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London Metal Exchange : Friday 30, November 2018

	Pr. Sell (1)	Morning Session Buy	Morning Session Sell * (2)	Afternoon Session Buy	Afternoon Session Sell	Kerb	Change (2) - (1)	Stk(tns) change	MMR Landed Prices	Value
	$/ton									Rs/ton
Copper Grade A										
Spot	6282.00	6237.00	**6238.00**	6234.00	6235.00	6227.00	**-44.0**	136,175	MMR LP	464,759
3-mth	6241.00	6200.00	**6202.00**	6200.00	6201.00	6198.00	**-39.0**	-75	14-D MA	473,231
Average	10-days - 6235.25		20-days - 6196	30-days- 6191.65					PP (HCL)	493,802
Tin High Grade										
Spot	18580.00	18500.00	**18525.00**	18520.00	18525.00	18398.00	**-55.0**	3,000	--	--
3-mth	18560.00	18500.00	**18525.00**	18520.00	18525.00	18400.00	**-35.0**	95	--	--
Average	10-days - 19019.50		20-days - 19138.25	30-days- 19177.17					--	--
Lead										
Spot	1932.50	1956.00	**1956.50**	1967.00	1968.00	1960.00	**24.0**	105,200	MMR LP	152,945
3-mth	1951.00	1968.00	**1970.00**	1973.00	1974.00	1971.00	**19.0**	-400	14-D MA	155,246
Average	10-days - 1945.45		20-days - 1937.78	30-days- 1946.78					PP (HZL)	162,200
Zinc Special High Grade										
Spot	2553.00	2552.00	**2553.00**	2636.00	2637.00	2525.00	**0.0**	117,550	MMR LP	207,365
3-mth	2455.00	2454.50	**2455.00**	2524.00	2525.00	2655.00	**0.0**	-1650	14-D MA	210,609
Average	10-days - 2611		20-days - 2590.23	30-days- 2617.63					PP (HZL)	210,000
Aluminium										
Spot	1933.00	1934.50	**1935.00**	1937.00	1938.00	1957.00	**2.0**	1,052,450	MMR LP	156,883
3-mth	1933.00	1937.50	**1938.50**	1956.00	1957.00	1958.00	**5.5**	-2825	14-D MA	159,703
Average	10-days - 1927.85		20-days - 1935.08	30-days- 1947.90					PP (Nalco)	161,550
Aluminium Alloy										
Spot	1330.00	1385.00	**1395.00**	NA	NA	NA	**65.0**	12,560		
3-mth	1370.00	1370.00	**1380.00**	NA	NA	NA	**10.0**	-100		
Average	10-days - 1341.60		20-days - 1356.80	30-days- 1339.23						
Nickel									Copper	01-Nov
Spot	10890.00	11010.00	**11010.00**	11050.00	11055.00	11135.00	**120.0**	213,570	Aluminium	28-Nov
3-mth	10955.00	11080.00	**11080.00**	11120.00	11125.00	11200.00	**125.0**	-150	Zinc	29-Nov
Average	10-days - 10928		20-days - 11209.25	30-days- 11460.67					Lead	29-Nov

Note: 1. MMR LP = MMR Landed Prices, excluding excise duty. 2. PP = Producer Prices ex-smelter, excl. excise

Minor Metals ($/LB)

Antimony	Cadmium	Cobalt HG	Moly.oxide	Selenium	Silicon	Tungsten	Fe Si Mangnesium
99.65%	99.95%	99.80%					
8,400	135.00	34.45	12.20	15.00	1920.00	295.00	153

Week ended Avg of Steel Prices : 30/11/2018 (Excl. GST)

Mandi Gobindgarh - Punjab					Mumbai	Kolkata	Delhi	Chennai		Mumbai	Bhiwadi	Kanpur
Sponge Iron	27,000	**HMS OLD**	28,000	**HMS**	33,000	31,500	31,500	28,000	**MS Ingots**	37,000	38,000	38,200
Pig Iron	36,000	**HMS Fresh**	33,000	**CRP(LSLP)**	35,000	-	-	34,000				

Alum. Alloy : Basic prices excl. CST/VAT		**ADC 12**		**AlSi 9 Cu3**		**LM6**	
	Mumbai Mkt rates in kgs : **30/10/2018**		136.5		138.5		156
	Ex. Delhi Mkt rates in kgs : **30/10/2018**		138		-		-

Indicative Domestic Market Rates (Rs./kg)

	Mumbai 30-Nov	Mumbai Prev	Delhi 30-Nov	Delhi Prev	Chennai 30-Nov	Chennai Prev
Virgin Metals					-	-
Copper Pat	--	--	**438.0**	438.0	-	-
Copper W/Bar	**474.0**	476.0	-	-	-	-
Alum Ingot	**155.0**	155.0	**156.0**	156.0	**163.0**	166.0
Zinc Slab	**210.0**	209.0	**232.0**	231.0	-	-
Lead Ingot	**153.0**	153.0	**160.0**	159.0	-	-
Tin Slab	**1,370.0**	1,375.0	**1,565.0**	1,560.0	-	-
Nickel (4x4)	**820.0**	800.0	**885.0**	885.0	-	-
Scrap					-	-
Copper Heavy	**442.0**	442.0	--	--	-	-
Copper Uten.	**409.0**	409.0	--	--	-	-
Copper Mixed	--	--	**418.0**	418.0	-	-
Brass Utensil	**340.0**	340.0	--	--	-	-
Brass Huny	**333.0**	333.0	**338.0**	339.0	-	-
Brass Sheet	**351.0**	351.0	-	-	-	-
Alum Utensil	**124.0**	124.0	**131.0**	131.0	-	-

Comex Copper (cents/lb) / Comex Al (cents/lb)

	Copper Rate	Copper Change	Al Rate	Al Change
Nov'18	**277.75**	-0.1	-	-
Dec'18	**278.40**	-0.1	-	-
Jan'19	**278.65**	-0.2	-	-

Precious Metals : Indicative Rates

Metal	Market	Unit	30-Nov	Prev
Gold Std	Mumbai	Rs/10g	**30,390**	30,365
Silver	Mumbai	Rs/kg	**35,560**	35,800
Gold	London	$/tr.oz.	**1,217.55**	1,226.25
Silver	London	$/tr.oz.	**14.23**	14.26
Gold	Comex	$/tr.oz.	**1,220.20**	1,224.10
Silver	Comex	$/tr.oz.	**14.09**	14.27

Forex: November, 30, 2018 (Rs/Unit Currency)

	USD	GBP		YEN
Buy	69.65	88.81		0.6138
Sell	69.56	88.72	---	0.6128
	EURO	**SGD**	**AUD**	**SFR**
Buy	79.19	50.79	50.84	69.81
Sell	79.11	50.71	50.78	69.70

Customs Notified Rates : Nov 02nd 2018 [Rs.(Imp/Exp)]: US$ 74.70/73.00;Pound Sterling 96.55/93.25;Euro 85.35/82.30

Stocks finish higher as optimism mounts over potential U.S.-China trade deal.

Crude oil trims losses on speculation over production cut.

This update corrects the ticker for the Dow Jones Industrial Average and the percentage for the S&P 500 index.

Stocks ended higher Friday, with the S&P 500 index and the Nasdaq notching their best week in nearly seven years, after upbeat comments from a U.S. trade official who suggested that some sort of a trade deal is possible during a meeting between President Donald Trump and Chinese leader Xi Jinping at the G-20 summit in Argentina.

The S&P 500 index SPX+0.82% climbed 22.41 points, or 0.8%, to 2,760.17, while the Nasdaq Composite Index COMP+0.79% gained 57.45 points, or 0.8%, to 7,330.54. The Dow Jones Industrial Average YMZ8+0.78% rose 199.62 points, or 0.8%, to 25,538.46 after being down by as much as 72 points at the open.

Both the S&P 500 and the Nasdaq logged their best weekly performance since December 2011 while the blue-chip index posted its strongest week since November 2016.

Trade representative Robert Lighthizer told reporters at the Group of 20 confab that he would be "very surprised" if the dinner between Trump and Xi "was not a success." The Wall Street Journal also reported that China could resume buying U.S. farm and energy products if the U.S. defer a scheduled increase in tariffs on Chinese products.

In contrast to the protracted standoff between the U.S. and China, leaders of all three North American nations on Friday signed the new U.S.-Mexico-Canada Agreement, meant to replace the Nafta pact that has governed North American trade for more than 20 years. The agreement still needs to be approved by the three countries legislatures before the deal can take effect.

Investors are hopeful that the U.S.-China trade negotiations will be resolved in a similar way as the U.S.-China-Mexico pact, which was agreed to only after the president issued a series of tough statements, and engaged in significant brinkmanship, before finally compromising on a deal at the 11th hour.

The development on the trade front comes on the heels of a week of speeches by Federal Reserve officials who appeared to have toned down their stance on the monetary policy. Investors had been fearful that the central bank will raise rates aggressively in 2019 after a widely expected 25 basis-point hike in December.

New York Fed President John Williams said that the Federal Reserve is undergoing a strategic review of its interest-rate policy, which could lead to the central bank tolerating higher inflation rates than it is current 2% target.

The MNI Chicago business barometer jumped 8 points to 66.4 in November to a 4½ year high, ending a streak of three straight declines. The survey is often seen as a bellwether for the broader U.S. economy.

Randy Frederick, vice president of trading and derivatives at Schwab Center for Financial Research, credited much of the market's gains to positive vibes from the Group of 20 summit.

"President Trump has been seen smiling in many photo ops, and the expectations bar seems to be rising for his dinner tomorrow night with Chinese President Xi Jinping."

Tom Essaye, president of the Sevens Report, said in a note to clients that the market is expecting a "trade war truce" to result from this weekend's trade talks, in which "Trump and Xi agree to freeze tariffs at current levels, and begin a multimonth negotiating period aimed at a comprehensive deal."

If the truce doesn't materialize, however, and signals emerge that current 10% tariffs on

$250 billion in Chinese imports will be raised in January, Essaye predicts a significant selloff. “We’d likely see the post Powell bounce erased, and depending on what happens with Italy and the EU, a serious test of support at 2,600 for the S&P 500 before year-end,” he wrote.

Currency Market

The dollar rose on Friday as investors prepared for the outcome of trade talks between the United States and China at the G20 meeting on Saturday, which investors expect will increase volatility across markets.

U.S. President Donald Trump said on Friday there were some good signs ahead of the meeting with Chinese President XiJinping.

"We're working very hard. If we could make a deal, that would be good. I think they want to. I think we'd like to. We'llsee," he said.

Trade Representative Robert Lighthizer said on Friday hewould be surprised if Saturday's dinner between Trump and Jinping "wasn't a success."

"For now, really, the trade issue seems to be a dominant theme swaying sentiment," said Mazen Issa, senior FX strategistat TD Securities in New York. "If you have any sort of news orheadlines that is indicative of a positive or negative outcome,I think markets are going to react accordingly."

The dollar index .DXY gained 0.51 percent to 97.268. The Chinese yuan weakened 0.20 percent to 6.96 per dollar.

Credit Suisse strategists expect the Chinese currency to weaken to a decade low of 7.20 per dollar by end-2019.

Data on Friday showed growth in China's vast manufacturing sector stalled for the first time in over two years in November as new orders slowed, piling pressure on Beijing ahead of thetrade talk.

Investors are also continuing to evaluate comments byFederal Reserve Chairman Jerome Powell on Wednesday that theU.S. central bank's policy rate is now "just below" neutral, alevel that neither brakes nor boosts a healthy U.S. economy.

The immediate reaction sent the dollar tumbling as investors saw the Fed as likely to end its rate-hiking cycle sooner than previously expected.

Interest rate futures traders are now pricing for only onerate hike in 2019, according to the CME Group's FedWatch Tool,below Fed projections of three increases during the year.

Some analysts see the move as exaggerated, however, with theFed more likely to let economic data guide it on when to pause tightening.

"There's no denying that the Fed rhetoric has changed inrecent weeks, but we don't think it's changed quite as much asthe repricing in rates suggests it has," said Adam Cole, chiefcurrency strategist at RBC Capital Markets in London.

Precious Metals

A decline in gold futures Friday, on the back of further strength in the dollar, pushed the metal down for the week, but prices still tallied a second straight monthly gain.

Gold for February delivery GCG9, -0.21% shed $4.40, or 0.4%, to settle at $1,226 an ounce, with the contract registering a weekly fall of nearly 0.3%, based on last Friday’s settlement. For the month, however, prices were up about 0.9% from the most-active December contract settlement of $1,215 on Oct. 31.

Prices had weakened in electronic trading late Thursday, shortly after minutes from the Federal Open Market Committee’s November monetary policy meeting revealed that every member of the committee was on board with lifting interest rates “fairly soon.” The account of the most recent gathering of U.S. monetary-policy makers helped to stabilize the dollar, signaling that a rate increase in December was on track, even if speeches from central bankers this week suggest that the rate-hike path forward in 2019 may be less certain.

On Friday, the ICE U.S. Dollar Index DXY, +0.42% was up 0.5% at 97.25 as gold futures settled. A stronger dollar typically weakens investment demand for dollar-priced commodities, like gold. The buck was up 0.3% this week and poised for a 0.1% gain in November, according to FactSet data.

Despite bullion's recent lackluster trading, some investors maintain a relatively sanguine outlook for gold in the first quarter of 2019. "We are bearish on gold in the short term, but bullish on its prospects in [the first quarter of] 2019," Mark O'Byrne, research director at GoldCore, told Market Watch. "There are some very real risks which look likely to impact risk assets and should see the return of safe haven gold demand."

Base Metals

Copper prices steadied on Friday ahead of a meeting of global leaders at the G20 summit, where a long-standing trade dispute between China and the United States is expected to take centre stage.

Tit-for-tat trade tariffs have rattled global markets and sapped demand for base metals, in some cases overriding supportive factors such as falling stocks.

"The market is, to a great extent, discounting the chance of a breakthrough in talks between the US and China over the weekend," said Commerz bank's head of commodities research Eugen Weinberg, adding that Chinese data added to the general lacklustre performance of metals on Friday.

China's official Purchasing Managers' Index (PMI) fell to a 2016 low of 50 in November, missing market expectations and down from 50.2 in October.

Three-month copper on the London Metal Exchange (LME) closed 0.2 % down at $US6198 a tonne, ending barely changed on the week. Aluminium finished 0.9 per cent up at $US1958.

President Donald Trump, Canadian Prime Minister Justin Trudeau and Mexico President Enrique Pena Nieto signed a new trade agreement on Friday known as the United States-Mexico-Canada Agreement (USMCA).

Aluminum Corp of China (Chalco) is cutting 470,000 tonnes of annual output, it said on Friday as Chinese aluminium prices sank to a two-year low.

Norwegian metals company Norsk Hydro expects global primary aluminium demand growth to slow next year and says it is being hit hard by a production slowdown at a key alumina plant in Brazil.

Falling stocks pushed the premium for cash zinc over the three month price to $US101 a tonne, its highest since 1998.

Inventories of zinc in LME-monitored warehouses are close to a 10-year low of 88,600 tonnes. In warehouses monitored by ShFE, zinc stocks fell 25 % from last Friday to 26,779 tonnes.

Chile's Codelco, the world's largest copper producer, said mine output fell 3 % in the first 9 months of the year as ore grades fell sharply.

The US is moving to moderate its steel trade tariffs but countries in Europe and beyond are wary of reducing protection for their steel makers while US-China trade tensions prevail.

Zinc ended at a one-week high of $US2542 a tonne, up 2.9 %, while lead finished 2.1 % up at $US1970. Tin fell 0.7 per cent to $US18,400 and nickel gained 1.3 per cent to $US11,200.

Energy Market

Oil prices fell further on Friday as swelling inventories depressed sentiment despite widespread expectations that OPEC & Russia would agree some form of production cut.

The two global oil benchmarks, North Sea Brent and U.S. light crude, have had their weakest month for more than 10 years in November, losing more than 20 percent as global supply has outstripped demand.

U.S. West Texas Intermediate was down 52 cents, or 1 percent, at $50.93, after earlier falling as low as $49.65 Brent was down 76 cents, or 1.3 percent, at $58.75 a barrel by 2:28 p.m. ET, having bounced from a session low of $58.25.

Prices pared losses from session lows after Bloomberg reported OPEC's advisory committee suggested decreasing production by 1.3 million barrels per day (bpd) from last month's levels, traders said.

"Oil prices bounced back late in the day on Friday on reports that the OPEC committee had suggested a 1.3 million barrel per day cut from the October level," said Fawad Razaqzada, market analyst at futures brokerage Forex.com.

News Report & Analysis

Government puts gold dore imports under restricted category

The government Friday put the imports of gold dore in restricted category. "Import policy of gold dore is restricted," the directorate general of foreign trade (DGFT) said in a notification. This means, now, an importer needs a license to import this commodity. Gold dore is a semi-pure alloy which is refined for further purification. Refined gold bars are manufactured from gold dore bar.

India, the world's second-biggest gold consumer after China, imports about 900 tonnes of gold a year. In value terms, gold imports fell by about 43 per cent to USD 1.68 billion in October. The imports mainly take care of demand of the jewellery industry.

JSW Steel to integrate Aferpi mill with Indian facilities

JSW Steel would integrate the recently acquired Aferpi mill with its Indian facilities, including the newly purchased Monnet Ispat and Energy, as part of the Italian steelmaker's phased turnaround plans.

Besides Italy, its plant at Acero Junction in the US will commission its electric arc furnace and meltshop in December and the improvement in earnings should start reflecting in the next quarter. "At Aferpi, in the first phase we will operate the 1.3 MT rail mill that already has orders in place and integrate it with billets from Salem and Monnet Ispat sent from India," Seshagriri Rao, joint MD at JSW Steel, told ETin an interaction.

To gain foothold in the Italian and European markets, JSW Steel had bought Italy's second largest steelmaker in May for € 55 million (Rs 441 crore) after it lost Ilva to ArcelorMittal.

The 2 MT consists of a 1.3 MT rail mill and wire rods and bar making facilities.

The company has longterm plans to set up an electric arc furnace there but in the first phase, it would source 2 lakh tonnes of steel billets from its plant at Salem and the rest from Monnet Ispat once it gets commissioned.

Apart from Aferpi, JSW Steel had also invested a billion dollars in the US to modernise

its existing plate and pipe mill in Baytown, and to acquire the steel plant at Acero Junction, which consists of a 1.5 MT electric arc furnace and 3 MT hot strip mill.

To achieve the re-commissioning of the facility there, JSW Steel has sent its team responsible of turning around its plant at Dolvi the company had acquired from Ispat Industries in 2010.

"At Acero Junction, the commissioning of the electric arc furnace and the meltshop will happen in December and it will show improvement from the next quarter itself," Rao said. "We are investing $25-$40 million and recommissioning that unit like Monnet," Rao said.

Tata Steel works on strategy to raise share of value added steels to 30%

Tata Steel is working on a strategy to raise the share of value added steels to 30% of its total production, as part of an initiative to insulate itself from the cyclicality of steel business. The company also said it is planning to add new materials like Graphene, Carbon fibre reinforced polymer and Advanced ceramics that would constitute over 10% of its revenue by 2025.

Tata Steel stated this in a presentation made to investors on November 29. It also said services and solutions would generate around 20% of its revenues by 2025. Tata Steel's generated 69% of revenues through enriched and value added product mix in H1FY19. The company is targeting a total capacity of 30 million tonne by 2025.

Koushk Chatterjee, CFO, Tata Steel said the company's acquisition of Bhushan steel and Usha Marin was a step towards adding more value added steels in its portfolio. This will be reinforced by deploying more capital in value added downstream assets and venture. It would also pursue a plan of divestment, strategic restructuring and monetisation of non-synergistic ventures, he added.

The company said it has raised Rs 19,400 crore in last seven years through divestments that will be used to deleverage its balance sheet. It is also looking at other portfolio restructuring options that includes Tata-Thyssen joint venture in Europe, the Sedibeng iron ore property in South Africa, Cogent, its electrical steels plant at Newport in the UK, TRL Krosaki, a refractory unit in Belpahar, Odisha and the South East Asia cluster.

Tata Steel has emerged as the most integrated steel producer with a current steel-making capacity of 18.6 million tonne in FY19. While it has 100% iron ore security till 2030, the company said it can rely on captive sources for over 25% of its coal requirement.

Bhushan Steel has been a "value accretive" acquisition, Tata Steel said that will give additional capacity to retain marketshare in a growing market, higher downstream integration and value addition with a complementary product mix, closer access to key markets in North and West and the option to scale up capacity through brownfield expansion.

Describing acquisition of Usha Martin as a first step in building a sustainable long products portfolio, Tata Steel said it would help retain its long product market share while marking an entry into a special steels segment and enhance its product basket for automotive customers while leveraging its customer base for improved customer service with a wider offering. UML's additional land at Barajamda can also be used for setting up a beneficiation plant it added.

NCLAT upholds Monnet Ispat's coal pact termination

The National Company Law Appellate Tribunal (NCLAT) rejected a plea by the insolvency professional against Union Ministry of Coal's termination of mining agreement with Monnet Ispat & Energy Ltd., citing the moratorium period under the insolvency and bankruptcy code (IBC).

The company was brought under the insolvency process in a case filed by SBI.

In 2015, the Coal Ministry had entered into a development and production agreement with Monnet Ispat for a mine in Chhattisgarh.

In December 2017, after the initiation of the insolvency proceedings, the mining agreement was terminated.

The resolution professional of Monnet Ispat challenged the termination on the ground that it is against the provisions of Section 14 of the IBC in case where a moratorium had been granted. During the period of 'moratorium,' the right vested with the company cannot be taken away by the Government of India, the resolution professional argued.

Recurring losses

Earlier, the Mumbai Bench of National Company Law Board (NCLT) rejected the plea against the termination of the agreement. It also noted that the Government of India is incurring an estimated revenue loss of Rs. 314.3 crore annually, which was the reason for the termination of the agreement.

NCLAT noted that the vesting of the coal mines is not complete in absence of any agreement with the State government in respect to the mines in question.

The resolution professional cannot claim that pursuant to the lease, the mines are under occupation or in possession of the company, it added. NCLAT also noted that the government had issued a show cause notice before the termination and the company failed to act in terms with the said show cause notice. It also ruled that it would be open to the Government of India to accept any bid and create third party interest with regard to the mines in question.

TRL Krosaki, Cogent power to be part of Tata Steel portfolio rejig

Tata Steel's strategy of portfolio restructuring to bring down debt will include restructuring its refractories business, TRL Krosaki, as well as electrical steel maker, Cogent Power, the company said in a note to investors Thursday.

The assets add to its plans of forming a joint venture with thyssenkrupp in Europe, divesting South-east Asian business Nat Steel and selling off a South African iron ore mine. Portfolio restructuring could involve adjusting its stake or selling off the asset altogether.

Tata Steel holds 26.62% in TRL Krosaki, earlier called Tata Refractories and located in Belpahar, Odisha, while 51% is held by Krosaki Harima Corporation, a unit of Nippon Steel. Cogent Power is spread over the UK, Sweden and Canada. According to a report by Reuters, Tata Steel Europe has put Cogent on the block to satisfy the European Commission's concerns on the Tata Steel-thyssenkrupp JV's competition level.

Tata Steel became India's largest steelmaker after acquiring the 5.6-million tonne (mt) Bhushan Steel under the insolvency law. The company had net debt of Rs.1.04 lakh crore at end of the September quarter and is pursuing a strategy of actively divesting itself from non-core businesses to unburden the balance sheet.

This has also been in line with Tata Sons chairman N Chandrasekaran's strategy of making the group leaner by selling or merging small or loss-making businesses of group companies.

In the last seven years, Tata Steel has raised Rs.19,400 crore by divestment and the latest selloff was the Sedibeng iron ore mine in South Africa to Swiss metals and mining group IMR Metallurgical Resources AG in October for Rs.188 crore.

In India, Tata Steel wants to ramp up capacity to 30 mt by 2025 and the volume will include at least 30% of value added steels. The company will add new materials such as graphene, carbon fibre-reinforced polymer and advanced ceramics that would constitute over 10% of its revenue by 2025.

ArcelorMittal seeks to buy EPC Constructions at 93% discount

ArcelorMittal emerged as the sole-bidder for Essar Group firm, EPC Constructions India Ltd, with a bid of Rs.500 crore, against outstanding loans of Rs.7,268 crore, said two bankers aware of the bid. The first banker, requesting anonymity, said that the company has also promised to bring some equity into EPC Constructions if they win the bid, but lenders were not happy with the offer and want more cash upfront. "A discount of above 90% is not acceptable to them."

An email sent to ArcelorMittal did not elicit any response till publishing of this story.

This is the second Essar Group company, after Essar Steel, that ArcelorMittal is eager to buy. A wholly-owned subsidiary of Essar Projects Dubai, EPC Constructions (formerly Essar Projects India Ltd) is involved in building infrastructure projects, power plants and refineries, among others.

The second banker, also requesting anonymity, said that the proposal will be discussed by the committee of creditors (CoC), but most banks feel if the bid was not revised, the company might have to head for liquidation. He added that their proposal to bring in equity is not attractive because it will still lead to a meagre recovery for the lenders.

EPC Constructions was referred to the bankruptcy court by IDBI Bank and was admitted under the Insolvency and Bankruptcy Code (IBC) on 20 April.

Banks had declared EPC Constructions a non-performing asset (NPA) on 31 December 2014, and had issued a demand notice on 8 November 2017, shows documents available with the National Company Law Tribunal (NCLT).

The consortium of lenders had then asked EPC Constructions corporate guarantors to repay the loan. The rupee-term loan was guaranteed by Essar Investment Ltd and the working capital loans were guaranteed by Imperial Consultants and Securities Ltd.

According to documents on EPC Constructions' website, under the insolvency resolution process, the company has received financial creditor claims of Rs.7,304 cr, of which the resolution professional has admitted Rs.7,268 cr.

Lenders having exposure to EPC Constructions include IDBI Bank (Rs.1,117 crore), Central Bank of India (Rs.1,054 crore), UCO Bank (Rs.1,011 crore), Exim Bank (Rs.884 crore), Corporation Bank (Rs.722 crore) and Suraksha Asset Reconstruction Co. (Rs.642 crore).

The highest claim of Rs.1,753 crore was filed by the company's parent, Essar Projects Ltd, Dubai. The claim is being verified.

Mint had on 30 October reported that ArcelorMittal had completed due diligence on EPC Constructions, using the data room open to bidders, while its officials had also visited the company's plant in Surat.

ArcelorMittal's bid for Essar Steel, too, is in limbo following opposition from the steel company's unsecured and operational creditors. Recently, the Gujarat state utility, Dakshin Gujarat Vij Co. Ltd, had challenged ArcelorMittal's resolution plan before the Ahmedabad bench of the National Company Law Tribunal.

Others, including Standard Chartered Bank, Gujarat Energy Transmission Corp. (Getco), and GAIL (India) Ltd, besides 30 operational creditors have approached the bankruptcy court.