फिर खानन शुरू कराने के प्रयास

उच्चतम न्यायालय से अपील, बेदाना छवि वाली कंपनियों को गिले खानन अधिकार

राजस्थान प्रेस इन्फोर्मेशन बुरूला
भारत सरकार

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Iron ore export duty raised to 30%

Increase in duty upsets mining firms, but steel companies set to benefit after complaining about lack of supply for months

DILIP KUMAR JHA
Mumbai, 2 January

In a major setback to the mining industry, the ministry of commerce has raised the export duty on iron ore to 30 per cent from the existing 20 per cent, effective December 30.

"It will be the end of exports of iron ore fines (a certain product size) from India. With an already high 20 per cent duty, export had declined 28 per cent in the first eight months of the current financial year," said R K Sharma, secretary general, Federation of Indian Mineral Industries.

However, this move to discourage export would help the domestic steel industry, which was finding difficult to get the ore it required due to the mining ban in Karnataka’s Bellary district. The share price of JSW Steel, one of largest iron ore consumers and finding difficulty in getting ore, closed with a gain of 8.9 per cent at ₹537.

The move was seen as a damper for mining companies. Sesa Goa closed lower by 3.7 per cent to ₹156.65 and NMDC fell 3.3 per cent to ₹155.55.

India exported around 40 million tonnes of iron ore in April-November. Another five-seven mt could find its way out. Still, overall export would decline 50 per cent this year from the 97 mt of last year. Total iron ore production was 281 mt in 2010-11 against the demand of 103 mt. Despite 97 mt of export, the year ended with 80 mt of surplus ore supply.

The proportion of lumps in iron ore production has come down from 43 per cent in 1995-96 to 39 per cent in 2010-11, whereas the proportion of fines has increased from 47 to 61 per cent (including concentrates) in the same period. That is, deeper mining means higher generation of fines. It is 70-75 per cent in India. Unless fines are evacuated from the mines, the production of lumps cannot be maintained or increased to feed the domestic steel industry, contended Sharma. The reduction in the export duty would, therefore, also affect the availability of lumps to the domestic market, hurting the domestic steel industry, he said.

Pukhraj Sethiya, senior consultant at PricewaterhouseCoopers, did not entirely agree. "The increase in export duty is expected to boost supply of iron ore to the domestic steel industry, perhaps at lower prices," he said. The price of fines declined 30-40 per cent in September-November.

Haresh Melwani, CEO of H L Nathurmal & Co, a Goa-based iron ore miner and exporters, feels the rise in export duty would increase under invoicing of shipments. Since low grade iron ore is not exported from any other destination, Indian exporters to China will try to hide the actual price to remain competitive in Chinese markets, he added.
लौह अयस्क पर निर्यात शुल्क बढ़ा

भारत सरकार ने लौह अयस्क निर्यात पर शुल्क 20 पौंड से बढ़ाकर 30 पौंड कर दिया है।
लौह अयस्क वाहक और लाम पर 30 पौंडी निर्यात शुल्क 20 दिसंबर से लगभग किया गया है।
इस कदम के बाद नौकरी निवृत्तियों को बढ़ाने के लिए वाहक और लाम पर 30 पौंडी निर्यात शुल्क के साथ भारतीय अयस्क अवधिवास चर्चा बाजार में प्रायोगिकी नहीं रह गई है।

इस में लौह अयस्क निर्यात चालू होने के संबंध में पंजीकरण दर से ज्यादा होने की संभावना है।
निर्यात में खतरा रहने के कारण लौह अयस्क की नई व्यापक परिकी इतनी भी नहीं होगी जो लौह अयस्क निर्यात संबंधी निर्देशन सिद्धांत में निर्यात शुल्क बढ़ाकर 30 पौंडी बढ़ाकर करने वाली गंगा वित्त मंत्रालय से की थी।
भारत अयस्क अवधिवास चर्चा बाजार में प्रायोगिकी नहीं रह गई है।
To curb illegal mining, govt hikes export duty on iron ore to 30% ad valorem

ENS ECONOMIC BUREAU
NEW DELHI, JANUARY 2

The government has hiked the ad valorem duty on iron ore exports to 30 per cent from 20 per cent. The decision would enrich a cash-strapped government by around Rs 8,500-9,000 crore.

While the hike in export duty has understandably stung the mining community, the move was in the offing for sometime now. Strong reservation by steel companies against unfettered iron ore exports found ready acceptance from former Steel Minister Virbhadra Singh, who wanted more restrictions on exports. Based on his ministry’s inputs, Finance Minister Pranab Mukherjee had imposed a 20 per cent duty on exporting the domestically mined mineral.

When contacted, Singh’s successor Beni Prasad Verma said, “We should not fritter away our natural resources at the cost of domestic steel producers, who have invested crores of rupees in their plants. Where do we go when our own ore gets exhausted? So we had demanded the export duty,” Verma told The Indian Express.

The Federation of Indian Mineral Industries, the apex body of miners complained that Indian ore would no longer be competitive internationally.

As shipments from India dropped 28 per cent between April and November to 40 million tonnes, the country’s iron ore exports may end the year under 50 MT.

Mines minister Dinsha Patel could not be contacted but the move will certainly not go down well with his ministry, which had opposed any such move. It was of the view that a duty hike will not stop miners from exporting; it will only reduce their margins. “We wanted wider consultation before a decision,” said a senior mines ministry official.

In an earlier meeting of commerce and finance ministry officials, Department of Financial Services Secretary DK Mittal had made it clear that “fiscal measures” to curb exports of iron ore will be more remunerative than canalisng them though MMTC for sale in the overseas nations as proposed by the commerce ministry.

Verma had in August demanded that the duty on iron ore exports be enhanced to 30 per cent as valorem. Steel Secretary PK Misra shot off a letter to the Finance Ministry in September demanding that the steel industry was unwilling to compromise on raw material security. In November, Finance Secretary RS Gujral sought further justification for changing the duty.

Misra wrote back on November 17 saying unless domestic steel makers were assured raw material security, they would not feel emboldened to expand further. He cited that India’s likely steel production by 2020 would be 200 MT while its consumption has been growing at 9.2 per cent CAGR in the last five years. Even if steel production grew by 9 per cent, its likely production would be 152 MT by 2019-20 and 234 MT by 2024-25.
Iron ore export unlikely to cross 50mt in 2011-12

The country's miners have said the upward revision in iron ore export duty to 30 per cent will make India's produce uncompetitive in the global market and total shipments are unlikely to exceed 50 million tonne in the current fiscal.

"The government has further hiked export duty on iron ore to 30 per cent on December 30. This will make Indian iron ore totally uncompetitive in the world market," Federation of Indian Mineral Industries' Secretary General R K Sharma said.

"Iron ore exports are already down by around 30 per cent during the April-November period of the current fiscal over the same period last fiscal. It will be far more challenging next year," he added.

India had shipped 117.3 million tonne of iron ore in 2009-10 and 70-80 per cent of this was in the form of fines, which do not have many takers among domestic steel-makers. In 2010-11, iron ore exports from the country came down to 97.64 million tonne and in the first eight months of the current fiscal, exports dipped by a little over 28 per cent to 40 million tonne vis-a-vis the corresponding period last fiscal."
Govt hikes duty on iron ore exports

New Delhi, Jan 2: India raised iron ore export duties to 30% from 20% as it seeks to conserve supplies for its steel industry, sending down shares of iron ore producers and boosting that of steelmakers.

The government issued a formal order removing the previous 20% duty, and two revenue officials said this meant the rate reverted to 30%, which one of them said was the peak tariff level.

The new rate is 30% on both fines and lumps, said RK Sharma, secretary-general of the Federation of Indian Mineral Industries. The rates were effective December 30, he said. This move appears to have been taken to appease the country’s steel lobby, which has been demanding such a hike, Sharma said.

India is one of the world’s biggest exporters of iron ore, with much of its product bought by China. Sesa Goa, a major ore seller, said in November that India’s exports had already probably fallen by a third in 2011 to 65-70 million tonnes.

Reuters
Domestic steel industry had fluctuating fortune in 2011

SUSHIM BANERJEE

The year 2011 was eventful both for global as well as Indian steel industry. Major leading indicators like world output, production trend in key industrial segments, and trade volume exhibited downward trend while unemployment and inflation rate went up. Correspondingly, steel production had a secular growth (world crude steel production up by 7.4% in first 11 months), steel prices declined (HR by 8%, Rebar by 4%), leaving adverse impact on Ebitda of steel producers. Partial relief on account of downward trend in major inputs such as coking coal (20%), and Iron Ore (16%) was neutralised by low prices of finished goods.

However, global steel performed better in H1 before the start of a sizzling fortune in H2. China occupied 46% share in global production in 2011, more than the last year. As Europe is facing a threat of a prolonged recession and the US is limping back to a positive growth, the competitive threats from China, due to low-priced exports and restrictive raw material exports (bauxite, coke, zinc, rare earths etc), is gradually assuming the character of an eco-political battle between the super powers.

The massive trade deficits progressing on ever-increasing manufacturing exports from China, including indirect exports of steel, a potential of an intense trade war involving currency manipulation, subsidy and various other governmental supports, and faulty implementation of IPR issues. This year has virtually made the prospect of taking forward the unfinished agenda of Delhi talks a distant reality as protective measures (mostly NTBs) are likely to proliferate in the coming months against the backdrop of industrial slowdown.

Indian steel industry had a fluctuating fortune in the year...

WHILE STEEL PRODUCTION HAD A SECULAR GROWTH (WORLD CRUDE STEEL PRODUCTION UP BY 7.4% IN FIRST 11 MONTHS), STEEL PRICES DECLINED, LEAVING ADVERSE IMPACT ON EBITDA OF STEEL FIRMS

Production growth of 5.6% in the first 11 months was accompanied by 4% rise in consumption with exports increasing by 22% and imports declining by 18%. GDP growth in January-March quarter at 7.8% came down to 7.7% in April-June quarter and 6.9% in July-September with every indication of a slower growth in subsequent quarters. Major steel-intensive segments also exhibited lower growth. For instance, production of cylinders went down by 11% in April-September ‘11 compared to 14% growth in the same period last year. Similarly, passenger car saw only 5% growth in H1 against record 28% in same period last fiscal.

Three wheelers saw 17% rise against 29% last year while sales of refrigerators declined 13% against 10% growth in H1 2010. Diesel engines saw 7% increase in H1, 2011 against 11% in same period in 2010. All this impacted the growth in manufacturing to drop by more than 20% in the first ten months. Construction sector accounting for around 60-80% of steel consumption in the country could clock only 4% growth in April-September period. Devaluation of exchange rates (15% during the year) is hurting the importers of raw materials, including oil and coking coal, while providing small benefit to the exporters in view of fall in global prices.

Rising inflation rates particularly the food prices prompted the RBI to increase the repo rate by 24% during the year, leading to rise in interest rates which acted as a virtual damper for the industry, and brought down the demand for consumer durables. However, the year has brought to light an unprecedented level of economic inertia paralysing the decision making and policy implementation process.

The unpredictable environment and ever increasing business risks have sapped the entrepreneurial spirit and market sentiments. Let us hope for an early end to this impasse, possibly by April-June quarter of 2012-13 and a lengthy glorious innings for Indian steel more than what is in store for aluminium and copper sectors.

*The author is DG, Institute of Steel Growth and Development. The views expressed are personal*
**National Aluminium Company (Rs 52.9)**

We recommend a buy in the stock of National Aluminium Company (Nalco) from a short-term perspective. It is evident from the charts of the stock that since encountering resistance at Rs 120 in March 2011, the stock has been on a long-term downtrend.

Medium-term trend is also down for the stock. However, the stock's long-term support band between Rs 48 and Rs 50 arrested its decline in late November 2011. Thereafter this support band cushioned the stock from declining further. The stock recently changed its direction, triggered by positive divergence in the daily moving average convergence divergence and price rate of change indicators.

On Monday, the stock jumped 4.4 per cent with good volume, breaching its 21-day moving average and immediate resistance at Rs 50. Moreover, weekly relative strength index and MACD are displaying positive divergence, backing the stock's reversal. The daily price rate of change indicator has entered into the positive area implying buying interest.

Taking a contrarian view on the stock, we are bullish on it from a short-term perspective. We anticipate it to move higher and reach our price target of Rs 54.5 or Rs 56.5 in the ensuing trading sessions. Traders with short-term perspective can consider buying the stock with stop-loss at Rs 51.

### Day Trading Guide

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* Last Traded Price

The analysis and opinion expressed in these columns are based on the technical analysis of the past price behaviour. The stop-loss level provided with the recommendation is important. The original view would stand negated if the stop-loss level is breached. There is a risk of loss in trading.

- **DLF**
  - Initiate fresh short position with fixed stop-loss if the stock falls to move above Rs 183 levels.

- **ICICI Bank**
  - Fresh long position is recommended with tight stop-loss only if the stock moves above Rs 710 levels.

- **Infosys**
  - In line with our view, the stock moved higher in the previous session. Its near-term stance is bullish. We reiterate our buy recommendation in the stock.

- **L&T**
  - We recommend a buy in the stock with stiff stop-loss at Rs 995 levels.

- **ONGC**
  - Initiate fresh short position with stiff stop-loss if the counter slips below Rs 255 levels.

- **Reliance Industries**
  - Make use of dips to buy the stock with tight stop-loss at Rs 695 levels.

- **SBI**
  - Fresh long position can be initiated with tight stop-loss if the stock reverses higher from Rs 1,611 levels.

- **Tata Motors**
  - In the last trading session, the stock climbed 3 per cent with above average volumes. We recommend a buy in the stock with fixed stop-loss at Rs 180.

- **Tata Steel**
  - Make use of dips to buy the stock while maintaining tight stop-loss at Rs 334 levels.

- **Nifty Futures**
  - On Monday, Nifty futures was volatile and ended 13.7 points higher. We restate that fresh long position can be initiated with stiff stop-loss only if Nifty Futures rallies above 4680 levels.

- **Yogman D**

BL Research Bureau
Export duty on iron ore hiked to 30%

Shipments of the mineral unlikely to cross 50 million tonnes this fiscal, say miners

NEW DELHI: The domestic miners have said the upward revision in the export duty on iron ore to 30 per cent would make India's produce uncompetitive in the global market and total shipments were unlikely to exceed 50 million tonnes in the current fiscal.

"The government has further hiked the export duty on iron ore to 30 per cent on December 30. This will make Indian iron ore totally uncompetitive in the world market," Federation of Indian Mineral Industries' Secretary-General R.K. Sharma said.

"Iron ore exports are already down by around 30 per cent during the April-November period of the current fiscal over the same period last fiscal. It will be far more challenging next year," he added.

The government had raised the export duty on both lumps and fines to 20 per cent in the budget for the current fiscal to check the indiscriminate export of the key steel-making raw material and encourage domestic value addition. India, the world's third largest iron ore exporter, had shipped 117.3 million tonnes of iron ore in 2009-10 and 70-80 per cent of this was in the form of fines, which do not have many takers among domestic steel makers.

In 2010-11, iron ore exports from the country came down to 97.64 million tonnes and in the first eight months of the current fiscal, exports dipped by a little over 28 per cent to 40 million tonnes vis-a-vis the corresponding period last fiscal.

In fact, following the duty hike in the budget and a slew of events thereafter, iron ore exports from the country have witnessed negative growth in the current fiscal vis-a-vis the previous fiscal.

Apart from the duty hike, the decline in exports of iron ore was due to a number of reasons, including the imposition of a ban on exports of the raw material from Karnataka since July, 2010, following allegations of widespread illegal mining.

Production of iron ore in around 46 mines in Goa has also been shutdown due to environmental reasons. An informal export ban is also in place in Odisha.

Mr. Sharma said in the remaining period of the current fiscal, only some quantity of exports would be feasible from Goa, besides stocks lying at other ports.

"However, taking all it is not going to be 45-50 million tonnes in the current fiscal," he added. Concerned over the severe shortage of iron ore after the ban on mining in Karnataka, Steel Minister Beni Prasad Verma had written to the Finance Ministry last September for raising the export duty on iron ore to 30 per cent to discourage exports.

PTI

Chinese imports to rise

Reuters reports from New Delhi:

Sesa Goa shares closed down 3.86 per cent at Rs.157.10, while those of NMDC, the country's largest iron ore miner, dropped by 3.42 per cent to Rs.155.40.

Steel producer JSW Steel rose by 5.87 per cent to Rs.536.95 as the overall index gained 0.41 per cent.

Chinese steel mills had been expected to replenish stockpiles before their New Year holidays, which start on January 22. Chinese markets are closed on January 2.

China's iron ore imports are expected to rise 6 per cent to a record 720 million tonnes in 2012 according to a Reuters poll conducted in December.

The Indian government is trying to cut down on illegal iron ore mining and shipments, but favours better tracking and monitoring along with higher taxes rather than blanket bans on exports.

In April, the Supreme Court overturned an export ban imposed by the Karnataka Government in July, 2010, but shipments have yet to pick up because of administrative delays.
Committee favours iron ore mining in Western Ghats

Ajith Athrady

NEW DELHI: A high-level government panel has favoured resuming iron ore mining in ecologically sensitive Western Ghats, notwithstanding relentless opposition from environmentalists who consider mining a preposterous proposition in the region.

A committee headed by Steel Secretary P K Mishra has recommended the resumption of iron ore mining in Western Ghats to meet the demand for ore from domestic steel makers. The committee was constituted to make recommendations on steel sector for the 12th Five Year Plan.

The report said since around 10 billion tonnes of Magnetite or natural iron ore (with greater than 60 per cent iron content) reserves were available in Western Ghats, it could be explored if it would meet the demand from steel making companies. Around 8 billion tonnes of this ore deposit is expected to be found in Karnataka.

The Steel Ministry's suggestion came in the background of strong demand by domestic steel companies to allow iron ore mining in unexplored areas to meet the current requirement after the stoppage of mining in Bellary district in Karnataka following reports of large-scale illegal mining and over exploitation of the resource.

India produced about 208 million tonnes of iron ore in 2010-11, and half of quality ore was exported. In 2011-12, it will require 115 mt of iron ore for the projected production of 73.7 mt of steel. In next five years, around 206 mt of ore is required to produce the projected 125.9 mt of steel. To meet the targeted steel production, the Steel Ministry is of the opinion that allowing mining in unexplored areas is viable.

Iron ore mining was banned in the Western Ghats after the Supreme Court order in 2005 preventing public sector undertaking Kudremukh Iron Ore Company from mining at Kudremukh in Chikmagalur district for environmental reasons.

DH News Service
High Court cancels bail to IAS officer

EXPRESS NEWS SERVICE
HYDERABAD, JANUARY 2

ANDHRA Pradesh High Court on Monday cancelled the bail to Y Srilakshmi, an accused in the Obulapuram Mining Company (OMC) illegal mining case.

Srilakshmi, arrested on November 28 for allegedly abusing her position as Industries and Mines Secretary to grant illegal favours to former Karnataka minister G Janardhana Reddy’s OMC, was given conditional bail by a CBI court on December 2.

OMC ILLEGAL MINING CASE

The CBI, which is investigating the case, had challenged the bail, saying Srilakshmi could tamper with evidence and influence witnesses and investigations. The CBI also argued that Srilakshmi, who was Commissioner, Health and Family Welfare, when she was arrested, had not performed her duty honestly and thus did not deserve bail.

Srilakshmi’s lawyer countered the CBI’s argument, saying her name was not in the chargesheet filed on December 3. The CBI is likely to file a supplementary chargesheet naming Srilakshmi soon.

The HC agreed with the CBI’s contention and directed Srilakshmi to surrender before the CBI special court by Friday.