELHI, Sept 11 (PTI)

INDIA is hopeful of occupying the second slot in global steel output after China while the Government has also taken steps to encourage secondary steel producers to boost performance, the Steel Ministry said on Tuesday.

Growing in conjunction with the primary steel sector, the secondary steel sector holds enormous



potential for growth and opportunities in the country, the Ministry said in a statement.

"Strong performance of the secondary steel sector has added muscle to India's steel production. Encouraged by the overall potential, the Government of India has taken various initiatives to improve the performance of this sector....Based on the present

growth pattern (of steel), it is expected that India will rise to the second position after China," the statement said. The National Steel Policy 2017 has set a target of 300 million tonnes per annum (MTPA) of production capacity by 2030. The production capacity in 2017-18 has already reached 137.97 million tonnes (MT).

Enumerating the steps to pro-

mote secondary steel producers besides instituting award, the Government said these included supporting energy efficiency projects and R&D activities, strengthening institutional support and protecting domestic producers from below-cost import from foreign countries through anti-dumping measures.

The Ministry will be giving away awards to the secondary steel sector on September 13, 2018 in New Delhi. The awards have been instituted in order to encourage the secondary steel sector as it plays a key role as a growth engine for the national economy and employment generation.

The statement said one of the significant aspects of the secondary steel sector is that it reaches out to millions of people in the rural areas, meeting the rural demand.

SC to hear plea of ArcelorMittal today

NEW DELHI, Sept 11 (PTI)

THE Supreme Court on Tuesday said it would on Wednesday hear a plea of ArcelorMittal challenging an NCLAT order asking it to pay by today Rs 7,000 crore to become eligible to bid for Essar Steel for which it has made an offer of Rs 42,000 crore.

A bench of Chief Justice Dipak Misra and Justice AM Khanwilkar and DY Chandrachud said, "We will hear the matter tomorrow".

The matter came up before the apex court a day after steel tycoon LN Mittal-promoted group made a bid of Rs 42,000 crore for Essar Steel. ArcelorMittal has moved the apex court challenging the NCLAT order of September 7 by which it had held as eligible the second bid of NuMetal, a consortium of Russia's VTB-JSW, for Essar Steel. National Company

Law Appellate Tribunal (NCLAT) had asked ArcelorMittal to clear the stigma of defaulter by clearing the dues of its subsidiaries.

The NCLAT had last Friday ruled that NuMetal's second bid for Essar Steel is eligible but the same by ArcelorMittal will qualify only if it clears the Rs 7,000 crore dues of firms it was previously associated within three days. NuMetal and ArcelorMittal had in February submitted separate bids to takeover Essar Steel, which lenders were auctioning, to recover their Rs 49,000 crore defaulted loans.

The Committee of Creditors (CoC) had, however, disqualified both the bids saying their promoters were tied to companies which were bank loan defaulters and hence ineligible under Section 29A of the Insolvency and Bankruptcy Code (IBC).

Mining ban in Goa hurting rupee cause: Anil Agarwal

Says halting iron ore exports, import of natural resources aiding currency slide

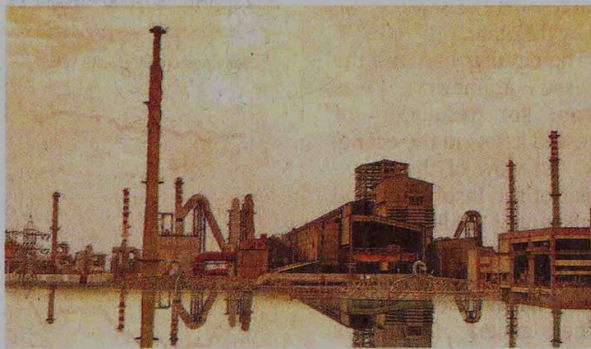
SPECIAL CORRESPONDENT
MUMBAI

Expressing concern over “sky-rocketing” imports of natural resources leading to the rupee’s decline, Vedanta Group executive chairman Anil Agarwal has called for resumption of iron ore mining in Goa.

Supreme Court ban

Earlier this year, the Supreme Court had cancelled all iron ore mining permits in Goa, which majorly affected Vedanta Ltd., since it was the biggest iron ore miner in the State.

Mr. Agarwal took to Twitter to express concern over the ban of iron ore exports



Copper concern: A positive resolution on Sterlite will benefit the domestic market, Mr. Agarwal tweeted. ■ KAMAL NARANG

worth billions of dollar from Goa. “Natural resources imports have sky rocketed. Aluminium imports are up by 20%, enormous amounts of oil, copper, sulfuric acid and

fertilizers are being imported & iron ore exports worth billions from Goa have stopped. These domestic factors are contributing to slide of rupee,” Mr. Agarwal

said in his tweet.

“Need of the hour is to urgently restart Goa mining. A positive resolution on Sterlite Copper will hugely benefit the domestic market & ancillary industries. This will help arrest sliding rupee, contain interest rates, save hard earned forex and create jobs,” Mr. Agarwal said in the tweet, which tagged Prime Minister Narendra Modi’s Twitter handle.

The Tamil Nadu Government had ordered the State Pollution Control Board to seal and “permanently” close the mining group’s copper plant in Thoothukudi following violent protests amid pollution concerns.

New Essar Steel Bids Show IBC's Potential

Willingness to pay should be sole bid eligibility

Arceleor-Mittal's revised offer for Essar Steel, reported to be Rs 42,000 crore, would cover the defaulting company's principal debt. Besides, the two companies that show Laxmi Mittal as a promoter, Uttam Galva and KSS Petron, would also get their debts of Rs 7,000 crore cleared. This shows the benefit of opening the bidding process to wider participation. The law still forbids the promoters of defaulting companies from taking part in the bidding, which only serves to limit the field of bidders and depress the successful bid below its potential peak.

The exit policy set to work by the Insolvency and Bankruptcy Code (IBC) shows tremendous potential to discipline India's promoter class. Promoters had grown accustomed to the notion that it is the banks' problem, if they are unable to service their loans. Now, the lesson has been driven home that they stand to lose their companies, if they default on their loans. The NCLT process also would entail, in most cases, forensic audits. The result



could be to unearth cases of promoters siphoning off money from their companies. This could lead to arrest and imprisonment, as some promoters' experience shows. So, defaulting on loans taken by a company ceases to be the lenders' problem and becomes loss of corporate control and liberty

for the defaulting promoter, thanks to IBC. This would have a sobering and salutary effect on future respect for and diligence in honouring borrowing terms for all corporate borrowers. And for lenders, it would mean recovering much of the loans. Banks that have provided for their gross Non-Performing Assets could end up writing back significant amounts, reducing their need for fresh capital and improving their valuation on the markets.

It is but natural that the fledgling law should take time to stabilise as a smooth mechanism for resolving bad loans. But the legal challenges that now consume time should yield firm rules that expedite resolution in future. The courts should be guided by the goal of maximising returns from the resolution process, for the sake of creditors and, why not, equity holders.

The near-term view for MCX Zinc is negative

GURUMURTHY K

BL Research Bureau

The zinc futures contract on the Multi Commodity Exchange (MCX) remained subdued over the past week. The contract moved up initially and hit a high of ₹178.85 per kg on Thursday but it failed to sustain higher. It currently trades at ₹172/kg.

The near-term outlook is negative. Strong resistance is in the ₹175-178 region, which is likely to restrict the upside in the near-term. An intermediate bounce to this resistance is likely to see fresh sellers. A fall to ₹169.5 is likely in the coming days.

A bounce from ₹169.5 can take the contract higher to ₹173 and ₹175 again. In such a scenario, the contract may re-

main range-bound between ₹169.5 and ₹175 for some time.

On the other hand, if the contract breaks below ₹169.5 decisively, selling pressure will intensify. Such a break will then increase the likelihood of the contract tumbling to ₹165 or even ₹160 over the short-term.

The bearish outlook will get negated only if it manages to rise past ₹178 decisively. Such a break will ease the downside pressure and pave the way for a fresh rally to ₹183 and ₹185. But such a strong rally looks less probable at the moment as the indicators on the charts are negative.

The 21-week moving average is on the verge of crossing below the 100-week moving average. This is a negative signal indicating that the upside in the contract could be limited.

As such, the possibility is high of the contract remaining below ₹178 and extending its downmove in the coming days.

A bounce from ₹169.5 can take the contract higher to ₹173 and ₹175 again. In such a scenario, the contract may remain range-bound between ₹169.5 and ₹175 for some time

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

Precious metals caught in a vortex

COMMENTARY

G CHANDRASHEKHAR

The precious metals market finds itself precariously poised. While gold continues to be under pressure with prices once again falling below the psychological \$1,200 an ounce, silver has all but collapsed, touching \$14 an ounce.

Several reasons have combined in this fall — a firmer US dollar, higher bond yields and importantly a rising US stock market. ETF outflows have also weighed on gold. Less committed gold bulls are exiting to move to the stock market. The inverse relationship between gold and aforesaid factors is well known. In other words, we are today in a 'risk on' market. The risk appetite is high and therefore, the role of a safe haven is limited.

Silver prices have been dragged down not only because they cling to the coattails of gold, but also because lower

base metal rates continue to weigh heavily. Industrial metal prices have come under pressure because of signs of a slowdown in China as also the prospect of further US tariffs on Chinese goods to the extent of \$200 billion.

e-impact

Although briefly, silver's recent fall below \$14/oz (the lowest level since January 2016) means there will be follow-up technical selling too. Use of silver in the electronics industry is well known and is estimated at about 20 per cent. Electronics have been a target of US tariffs, raising concerns about future demand. As a result of these pressures, the gold/silver ratio has climbed to nearly 85, its highest level in over 23 years, said an expert.

As for other precious metals with industrial usage, car sales in China and Western Europe have tuned weak, pressuring platinum and palladium. Reports suggest the slowdown in China is beginning to take a toll



on many consumers who have turned cautious about making high value purchases. The ongoing trade dispute with the US too seems to be weighing on consumer sentiment.

The platinum market remains significantly oversupplied. On September 7, platinum was trading at \$777/oz, having fallen from \$826/oz a month earlier. Palladium too is under downward pressure.

The demand side especially for gold continues to be lacklustre. There is a slowdown in imports into China and India, although in the case of the latter imports have picked up in July and August because of seasonal factors. There may be a slight pick-up in physical sales

in India because of the upcoming festival season.

Rupee factor

However, rural incomes are not expected to show a robust increase in coming months. The rapidly depreciating rupee has made the yellow metal much more expensive and neutralised the benefit of the price fall in the international market in dollar terms. The rupee continues to face headwinds. Looking ahead, the US economy looks strong with the non-farm payrolls data surprising on the upside. The labour market is tightening. This means, the Federal Reserve is likely to hike interest rates once again at the upcoming FOMC meeting on September 26. This is sure to lead to further firming up of the dollar, though the impact on gold and silver may be limited as the rate hike is largely priced into the market.

The writer is a policy commentator and commodities market specialist. Views are personal

MCX-Nickel stuck in a narrow range

GURUMURTHY K

BL Research Bureau

Nickel futures contract on the Multi Commodity Exchange has been stuck in a narrow sideways range over the last week. The contract is oscillating between ₹880 and ₹905 per kg. Within this range, the contract is currently trading at ₹898 per kg. The near-term outlook is mixed. Traders can stay out of the market till a clear trend emerges.

A breakout on either side of ₹880 or ₹905 will determine the next move. Until then the contract is likely to continue to remain sideways between ₹880 and ₹905.

If the futures contract breaks below ₹880, a fall to ₹870 or ₹863 is possible in the short term. A bounce from ₹870 or ₹863 can trigger a relief rally to ₹900 levels again. But a strong break below ₹863 will increase

the likelihood of the contract tumbling to ₹830 or even ₹800 on the back of fresh selling.

On the other hand, if the contract sustains above ₹880 and moves beyond ₹905, the downside pressure will ease. Such a break can trigger an upward move to ₹925 or ₹930 in the near-term.

The region between ₹925 and ₹930 is a crucial resistance region. Inability to breach this hurdle can pull it to ₹900 or even lower thereafter. In such a scenario the overall downtrend that has been in place since June will remain intact. But if the contract manages to breach ₹930 decisively, there is a strong likelihood of a fresh rally to ₹960 and ₹970 on short-covering.

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

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Coal India may close 53 underground mines

Bid to rationalise small, financially-unviable or unsafe mines

SPECIAL CORRESPONDENT
KOLKATA

Coal India Ltd. (CIL) may close down 53 underground mines in 2018-19 even as it looks for solutions to these mines which it had inherited as a legacy of the pre-nationalisation days, said Anil Kumar Jha, Chairman, CIL.

"About 43 underground mines were closed last year on grounds of safety and viability," he said. "We have inherited many underground mines at the time of nationalisation. That time, there were more than 700 mines with a seven lakh manpower. Now, with each passing day, we are trying to rationalise mines which are small,



financially unviable or unsafe. We are trying to amalgamate some and turn some others into open-cast," he said. There would be no retrenchment due to the mine closures as the staff would be redeployed, he added.

He was talking to the media after CIL's 44th annual

general meeting. He said the Indian School of Mines had been given a project to find out a solution to the management of the underground mines. The report is expected in six months.

11 new blocks

Earlier, addressing the shareholders, he said that 11 new blocks allotted to three of its subsidiaries, ECL, BCCL and WCL, would help raise over 100 million tonnes of coal in four years or so.

The CIL board had also approved four coal-mining projects with an ultimate capacity of 24.6 million tonnes, entailing an investment of ₹4,155.5 crore.

Coal India could close 53 underground mines: Chief

KOLKATA, Sept 12 (IANS)

COAL India, which is looking to rationalise its underground mines in view of safety and financial viability, could close about 53 such mines this year, its Chairman Anil Kumar Jha said on Wednesday.

"About 43 underground mines were closed last year on grounds of safety and viability. We have inherited many underground mines at the time of nationalisation. That time there were more than 700 mines. Now with each passing day we are trying to rationalise mines which are small and not financially viable. For some of the mines we are trying to amalgamate and turn some of them into opencast," he said.

"We have given a project to Indian School of Mines to give us a solution about how the underground mines can be managed by closing or by amalgamating or converting into opencast. This exercise is going on," said Jha, adding that a report is expected in six months.

Coal India Ltd (CIL) has undertaken rail infrastructure projects for planned growth in production and sales and as many as 13 projects for coal evacuation have been

(Contd on page 9)

Coal India could close 53 underground mines: Chief

identified, he said. He said two coking coal washeries were commissioned and plans are on the anvil to set up a non-coking coal washery in Odisha's Ib-Valley for which a letter of intention was issued.

"Coal India is tasked with meeting challenging targets in the years ahead. Going forward in order to meet the production targets, it needs to step up its growth rate.

"In order to achieve the planned

growth in production and extraction in future, the company has undertaken major rail infrastructure projects," Jha said. Out of the identified projects, three would be funded by coal companies, four by special purpose vehicles and six by railways, the miner said.

The miner is pursuing an aspirational production target of 652 million tonnes in the current fiscal while it had produced 567.36 million tonnes in 2017-18.

मानक उत्पादों का निर्माण करें छोटी स्टील कम्पनियां



इस्पात मंत्री सिंह ने दिया जोर

दिल्ली कार्यालय

दिल्ली. इस्पात मंत्री चौधरी बीरेंद्र सिंह ने सेकंडरी क्षेत्र की छोटी स्टील कंपनियों को नई तकनीक से लैस होकर मानकों से युक्त उत्पाद बनाने पर जोर दिया है, ताकि निर्यात में उनकी हिस्सेदारी बढ़ सके. इस क्षेत्र की कंपनियों द्वारा असंगठित क्षेत्र जैसा व्यवहार करने और विभिन्न सरकारी नियमों का ठीक से पालन न करने संबंधी सवाल पर मंत्री ने कहा कि मानक उत्पादों का निर्माण और कारोबार के पुराने तरीके की जगह नई संस्कृति अपनाने पर जोर देकर यह कमियां शीघ्रता से दूर की जा सकती हैं. अभी तक लौह अयस्क से लोहा बनाने वाली बड़ी कंपनियां ही सरकार के ध्यान में रहती थीं और मोदी सरकार ने पहली बार स्पंज आयरन से लेकर पुराने लोहे से विभिन्न उत्पाद बनाने वाली कंपनियों तक बिखरे सेकंडरी स्टील क्षेत्र की सुध ली है.

■ उसका पहला सम्मेलन कुछ सप्ताह पहले हुआ था और पहली बार इस जगत की कंपनियों को वर्ष 2016-17 के लिए पुरस्कृत किया गया है.

■ भंडारा की सनफ्लैग आयरन एंड स्टील कंपनी, नागपुर की शारदा श्री इस्पात लिमिटेड और पुणे स्थित कल्याणी कारपेंटर स्पेशल स्टील्स प्रा.लि. व होसपेट स्थित कल्याणी स्टील्स लिमिटेड सहित कुल 12 कंपनियों को इस्पात मंत्री ने स्वर्ण पुरस्कार से सम्मानित किया.

■ इनके अलावा नागपुर की शिल्पा स्टील एंड पावर लिमिटेड सहित देश भर की 14 कंपनियों को रजत पुरस्कार उन्होंने दिया. इनमें सिन्नर स्थित भगवती स्टील कास्ट प्रा.लि. व खोपोली की महिंद्रा सैनियो स्पेशल स्टील प्रा.लि. भी शामिल हैं.

■ चौधरी ने कहा कि सेकंडरी स्टील क्षेत्र की कंपनियां लोहा क्षेत्र में 57 फीसदी हिस्सेदारी रखती हैं. उन्होंने बताया कि अभी देश में कुल 134 मिलियन टन लोहा व इस्पात उत्पादन की क्षमता है.

■ इसे वर्ष 2030 तक 300 मिलियन टन करने की योजना है, जिस पर लगभग 10 लाख करोड़ रूपए खर्च होंगे. एक अध्ययन के अनुसार, जब इस क्षेत्र की हिस्सेदारी उसमें 70 प्रतिशत की होगी.

शीर्ष न्यायालय का अनुमति से इनकार छग में अवैध खनन की सीबीआई जांच नहीं

नवभारत समाचार सेवा

दिल्ली. उच्चतम न्यायालय ने छत्तीसगढ़ में बस्तर जिला के जंगलों में लौह अयस्क की कथित अवैध खनन की सीबीआई जांच का आदेश देने से शुक्रवार को इनकार कर दिया. दरअसल, राज्य सरकार ने शीर्ष न्यायालय से कहा कि उसने दोषी अधिकारियों के खिलाफ कार्रवाई की है और इस तरह की गतिविधियां रोक दी गई हैं.



■ न्या. एम.बी. लोकुर, न्या. नजीर और न्या. दीपक गुप्ता की पीठ ने कांग्रेस विधायक भूपेश बघेल की एक अंतरिम अर्जी पर यह आदेश जारी किया. बघेल ने बस्तर जिला के भाइसान कानहर गांव के पास के जंगलों में अनिल लुनिया नाम के एक उद्योगपति द्वारा अवैध खनन किए जाने की सीबीआई जांच कराने का अनुरोध किया था. पीठ ने कहा कि राज्य सरकार के हलफनामे में इस बात का खुलासा किया गया है कि उसने इस विषय में आवश्यक कदम उठाए हैं.

अवैध उत्खनन पर लगेगी लगाम : वेदप्रकाश

- 29 व 30 सितंबर को छिंदवाड़ा में मक्का महोत्सव
- नागपुर से निवेश की आस

भास्कर संवाददाता | नागपुर छिंदवाड़ा के जिलाधीश वेदप्रकाश ने कहा कि रेत के अवैध उत्खनन पर लगाम लगाने के साथ ही नागपुर में होने वाली रेत तस्करी रोकने के लिए पुख्ता कदम उठाए जाएंगे। छिंदवाड़ा में होने वाले दो दिवसीय मक्का महोत्सव के सिलसिले में नागपुर के कारोबारियों से चर्चा करने आए जिलाधीश वेदप्रकाश ने दैनिक भास्कर के संपादकीय सहयोगियों से चर्चा के दौरान बताया कि छिंदवाड़ा में रेत के अलावा बड़े पैमाने पर ग्रेनाइट व मिनरल है। रेत संग्रहण की अनुमति होने से छिंदवाड़ा में आसानी से रेत उपलब्ध है, वहीं नागपुर में ऐसी स्थिति नहीं होने से छिंदवाड़ा से नागपुर रेत तस्करी बढ़ने के साथ ही रेत का अवैध उत्खनन भी हो रहा है। रेत के अवैध उत्खनन व तस्करी पर लगाम लगाई जाएगी। छिंदवाड़ा में 29 व 30 सितंबर को मक्का महोत्सव है और इसकी सफलता के लिए हर मुमकीन कदम उठाए जा रहे हैं। कम लागत में किसान मक्के की पैदावार कर सकते हैं। इसे मार्केट भी आसानी से उपलब्ध हो जाता है। उन्होंने दावा किया कि सोयाबीन की जगह मक्के ने ली है। किसान इसमें दिलचस्पी ले रहे हैं। मध्यप्रदेश में जितना मक्के का उत्पादन होता है, उसका एक तिहाई अकेले

छिंदवाड़ा जिले में होता है। 13 लाख टन से ज्यादा मक्का होता है। दो दिवसीय मक्का महोत्सव में उद्यमियों



के साथ ही संशोधक भी शामिल होंगे। उद्योग जगत में मक्के से कई चीजे बन रही हैं। महोत्सव में मक्के के स्टाल भी लगेगे। फूड प्रोडक्ट भी यहां एक्सपोजर मिलेगा। नागपुर समेत अन्य जगहों से भी

उद्यमी यहां आएंगे। नागपुर में वेद के पदाधिकारियों से चर्चा हुई, उन्हें लाने की कोशिश हो रही है। यह निवेशक को लाने का प्रयास है। नागपुर के निवेशक इसमें कैसे भागीदार कर सकते हैं, मक्के के कितने प्रोडक्ट हैं, इस पर चर्चा हुई है। मक्के से पैक्टी, इथेनाल, स्टार्च, जानवरों का फूड, पोल्ट्री फूड बनता है। उन्होंने कहा कि केंद्र सरकार ने हाल ही में इथेनाल के लिए एक नीति बनाई है। कम गुणवत्ता के मक्का से इथेनाल बनता है। इससे भविष्य में सस्ता इंधन उपलब्ध हो सकेगा।