

# A looming coal crisis

Gas-starved Europe’s revival of coal plants spells bad news for India, which is a rising net importer

SUBHOMOY BHATTACHARJEE  
New Delhi, 16 September

This week, the chief of the Indonesian Coal Mining Association said Indonesian coal miners were expecting Germany to be their third-largest importer by 2023, just behind China and India. The over 150 per cent rise in prices of the fuel across Europe since January this year — a fallout of the gas supply crisis after Russia invaded Ukraine, has made this seemingly absurd ranking possible. More to the point, it has implications for India, which has been a net importer of coal in recent years.

The huge price rise in Europe has made coal mines nearer the continent, such as South Africa, pivot even more to those markets. As demand from China also shoots up — a result of climate change drying up hydel-power-producing rivers — Indian imports could be impacted. One reason India has narrowly escaped being singled this season is that production from state-run Coal India Ltd (CIL) has risen sharply this year. It was 22.74 per cent up, year on year, between April and August 2022. The other reason is that better management of CIL supplies by the Railways ensured the annual monsoon crisis at power plants did not occur this year.

But as no Indian government agency makes even a yearly forecast for demand and supply of energy fuels, including coal, it is pure guesswork how imports, which account for close to a third of India’s total consumption of coal in the pre-Covid years, and the global supply shortage will pan out for the economy.

One easy guess is that the coal balance for the months ahead will not be comfortable. Unlike oil, whose demand tracks the global ups and downs in GDP of key nations, coal demand is more rigid. It lights up power plants to provide electricity in the winter for the homes in Europe and China. Those heating demands will not come down much, even if there is a recession.

Already, inventory at China’s Qinhuangdao port, the world’s largest coal terminal, was down 16 per cent in August, sequentially. Coal loading for exports at Australia’s Newcastle port has been affected by a shutdown and floods in the mining areas. Disruptions are afflicting major ports in many countries as they try to handle the massive surge in demand for coal, according to reports by market intelligence firm CoalMint.

Essentially, the market for coal has become extremely tight. The chief reasons are the European gas crisis, which has sent demand soaring for every possible tonne of coal. Germany’s largest power producer Uniper has revived coal-based power production after stopping in 2020. It is the same story across the border in Poland. Polish bank Pekao has reversed its policy to permit the financing of coal trade. Demand for coal is also soaring in China as it prepares for winter. To compensate for the sharp fall in production of hydro-electricity, Beijing is stocking up on coal, madly. July data shows China imported 15 per cent more coal from



Russia than the previous year. That makes it the highest import level in five years.

Those imports are welcome news for Russia, blocked out of the European market, to which it used to sell almost half of its production. India has also begun to import some Russian coal. But the long sea voyage adds to the costs. So whichever source New Delhi might look at, all have become costly.

Coal consumers in India are taking evasive action to save their balance sheets. They have begun to prepare cocktails of coal imports from different sources. Sponge iron manufacturers in eastern India, whose output prices vary with every swing in prices of coal, are now blending costlier Australian coal with South African cheaper products, sometimes even on the high seas.

The other coping mechanisms are not very good news. Coking coal imports from Australia to India in August have fallen to a two-year low. Coking coal is mostly used to manufacture steel. Since India’s domestic production of domestic coking coal has been flat for decades, it is chiefly Australian imports that have fed the Indian furnaces. Indonesian and South African coal is mostly of the non-coking variety, useful for feeding power plants. The lower Australian imports essentially mean the weaker steel producers are easing off their production lines due to the costs. This has major implications when India is undertaking a huge expansion of infrastructure investments.

The data is not showing up now but will certainly do so in the subsequent months. In July, steel production increased 5.7 per cent, year on year. The cumulative index for the metal has increased by 6.5 per cent in this financial year.

Matters could have been slightly better if the commodity exchange for coal had been rolled out by now. It has been given in-principle approval in 2021 but is taking time to become operational. The market could have offered pointers to businesses on the demand side on how the price of coal and its supply would pan out. The e-auction mechanism for domestic coal offers a measure of supply and demand for only domestic production. A larger coal market would allow Indian importers to send out stronger price signals.

As of now, without a government forecast and no commodity market, it is extremely difficult for the consumers to plan ahead. Finance Minister Nirmala Sitharaman had this week berated the domestic industry about not increasing investments. But without price signals for the coal-dependent sectors, there is a big problem in adding capacity.

For instance, the global coal shortage should have spiked interest to bid for coal mines in the ongoing auctions. Shares of Adani Enterprises, which handles coal imports for the conglomerate, have risen 118 per cent since January this year. But in the fifth round of auctions in September, bids came in for only 15 coal blocks against a pool of 100 blocks on offer. Finally, only eight bidders stayed in the race to pick up stakes close to the reserve prices. The only exception was Vedanta, which paid a premium to pick up a mine adjacent to its existing coal blocks in Ib Valley in Odisha.

Despite all the noise from climate change activists, the prices of coal, the quintessential dirty fuel, will continue to make headlines through a good part of this decade.

# Prison resources remain scarce despite jump in budget allocation

SAMREEN WANI  
New Delhi, 16 September

India’s expenditure on prison inmates has increased by 24.3 per cent in the past five years — from ₹1,694.32 crore in 2017 to ₹2,106.86 crore in 2021 — according to the latest Prison Statistics in India report (see chart 1).

The states with the highest annual expenditure per inmate in 2021 were Andhra Pradesh (₹2.1 lakh), Haryana (₹1.4 lakh) and Delhi (₹1.1 lakh). Prison occupancy, too, increased to 130 per cent in 2021 from 115.1 per cent in 2017 (see chart 2).

“The overcrowding shouldn’t have increased since these were the Covid-affected years,” said Valay Singh, project lead on the India Justice Report, an independent collective of seven organisations that ranks Indian states based on their capacity to deliver justice.

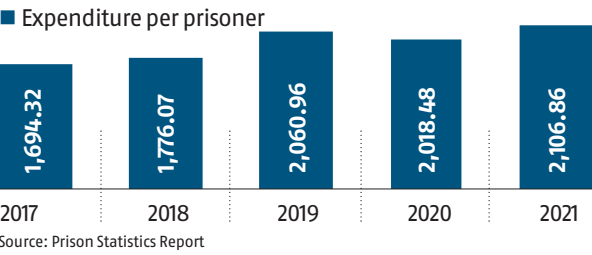
According to government data, occupancy in the district jails of Aligarh, Uttar Pradesh, is 411 per cent; in Jamui, Bihar, it is 447 per cent; and in Anuppur, Maharashtra, 310 per cent.

A *Business Standard* analysis found that while the number of prisoners has increased by 23 per cent from 450,696 in 2017, the number of prisons has reduced by 3 per cent from 1,361 in the past five years. Undertrials made up a majority of prison inmates. As many as 77.1 per cent of the 554,034 inmates — roughly eight out of 10 — are awaiting a verdict.

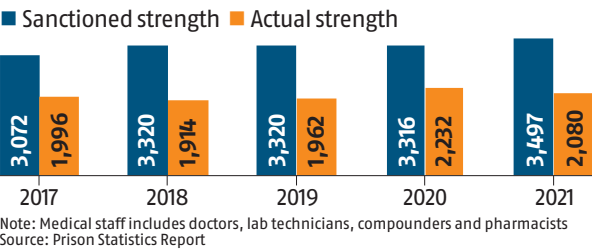
“Each inmate costs money. There are now three times the number of undertrials than there are convicts. This adds to huge overcrowding and all the consequent ills,” said Maja Daruwala, convener and chief editor, India Justice Report.

Of the ₹2,106.86 crore spent

## 1. EXPENDITURE ON PRISON INMATES HAS INCREASED BY 24.3% IN 5 YEARS



## 3. 40% OF THE SANCTIONED POSTS FOR MEDICAL STAFF WERE LYING VACANT IN 2021



on inmates in 2021, ₹1,624.4 crore was on undertrials alone. The government’s average expenditure per prisoner in five years was ₹39,571.9 (₹108.4 per day), which is roughly one-third of India’s per capita income.

“This isn’t enough. According to the FAO (State of Food Security and Nutrition in the World Report 2020), for any person to have adequate nutrition and diet in South Asia, a person needs \$2.12 per day (roughly ₹170/day),” Singh said.

But, as Singh explained, it would be difficult to come up with national figures for a benchmark spending per prisoner as “the cost of living varies from state to state, from one city to another and from tier to tier.”

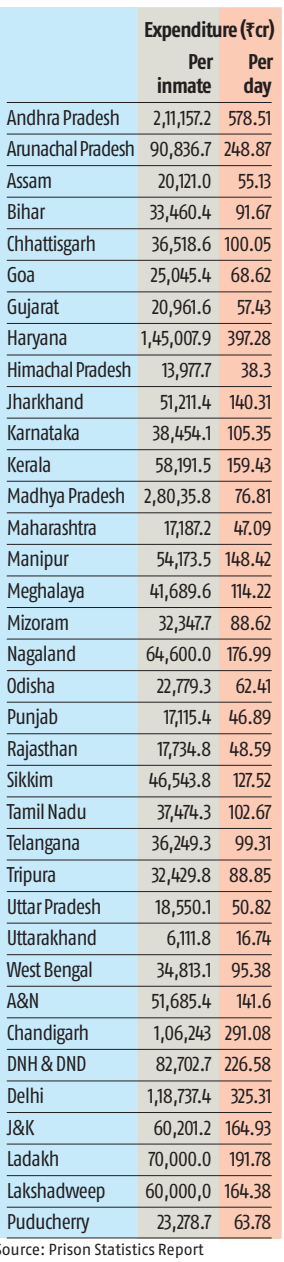
“The PSI (Prison Statistics Report) states that 54 per cent is spent on food and 5 per cent on medical matters. There is a lot of illness in prisons — sud-

den, serious ones and chronic infections. Plus, those brought about by the mental stress of being there,” said Daruwala.

Further analysis of the report found that even though medical expenditures have increased by 54 per cent from 2017 to 2021, there is still a lack of medical personnel in prisons. The increase in budget has not necessarily meant an improvement in the availability of human resources. In 2021, 40 per cent of the 3,497 sanctioned posts for medical staff were lying vacant. The staff-to-prisoner availability has decreased from 4.4 medical staff for 1,000 prisoners in 2017 to 3.7 medical staff in 2021 (see chart 3).

“The years of continuous medical officer shortages suggest that prisons must create their paramedics and barefoot doctors from amongst convicts,” said Daruwala.

## 2. IN 16 STATES, PER PRISONER SPENDING MORE THAN 5-YR AVG



# Kerala in talks with Airtel, Jio to monetise internet firm’s assets

Kfon, after three years, may have to raise ₹250 crore annually to repay its debt and for maintenance and expansion

SHINE JACOB  
Chennai, 16 September

Kerala will monetise its state-owned internet firm’s assets. It is in talks with private companies Bharti Airtel and Reliance Jio as it seeks funds to bring digital services to the poor.

Kerala Fibre Optic Network (Kfon) is expanding its footprint to around 30,000 offices and has provided free internet to two million economically backward households. After three years, it may have to raise ₹250 crore annually by monetising assets to repay debt and for maintenance and expansion. Airtel and Jio did not respond to questions from *Business Standard* about taking part in Kfon’s monetisation of dark fibre (unused fibre).

Santhosh Babu, Kfon’s managing director, said Airtel has written his company a letter expressing interest in some of its areas.

“We are awaiting a government order regarding asset monetisation. It is likely to come very soon. Moreover, we will have to go for price discovery or per kilometre cost. We are in talks with several players including Jio and Airtel,” he said.

Kfon has laid fibre cable for about 30,000 km, while Jio has about 10,000 km. Kfon aims to lease out around 50 per cent of the fibre to telecom service providers and cable networks. The major sources of revenue through asset monetisation are expected to be dark fibre, leased lines, and network centres.



**Kfon has laid fibre cable for about 30,000 km, while Jio has about 10,000 km. Kfon aims to lease out around 50 per cent of the fibre to telecom service providers and cable networks**

Kfon is a special purpose vehicle between Kerala State Electricity Board (KSEB) and Kerala State IT Infrastructure Ltd (KSITIL). KSITIL is soon expected to get charge of setting up 5G infrastructure in parts of the state. Babu said that within the next three years Kfon will have to pay annually around ₹100 crore as payment for ₹1,100 crore raised from Kerala Infrastructure Investment Fund Board.

“In addition, our operations and

maintenance will require ₹4-5 crore a month, electricity bills will be around ₹15 crore a year and we will have to pay certain charges to the government of India too. We may require around ₹250 crore in total per year and will have to meet a good share of this through asset monetisation,” he said.

The total investment for the project is expected to be in the range of ₹1,600 crore. According to Kfon, around 85 per cent of its infrastructure work is complete.

Of the 30,000 Kfon offices planned, infrastructure is installed in 24,357 and in 8,300 of them have started services. Around 14,000 families in 140 assembly constituencies are yet to be selected by the local self-government for Kfon services.

**ESAB INDIA LIMITED**  
CIN: L29299TN1987PLC058738  
Regd. Office: Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.  
Telephone No: 044-4228 1100 | Email id: investor.relations@esab.co.in

NOTICE is hereby given that the following share certificates issued by the company are stated to have been lost or misplaced or stolen and the registered holders of the shares have applied to the company for issue of duplicate share certificate.

NOTICE OF LOSS OF SHARE CERTIFICATES				
NAME OF THE SHAREHOLDER	Folio No.	Certificate No.	Distinctive Nos.	Shares
BRINDA BHUPENDRABHAI PATEL	B01689	52523	5237625 – 5237699	75
		53524	5237700 – 5237714	75
		53525	5237775 – 5237819	45

The public are hereby warned against purchase or dealing in any way with the above said share certificates. Any person(s) who has / have any claim(s) in respect of the said share certificates should lodge such claim(s) with the company at its registered office at the address given above within 15 days of the publication of the notice after which no claim will be entertained and the company will proceed to issue the duplicate share certificate(s).

Place : Chennai  
Date : 13 September, 2022

For ESAB India Limited  
G. Balaji  
Company Secretary

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MANJRI AGARWALLA BY FNG DIPAK AGARWALLA VIBHA AGARWALLA	M04185	14757	3469711 – 3469810	100
		70185	6393321 – 6393395	75
		70186	6393396 – 6393470	75
		70187	6393471 – 6393515	45

The public are hereby warned against purchase or dealing in any way with the above said share certificates. Any person(s) who has / have any claim(s) in respect of the said share certificates should lodge such claim(s) with the company at its registered office at the address given above within 15 days of the publication of the notice after which no claim will be entertained and the company will proceed to issue the duplicate share certificate(s).

Place : Chennai  
Date : 16 September, 2022

For ESAB India Limited  
G. Balaji  
Company Secretary

**GOVERNMENT OF TAMIL NADU  
FINANCE DEPARTMENT,  
CHENNAI-9**

**Dated: September 17, 2022**  
**PRESS COMMUNIQUE**

1. It is notified for general information that the outstanding balance of **8.85% Tamil Nadu Government Stock, 2022** issued in terms of the Government of Tamil Nadu, Finance Department, Notification **No.237(L)/W&M-II/2012**, dated **October 12, 2012** will be repaid at par on **October 17, 2022** with interest due up to and including **October 16, 2022**. In the event of a holiday being declared on the aforesaid date by any State Government under the Negotiable Instruments Act, 1881, the loan will be repaid by the paying offices in that State on the previous working day. **No interest will accrue on the loan from and after October 17, 2022.**

2. As per sub-regulation 24(2) and 24(3) of Government Securities Regulations, 2007 payment of maturity proceeds to the registered holder of Government Security held in the form of Subsidiary General Ledger or Constituent Subsidiary General Ledger account or Stock Certificate shall be made by a pay order incorporating the relevant particulars of his bank account or by credit to the account of the holder in any bank having facility of receipt of funds through electronic means. For the purpose of making payment in respect of the securities, the original subscriber or the subsequent holders of such a Government Securities, as the case may be, shall submit to the Bank or Treasury and Sub-Treasury or branch of State Bank of India, where they are encased / registered for payment of interest, as the case may be, the relevant particulars of their bank account.

3. However, in the absence of relevant particulars of bank account / mandate for receipt of funds through electronic means, to facilitate repayment on the due date, holders of **8.85% Tamil Nadu Government Stock 2022**, should tender their securities at the Public Debt Office, 20 days in advance. The securities should be tendered for repayment, duly discharged on the reverse thereof as under:-

**“Received the Principal due on the Certificate”.**

4. It should be particularly noted that at places where the treasury work is done by a branch of the State Bank of India, the securities, if they are in the form of Stock Certificates, should be tendered at the branch of the bank concerned and not at the Treasury or Sub-Treasury.

5. Holders who wish to receive payment at places other than those where the securities have been encased for payment should send them duly discharged to the Public Debt Office concerned by Registered and Insured Post. The Public Debt Office will make payment by issuing a draft payable at any Treasury / Sub-Treasury or branch of State Bank of India conducting Government Treasury work in the State of Tamil Nadu.

**N. MURUGANANDAM**  
**Additional Chief Secretary to Government,**  
**Finance Department, Chennai-9.**

DIPR/967/Display/2022

“சோதனை கட்டுந் கத்திரம் அடைந்தோம், சாதனை புரிந்து சளித்திரம் படைப்போம்”

**PUBLIC ANNOUNCEMENT FOR E-AUCTION - BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (IN LIQUIDATION)**  
(Under Regulation 32 and 33 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)  
NOTICE is hereby given to public at large for inviting bids from interested Bidders in connection with the e-auction to be held by the Liquidator of Bharati Defence and Infrastructure Limited, in Liquidation (“BDIL”/“Company”/“Corporate Debtor”), as per details mentioned in the table below. The E-auction Process shall take place through online E-auction Agency, Quippo Services Limited via website, <https://quippo.com/>, on 11 October 2022 for Category A and on 13 October 2022 for Category B and Category C or such other later dates as may be intimated to the registered Bidders by the Liquidator.

RELEVANT PARTICULARS		
1. Name of the corporate debtor	Bharati Defence and Infrastructure Limited	
2. Date of incorporation of corporate debtor	June 22, 1976	
3. Authority under which corporate debtor is incorporated/registered	Registered under Companies Act, 1956, Registrar of the Companies - Mumbai	
4. Corporate identity number of corporate debtor	L45200TG1993PLC015545	
5. Address of the registered office of corporate debtor	Oberoi Chambers - II, 846, Ground Floor, Link Road, Near Lakshmi Industrial Estate, Andheri (West), Mumbai, Maharashtra, 400053	
6. Liquidation commencement date of the corporate debtor	January 14, 2019, by way of order passed by Hon'ble NCLT, Mumbai bench	
7. Name, address, email address, and the registration number of the Liquidator	Name: Mr. Vijaykumar V. Iyer Registration Number: IBBI/IPA-001/IP-P00261/2017-18/10490 Address: Deloitte India Insolvency Professionals LLP, One International Center, 26th Floor, Tower 3, Senapati Bapat Marg, Elphinstone (W), Mumbai, Maharashtra, 400013. Email Address: <a href="mailto:viyer@deloitte.com">viyer@deloitte.com</a> Correspondence Address: Deloitte India Insolvency Professionals LLP, One International Center, 26th Floor, Tower 3, Senapati Bapat Marg, Elphinstone (W), Mumbai, Maharashtra, 400013. Email Address: <a href="mailto:inbharatidefip@deloitte.com">inbharatidefip@deloitte.com</a>	
8. Date and time of E-Auction Category: A: Category B [1 parcel] and Category C [1 parcel with multiple lots]:	11 October 2022 from 12:00 p.m. to 06:00 pm 13 October 2022 from 12:00 p.m. to 06:00 pm Bidders are requested to check the website of the Company at <a href="https://bdil.co.in/home/disclosures-under-liquidation/">https://bdil.co.in/home/disclosures-under-liquidation/</a> for any updates to the date and time of e-auction	
9. Auction platform details	Quippo Services Limited <a href="https://quippo.com/">https://quippo.com/</a>	
10. Manner of Obtaining the Process Document	The detailed terms and conditions of the E-auction process will be set out in the Process Document, which can be obtained by the Bidders at the Company website <a href="https://bdil.co.in/home/disclosures-under-liquidation/">https://bdil.co.in/home/disclosures-under-liquidation/</a> or by sending an email request at <a href="mailto:inbharatidefip@deloitte.com">inbharatidefip@deloitte.com</a>	
11. Manner of Submitting Bid	The Bids will be conducted through E-auction. Bid increments shall be set at 0.25% of Reserve Price.	
12. Mode of Sale	The mode of sale is an open e-auction where Bidders can view the highest Bid during the open window.	
13. Eligibility Criteria and other details including timelines and EMD	As set out in the Process Document uploaded on the Company website or obtained by sending an email request at <a href="mailto:inbharatidefip@deloitte.com">inbharatidefip@deloitte.com</a>	

An EOI may be submitted by an interested Bidder by 4 October 2022 for Corporate Debtor as a whole on a going concern basis (excluding certain assets) under Category A, or collectively for the sets of assets/shipyards in Parcel under Category B or for lots of assets under Category C as described in the table below. Post due diligence and site visits, last date to submit the EMD by qualified Bidder would be 7 October 2022 in order to be eligible to participate in the e-auctions to be held on 11 October 2022 for Category A and 13 October 2022 for Category B and Category C.

Category	Asset	Reserve Price
<b>Category A</b>		<b>(INR Crore.)</b>
Parcel 1	BDIL as a whole, on a going concern basis (excluding the Kolkata Shipyard, Mangalore Shipyard, assets located at Goa (including assets stored at premises of Gultare Energy Projects Private Limited) and assets located at leasehold warehouse in Bhandaril and leasehold Ghodbunder yard, Head Office of the Corporate Debtor at Mumbai, Lot nos. (as prescribed under the public announcement dated 21 June 2022) 3(A) - Land and building, 3(B) Plant & Machinery and 3(C) - Inventory pertaining to Ratnagiri yard)	200.0
<b>Category B</b>		
Parcel 2	Dabolh Shipyard, including land & building, plant & machinery, inventory, semi constructed vessel and other movable assets and agreement with Larsen & Toubro in relation to the assets with all rights and interest therein.#	146.0
<b>Category C</b>		
Parcel 3 - Ratnagiri Shipyard	Lot no. 3 (D) and Lot no. 3 (E) Semi-Completed Vessels situated at Ratnagiri Shipyard and Other Assets such as Computer, Furniture, Office Equipment and Vehicle situated at Ratnagiri Shipyard	26.4

\*In the previous rounds of e-auctions held on 6<sup>th</sup> September 2021, 26<sup>th</sup> October, 2021, 24<sup>th</sup> November, 2021 and 19<sup>th</sup> August 2022 and private sale process conducted on 20<sup>th</sup> May 2022, the Liquidator received a successful bid each for Parcel 5 i.e. the set of assets pertaining to the Mangalore shipyard of BDIL, Parcel 6 i.e. the assets located at leasehold warehouse in Bhandaril and leasehold Ghodbunder yard, Parcel 6 i.e. the set of assets located at Goa (excluding assets stored at premises of Gultare Energy Projects Private Limited), Lot nos. 3(A), 3(B) and 3(C) pertaining to Parcel 3 (Ratnagiri shipyard), Parcel 7 i.e. Head Office of the Corporate Debtor and Parcel 4 i.e. the set of assets pertaining to the Mangalore shipyard of BDIL, and consequently, Parcels 4, 5, 6, 7, and 8 and Lot nos. 3(A), 3(B) and 3(C) pertaining to Parcel 3 as a whole, on a going concern basis.

#BDIL has entered into an agreement with Larsen & Toubro for inspection, transporting and removing acropodes stored on the land of BDIL and as per the agreed terms, these assets are leased to Larsen & Toubro under the said agreement. BDIL has issued a termination notice to L&T under the agreement on 22<sup>nd</sup> July 2022.

The detailed description of assets forming part of each of the Parcels and Lots along with the manner of bid submission and the terms and conditions of sale and e-auction process shall be set out in the Process Document uploaded on the Company website at <https://bdil.co.in/home/disclosures-under-liquidation/> or obtained by sending an email request at [inbharatidefip@deloitte.com](mailto:inbharatidefip@deloitte.com).

Notwithstanding anything contained above, the Liquidator reserves his right to give preference to Bidders submitting bid for acquisition of the Corporate Debtor as a whole on a going concern basis under Category A and/or such bids which maximize the overall value to stakeholders of the Corporate Debtor. Nothing contained herein shall constitute a binding offer or a commitment to sell the Corporate Debtor as a going concern or any of its assets.

The acquisition of the Corporate Debtor under Category A, B, or C, as mentioned above, shall be on 'as is where is', 'as is what is', 'as is how is' and 'without any recourse' basis without any representation, warranty or indemnity by the Corporate Debtor or the Liquidator.

The auction will be conducted as per the provisions of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. The prospective bidder is required to note that the sale shall be at the sole discretion of the Liquidator, basis review of the credentials of the prospective bidder, and shall be as per the terms and conditions laid down in the Process Document, this Public Announcement, the Insolvency and Bankruptcy Code, 2016 ("Code"), the relevant regulations thereunder. The Liquidator reserves the right, to amend and/or annual this invitation including any timelines or the process therein, at any time, without giving or assigning any reasons or assuming any liability or costs. Any such amendment in the invitation, including the aforementioned timelines, shall be notified on the website of the Corporate Debtor <https://bdil.co.in/home/disclosures-under-liquidation/>.

For Bharati Defence and Infrastructure Limited  
Date : 17 September 2022  
Place : Mumbai  
Sd/-  
Mr. Vijaykumar V. Iyer,  
Liquidator of Bharati Defence and Infrastructure Limited  
Registration Number: IBBI/IPA-001/IP-P00261 /2017-18/10490  
Authorisation for assignment - No: AA/1/10490/02/150323/103976 (valid till 15 March 2023)  
Address: Deloitte India Insolvency Professionals LLP, One International Center, 26<sup>th</sup> Floor, Tower 3, Senapati Bapat Marg, Elphinstone (W), Mumbai, Maharashtra, 400013.