



## MMTC Makes Foray into Low Grade Iron Ore Exports



**M**MMTC Ltd, India's biggest trading company, issued a tender seeking overseas buyers for iron ore from Goa state, which a company source said marked its entry into the low-grade ore business as mining picks up in the country. The entry of state run MMTC, which used to only export high quality iron ore, could boost shipments of lower grades and coincides with Goa restarting its mining industry.

India was the world's third largest exporter of iron ore until about three years ago when court action against illegal mining curtailed output in several states. Mines are now resuming operations. MMTC's tender invited "empaneled buyers" for iron ore in batches of about 60,000 tonnes, saying it would reach out to them once a "shippable lot is organised".

An MMTC source directly involved in the matter said the company was in talks with miners in Goa to source iron ore for exports. "We are trying to work it out," the source said. "We are looking at low grades because we will have the benefit of the lower duty."

India in April cut the duty on exports of ore containing less than 57 per cent iron to 10 per cent from 30 per cent. The duty on higher grades stays at 30 per cent. Indian steel companies do not have the technology to efficiently use lower grades, meaning that almost all of Goa's output goes to more modern plants in China.

MMTC's interest will widen the buyer base for companies such as Vedanta Ltd, India's biggest private iron ore miner which restarted its Goa operations.

Parag Nagarshakar, deputy director of Goa's directorate of mines and geology, said the state had no plans to ask MMTC to export the millions of tonnes of already mined ore that was at the government's disposal.

## Jai Balaji to Make BIFR Reference



**A**iling Jai Balaji Industries, which has an integrated steel plant with five manufacturing facilities located in Durgapur and Raniganj in West Bengal and Durg in Chhattisgarh, appears to be in trouble. Its board has taken a view that since the accumulated losses of the firm for the year ended March 2015 has surpassed the net worth, a reference be made to the Board for Industrial and Financial Reconstruction (BIFR).

The company has been consistently reporting losses. In June quarter, the company logged a net loss of Rs 97 crore on the back of 28 per cent drop in sales at Rs 239.43 crore. In the March quarter, losses were Rs 162 crore. For the year ended March 2015, Jai Balaji Industries posted about Rs 386 crore loss. This was against Rs 333 crore loss in FY14 and Rs 223 crore loss in FY13. The company's share price has declined 67 per cent from 52-week high of Rs 28 in August 2014 to Rs 9.10 apiece on the BSE at present. As on June 30, the company's promoters held nearly 59 per cent stake but over two-thirds of the same holding was encumbered.

A sick company, according to Sick Industrial Companies (Special Provisions) Act, 1985, is one where at the end of a financial year, accumulated losses are equal to or more than its net worth. This is one of the parameters that the BIFR, part of the Department of Financial Services of the Ministry of Finance, looks at to judge whether a firm is sick or not. Once a company has made a reference to the BIFR and it is being considered, or if a scheme for it is under consideration or has been sanctioned, no suit for recovery of money can be started without the approval of BIFR or the appellate authority.

## Shri Tomar Inaugurates Steel Unit at Gwalior



**S**hri Tomar inaugurated a Steel Processing Unit established under Public Private Partnership between SAIL and Prime Gold Private Limited. The unit has been set up in Billowa, Madhya Pradesh under a Joint Venture. Prime Gold has 74% and SAIL has 26% stakes in this unit, which will produce one lakh tonnes of world class TMT steel and 60,000 tonnes billets will be supplied from SAIL plants annually to this unit. A large number of direct and indirect employment opportunities will also be

generated with setting up of the unit.

The establishment of this steel unit is a novel initiative by the steel ministry for turning the Make in India vision into a reality. The highlight of the unit will be to provide high quality steel at reasonable prices to rural areas around Madhya Pradesh like Uttar Pradesh, Rajasthan, Delhi and Haryana. SAIL will market the steel TMT produced from this unit through its widespread marketing network and shall pay conversion charges on per tonne basis to the JV partner.