Centre seeks ore export info from Goa

Ajith Athrathy

NEW DELHI: In a move that could expose the unholy nexus between mining companies and exporters, the Union Ministry of Mines has asked Goa government to submit details of iron ore exported from Karnataka through Goa ports in the last five years.

The move came in the wake of allegations that a large quantity of iron ore extracted in Karnataka was exported illegally from various ports in Goa.

The Goa government will have to submit the details of the exports from 2005, when the demand in the Chinese market boosted iron ore exports, till 2011, when the mining scam came to light, sources in the Ministry told Deccan Herald.

The ministry also asked the state officials to produce data on the quantum of Karnataka ore allegedly used for blending with local low-grade ore during the last five years.

The ministry, which had taken up the matter seriously, also decided to ask the Railways Ministry to give details of the ore brought by wagon from Karnataka to Goa.

"The Indian Bureau of Mines (IBM) will record the data," the officials added.

They will also compare the figure submitted by the Karnataka government on transportation of ore from its mines. As a number of Goa-based mining companies and exporters have staked in mining activities in Karnataka there was an allegation that many have been indulged in illegal shipment of ore.

It is learnt that some big business houses used to get high grade ore from Karnataka mines in the guise of a blend with low-grade ore mined in Goa and exported it to foreign countries illegally.

Former Lokayukta Justice Santosh Hegde, in his report on illegal mining in Karnataka, also mentioned that 45 lakh tonne of high grade ore was exported through Goa’s Mormugao Port Trust (MPT).

The report pointed out that the ore was brought from Karnataka in the pretext of blending it with local low-grade ore, which is non-consumable by the steel industry, and in fact exported through the port though Karnataka had banned exports.

The report also questioned the export of high grade ore, with as much as 64 per cent Fe content, from the Goa port when the state does not have such kind of ore.

The ministry also announced to take a fresh survey in Goa to access the quantum of loss to exchequer due to illegal mining and export.

DH News Service
CBI searches NMDC office in Bellary

The Central Bureau of Investigation on Friday conducted searches at National Mineral Development Corporation office in Bellary and examined documents over alleged illegal mining carried out by the Deccan Mining Syndicate in NMDC’s area, the police said. The search was conducted after the investigative agency filed a case on October 4 against DMS for allegedly encroaching mining areas belonging to NMDC.
Indian-origin iron ore prices fall 12% in China

MAHESH KULKARNI
Bangalore, 14 October

THE global financial turmoil and reduced demand for steel products in Europe has adversely affected the prospects of Indian iron ore exporters to China. Despite shortage in supply of iron ore from Karnataka and Orissa, prices of Indian-origin iron ore in Chinese markets have dropped to $168 a tonne, as against $191 a tonne about 15 days ago, declining 12 per cent.

“Both Chinese steelmakers and traders expect the market to further drop due to the global financial turmoil and reduced demand. After the week-long national holiday in China, prices fell $6 on a single day and finally settled at around $168 a tonne, compared to $178 a tonne a week ago. The major reason is the global sell-off in bullion and the overall negative sentiments for commodities across the board,” said Praveen Kumar, chairman, Maya Iron Ores, a commodity trading company.

He said prices have fallen sharply in the last one week in China and the high grade iron ore fines (63 iron content and above) are now ruling at $168 a tonne and the low grade (53-54 iron grade) are trading at $98 a tonne. The prices are likely to hover around $150-160 a tonne in the next couple of months provided the global financial markets stabilise.

“The sentiment among Chinese buyers is very low at this moment. Despite buying a record quantity of 60 million tonnes (mt) in September, the Chinese buyers are lying low for now,” Kumar said. He added that the government action in Karnataka and Orissa resulted in the rise in prices. But, they are now falling due to global sentiment, he said.

Iron ore stockpile in China posted a decrease after several weeks and stood at 93 mt approximately. Indian stockpile continued its decline with current stock level of around 12 mt across the major ports.

Due to the lack of material availability and reduced price advantage, Chinese mills have ventured to other countries like South Africa and Chile for iron ore procurement. “Indian iron ore currently has a Chinese market share of 27 per cent, which if the Indian government does not take swift measures to normalise the export segment, can considerably reduce in the following years,” Kumar added.

Meanwhile, the Federation of Indian Mineral Industries (Fimi) expects export of iron ore from India to come down this financial year to around 70 million tonnes, against 97.6 mt exported last financial year, declining 28 per cent. The drop is mainly due to shortage in supply from states such as Goa, Karnataka, Orissa and Jharkhand. In 2010-11, India’s iron ore exports stood at 97.5 mt.

“The ban on export of iron ore in Karnataka and shortfall in Goa along with problems in eastern states have compounded the problems for iron ore exporters. We don’t see any hope for the sector in the next few months,” R K Sarma, secretary general, Fimi told Business Standard.

For the first four months of the current financial year, iron ore exports from India have dropped 22 per cent to 25.29 mt, as against 32.36 mt. “Karnataka largely exports low-grade iron ore to China and for the past one year there have been no exports because of the ban by the Karnataka government. Until the matter is resolved in the Supreme Court in favour of exporters, we cannot hope for resumption of exports from Karnataka,” said D V Pichamuthu, director, south, Fimi.
## PRICE CARD

<table>
<thead>
<tr>
<th>METALS ($/tonne)</th>
<th>International</th>
<th>Domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>2,178.00</td>
<td>2,611.18</td>
</tr>
<tr>
<td>Copper</td>
<td>7,328.00</td>
<td>9,281.93</td>
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<tr>
<td>Nickel</td>
<td>18,475.00</td>
<td>22,745.82</td>
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<tr>
<td>Lead</td>
<td>1,996.00</td>
<td>2,345.98</td>
</tr>
<tr>
<td>Tin</td>
<td>22,500.00</td>
<td>26,825.79</td>
</tr>
<tr>
<td>Zinc</td>
<td>1,890.00</td>
<td>2,468.38</td>
</tr>
<tr>
<td>Steel-HRC</td>
<td>685.00</td>
<td>897.53</td>
</tr>
<tr>
<td>Gold ($/ounce)</td>
<td>1,679.23*</td>
<td>1,690.94</td>
</tr>
<tr>
<td>Silver ($/ounce)</td>
<td>32.35*</td>
<td>33.93</td>
</tr>
</tbody>
</table>

### ENERGY

- **Crude Oil ($/bbl):** 113.91* 105.92
- **Natural Gas ($/mmBtu):** 3.58* 3.51

### AGRI COMMODITIES ($/tonne)

- **Wheat:** 233.03 224.32
- **Maize:** 257.22* 202.57
- **Sugar:** 699.00* 603.02
- **Palm oil:** 970.00 1,102.92
- **Rubber:** 4,020.23* 4,373.22
- **Coffee Robusta:** 1,999.00* 2,116.32
- **Cotton:** 2,255.55 2,288.83

**Conversion rates:**

1. 1 ounce = 31.1022316 gm
2. 1 US dollar = 64.02

*As on Oct 14, 1800 hrs IST

**Notes:**

1. International metal and LME spot prices and domestic metal are Mumbai local spot prices except for steel.
2. International crude oil is Brent crude and domestic crude oil is Indian basket.
3. International natural gas is NYMEX near month future & domestic natural gas is MCX near-month future.
4. International wheat, white sugar & coffee robusta are LIFFE future prices of nearest month contract.
5. International maize is MATIF near month future, rubber is Tokyo-Tocom near month future and palm oil is Mysore R&B spot price.
6. Domestic wheat & maize are NCDEX futures prices of nearest month contract, palm oil & rubber are NCDEX spot prices.
7. Domestic coffee is Karnataka robusta and sugar is M30 Mumbai local spot price.
8. International cotton is cotton no.2-NYBOT near-month future & domestic cotton is NCDEX spot prices.
9. International metals, Indian basket crude, Malaysia palm oil, wheat LIFFE and coffee Karnataka robusta pertain to previous days price.

**Source:** Bloomberg Compiled by BS Research Bureau
Goa CM says govt will support sustainable and legal mining

PANAJI: Amid fears that a ban on mining will result in large number of people losing their livelihood, Goa chief minister Digambar Kamat on Friday said his government would support only sustainable and legal extraction in the state. Kamat told PTI that fears expressed by people about collapse of the economy are genuine only to a certain extent.
Donation as per legal provisions: Sesa Goa

Panaji: Mining firm Sesa Goa Ltd, a subsidiary of Vedanta Resources Plc, on Friday said it has given donations to political parties in Goa as per legal provisions and no motives should be attributed to it.

Reacting to a report telecast by a national news channel which talked about the mining firm giving donations to political parties, it said in a statement, “Like many other corporate houses in India, Sesa Goa has indeed made donations to political parties, but strictly in accordance with due process prescribed under law, including the Companies Act and the Income Tax Act.” PTI
CBI conducts search at NMDC office

BELLARY, 14 OCT: The CBI today conducted searches at the office of National Mineral Development Corporation here and examined certain documents over alleged illegal mining carried out by Deccan Mining Syndicate in NMDC areas, police said. The searches by the eight-member CBI team came after the investigative agency filed a case on 4 October against DMS for allegedly encroaching mining areas belonging to NMDC.
CIL output falls

NEW DELHI, 14 OCT: State-run Coal India today blamed adverse weather for its inability to meet production target in the first half of 2011-12 financial year, with output falling short of the mark by about 20 million tons. The company could produce only about 176 MT of coal in the April-September 2011 period, as against the target of 196 MT, due to heavy rains in mining areas. pti
Telangana row may hit mine safety: Singareni Collieries

Closing of mines for a long time can lead to self-heating of coal inside

BV Mahalakshmi

Hyderabad, Oct 14: With no sign of the Telangana agitation coming to an end, Singareni Collieries Company (SCCL) has started fearing about safety in its underground (UG) mines. About 65,000 coal miners are supporting the Telangana agitation seeking a separate statehood. SCCL feels that killing of mines is a dangerous issue and may pose threats to miners in future. SCCL has 50 mining projects, which include 14 open cast mines and 36 underground ones.

Speaking to FE, S Narsing Rao, CMD, SCCL, said it was dangerous to keep underground mines closed for a long time. "There can be a serious impact due to accumulation of poisonous gases including inert gases such as carbon monoxide inside the mines," he said adding that if stopped, it could lead to self-heating of coal inside. "We have already identified few sections in two UG mines, due to spontaneous heating," he said.

"A closure of mines for a week itself is a threat, but now the mines have been closed since 31 days. Since talks with the striking employees have not yielded any results thus far, miners' safety have become a prime concern," he said. Besides, the roof behaviour has to be understood and the technical team is trying to work out a solution. To recall, in the late 80s, an UG was completely abandoned because of a similar issue.

Mining activities of SCCL are presently spread over four districts of Andhra Pradesh including Adilabad, Karimnagar, Khammam and Warangal. SCCL is a pioneer in mechanisation of the coal mining process.

Rao said that there has been continuous discussions with the striking workers for resuming work. SCCL has lost close to 5 mt of the targeted 53 mt for this fiscal. During the first half, the total production from SCCL has been 21.64 mt as against a target of 24.56 mt. SCCL's primary customers include NTPC and AGenco and has suspended coal supply to its other secondary customers. Another issue which the PSU is facing is the pending wage revision for its employees, due from the month of July. Its current wage bill is worth ₹2,650 crore and the revision takes place every five years. On an average, wage revision is to the tune of 24%, he said. In lieu of this, SCCL may increase the coal prices as it has reported a loss of over ₹600 crore. A decision on the hike may come only after the present row is solved, Rao added.
JSW Steel pins hopes on e-auctions for iron ore

Set to increase production at its plant in Bellary district

M. Ahiraj
Toranagiri (Bellary Dt), Oct 14
JSW Steel Ltd, the largest steel producer in the country, which apprehended a bleak future owing to non-availability of iron ore a fortnight ago, now sees a change in the situation.

With the supply of iron ore improving, JSW is optimistic of increasing its production to 90 per cent of the installed capacity by the end of October.

ORE AVAILABILITY
Dr Vinod Nowal, Chief Executive Officer JSW, told Business Line, “We are hopeful that our ore requirement will be improved after October 18 when we expect a daily supply of around 20,000 tonnes of iron ore from Bellary and Chitradurga districts that has been allotted through e-auction.

“In addition, we would be getting around two rakes (one rake contains around 3,500 tonnes of ore) from Orissa and Chhattisgarh. We are also confident that the quantity of ore would go up gradually after every e-auction, assuring around 40,000 tonnes per day.

“With this optimism we are confident of increasing the production to 90 per cent of the installed capacity by the end of this month (October).”

THE PLANT
JSW Steel, which set up its integrated steel plant at Toranagiri in Sandur taluk of Bellary district in 1994 with an installed capacity of 1.5 million tonnes a year, has now emerged as the largest steel producer in the country with an annual production of 10 million tonnes.

So far, JSW has invested around Rs 34,000 crore in the plant. Compared with the daily requirement of around 60,000 tonnes of iron ore, it had become very difficult for JSW to procure on an average 5,000 tonnes a day following the ban on mining activities. In turn, the production of steel, which was around 27,000 tonnes per day in July, had slumped to 7,000 tonnes since last week of September.

Mr Sajjan Jindal, Managing Director of JSW, had apprehended that the unit will have to be closed down if the situation (non-availability of ore) continued for some more time.

Meanwhile, according to the directions of the Supreme Court, steps were taken by the authorities to supply the ore, which was stockpiled in Bellary, Chitradurga and Tumkur districts, through e-auction, which helped to ease the situation.

RESUMING MINING
Dr Nowal hoped that the Supreme Court-appointed team, carrying out the Environment Impact Assessment in the mining areas and also suggest measures for reclamation and rehabilitation, would submit its report early, so that the Supreme Court would permit resuming of mining activities in some of the mines that were not found to be indulged in illegal mining.

Dr Nowal, who is also the President of the Karnataka Iron and Steel Manufacturers' Association (KISMA), has appealed to the State Government to permit loading and transportation of iron ore round-the-clock to ensure unhindered supply of the basic raw material.

LOADING RULES
“Presently, loading of ore is not permitted after 6 p.m. The State Government, while taking all precautionary measures and stepping up its vigil to check illegal transportation of ore, could relax the rules so that the supply of ore to the industries could be ensured on one hand and would also benefit the transporters to earn more and repay their loans,” he said.
Optimism over Chinese inflation boosts copper

Reuters
London, Oct. 14

Copper rose on Friday, driven by positive sentiment on China's latest inflation data and cautious optimism European leaders are closer to agreeing a plan on the euro zone debt crisis.

Three-month copper on the London Metal Exchange traded at $7,520 a tonne in LME rings from Thursday’s close of $7,310.

China’s consumer inflation dipped to 6.1 percent in September, sparing policymakers a jump in price pressures while they fret about slower growth, although stubborn food price rises showed Beijing’s fight against inflation is not over.

Copper inventories in warehouses monitored by the Shanghai Futures Exchange rose 1.8 per cent from Sept. 30, the exchange said on Friday.

Aluminium stocks rose 51.4 per cent.

Three-month aluminium traded at $2,701 in LME rings from a close of $2,207 a tonne on Thursday.

Zinc traded at $1,926 from $1,925.5 a tonne while battery material lead was untraded in rings but bid at $2,027.5 from $2,030 a tonne.

Tin was untraded in LME rings but bid at $22,075 from $21,950 a tonne and nickel was also untraded in rings but bid at $18,750 from $18,455 a tonne.
मौसम की वजह से गिरा उत्पादन: कोल इंडिया

नई दिल्ली, 14 अक्टूबर (पाणी)। सरकारी कंपनी कोल इंडिया (सीआईएन) ने चालू विश्व वर्ष को पहली इमारत में उत्पादन लाभ हासिल कर पाने के लिए खरीद मौसम का हिम्मतदार ठहराया है। नई दिल्ली में कंपनी ने लक्ष्य से दो करोड़ टन कम कोस्ट का उत्पादन किया।

कंपनी ने खरीद क्षेत्र में पहली बार इतिहास के कारण 2011 की अगुवाई आज़ाद रेडियो के द्वारा सिफारिश 17.6 करोड़ टन कॉलेज का उत्पादन किया। अब इस अवधि के लिए 19.6 करोड़ टन कॉलेज उत्पादन का लक्ष्य था। सीआईएन के अध्यक्ष एनसी ने कहा कि इसमें नई दिल्ली के दौरान चालू विश्व वर्ष के लिए कंपनी के उत्पादन कर पाए हैं।

उन्होंने भी बताया कि कंपनी इसके लिए पूरा विश्व के विभिन्न सत्रों में नई दिल्ली, बैंग्लोर और एडिनबर्ग में अतिरिक्त तत्कालीनों के अलावा 153 पूरे मिश्व वर्ष के लिए तप

45.2 करोड़ टन कॉलेज उत्पादन लाभ पुरा कर लेगी। इस समय सीआईएन ने चालू विश्व वर्ष की पहली इमारत के दौरान 9.87 करोड़ टन के लाभ प्राप्त कर पाने के लिए पूरे वर्ष के लिए बाजार के अभिन्न और प्रभावी मौसम का हिम्मतदार ठहराया।

कंपनी ने अगस्त से जुलाई के दौरान लाभ से 24 लाख टन कम कोस्ट का उत्पादन किया गया था।

योजना आयोग के अनुसार में इस मामले में से कहा कि एक कार्बनीडाइज विनिमय को तकराता चालू विश्व वर्ष में उत्पादन के लाभ पुरा करने के लिए 50 पूरे मिश्व वर्ष के लिए तप
Go after mining firms’ owners: SC

EXPRESS NEWS SERVICE
NEW DELHI, OCTOBER 14

THE Supreme Court on Friday asked the CBI to go after owners of the companies involved in illegal mining in Karnataka and Andhra Pradesh, and said it did not want any “clerks” listed as accused.

“Are you proceeding against those who are in charge of the companies? We do not want any clerks to be punished at end,” the Green Bench led by Chief Justice of India S H Kapadia said.

The observation came when the CBI submitted a status report on its ongoing inquiry into “linkage” between mining activities in Karnataka’s Bellary district and Ananthpur in Andhra Pradesh allegedly involving the Reddy brothers.

The court’s poser on Friday was directed specifically at the agency’s investigations against the owners of two companies — Associated Mining Company (AMC) and Deccan Mining Syndicate (DMS) — allegedly involved in illegally routing minerals through Obulapuram in Andhra Pradesh.

“Is it possible for the CBI to give us names of the managing directors or directors of AMC and DMS? Has the CBI listed any cases against these companies?” the court asked Attorney General G E Vahanvati.

The Attorney General assured the court that the inquiry was on and a comprehensive report would be filed. AMC is owned by BJP leader and former Karnataka tourism minister Janardhana Reddy and his wife, and DMS is owned by another mining baron S M Jain.

Both the companies, according to the report of the apex court-appointed Central Empowered Committee, were involved in illegal mining in the lease area of 10.12 hectares in Jaisalpur village and there were irregularities in renewal of lease.