



VITAL INDUSTRY UPDATES - 25/08/2015

Goa miners seek 10 pc export duty reduction on low-grade iron ore

Goa miners have sought a further reduction of 10 per cent export duty on low-grade iron ore produced in the coastal state as well as removal of what they call duplication of certain (welfare) levies in the midst of a sharp fall in the global prices of the metal.

Any decision on lowering export duty will have to be taken in a holistic way, keeping in mind the need for supporting domestic consumption of the raw material, Finance Ministry sources said.

Industry majors want removal of both Central and state-level levies impacting their competitiveness at a time when global prices of the ore, especially low-grade, have crashed by more than 60 per cent in the last six months to about \$ 32 per tonne.

Govt plans to help boost exports

Given the slump in exports due to the global slowdown and the dip in crude oil prices, the government plans to take various initiatives to enhance competitiveness and address infrastructural bottlenecks, the Commerce Secretary, Ms Rita Teotia, said.

It may be recalled that exports had fallen sharply for the eighth straight month by 10.3 percent in July to \$ 23.13 billion, from 25.79 billion in July 2014, pushing the trade deficit to \$ 12.81 billion.



The Commerce Ministry is focusing on sectors with huge export potential such as pharmaceuticals, readymade garments, leather, gems and jewellery, chemicals and agro-chemicals, the Minister said.

Govt to launch portal to help domestic steel producers from cheap imports

In order to make steel available for PSUs at competitive prices and to help domestic producers facing dumping of cheap imports from China, Japan and Korea, the government plans to soon launch a portal for sale of the metal at competitive rates, the Road Transport and Highways Minister, Mr Nitin Gadkari, said.

The portal would ensure that steel makers register themselves and facilitate booking by state or Central government departments, the Minister pointed out.

Adani Group to invest \$3.75 billion in coal gasification project in Chhattisgarh

Adani Enterprises, the flagship firm of Adani Group, has inked a pact with the Chhattisgarh government to invest over Rs 25,000 crore for setting up urea and power project as well as rice bran oil extraction plant in the state.

"Adani Group on Monday signed a MoU with the government of Chhattisgarh to develop two critical projects in the state. The projected cost of both the projects is estimated to be around Rs 25,200 crore," the Gautam Adani-led group said in a statement.

The two projects comprise of a coal to polygeneration (CTP) project and a rice bran solvent extraction plant and refinery, it added.



A poly-generation plant is one that simultaneously produces two or more marketable products. The memorandum of understanding (MoU) was signed on Monday between Chhattisgarh Industry Secretary Subodh Kumar Singh on behalf of the state and Rajesh Jha and KS Varshney from the Adani Group

The MoU was signed in the presence of Chhattisgarh Chief Minister Raman Singh, Industry Minister Amar Agrawal, Chief Secretary Vivek Dhandh and Adani Enterprises Managing Director Rajesh Adani, it added.

The first project to be set up is a CTP project that includes an ammonia/urea and substitute natural gas (SNG) complex via gasification of Indian high ash coal sourced from within the state, it said.

The project cost is estimated to be over Rs 25,000 crore and includes coal to urea, coal to SNG plant as well as coal-based thermal power plant. It has a potential to generate 5,000 jobs in Chhattisgarh, it added.

The proposed CTP project of Adani Enterprises is being set up for the first time in India, based on coal to synthetic energy, Adani Group said. The second project comprises setting up a rice bran solvent extraction plant and a physical refinery packing plant at Rajnandgaon district. The project cost is estimated to be around Rs 200 crore and has the potential to generate over 600 jobs in the state.

Bhushan Steel in talks with Monnet Ispat on Orissa Sponge Iron

Bhushan Steel BSE -3.20 % today said it is in talks with Monnet Ispat and Energy BSE -5.23 % to acquire the company's stake in Orissa Sponge Iron and Steel.



In a BSE filing, Bhushan Steel said: "Our discussion with Monnet Ispat regarding purchase of their stake in Orissa Sponge Iron & Steel Ltd (OSISL) is at a very preliminary stage and management is looking into the viability/possibility in this regard and proper due diligence is also needed which will take about 45/60 days."

Meanwhile, OSISL in a BSE filing said: "We are the target company, we are not aware of any negotiations taking place in respect of the shares of the company."

OSISL is promoted by the Torsteel Research Foundation in India.

The company has been renamed as Orissa Sponge Iron & Steel Ltd on November 18, 2005.

As per its website, OSISL has also been allotted a coal block at New Patrapara, Talcher in 2004 along with a group of six other industries. OSIL's share in the total reserves is 114 million tonnes.

Shares of Bhushan Steel today fell by 11.66 per cent to settle at Rs 50 apiece on the BSE.

However, reacting to the reports on stake acquisition, shares of Orissa Sponge Iron & Steel today breached the upper circuit at Rs 309.60 apiece. It closed at Rs 309.40 per share on BSE, up by almost 20 per cent, on a day the Sensex took the bloodiest blow of its lifetime, crashing 1,624.51 points.

Global steel output declines 3.8% in July

World steel production dipped 3.8 per cent in July 2015 over the year-ago period, with China, which accounts for half the global output, registering an even



sharper 4.6 per cent fall. July's decline in crude steel output continues the trend seen in the whole of this year, but is worrisome as it is steeper than earlier months.

Output for the first seven months fell 2.1 per cent to 945.8 million tonnes. However, India's steel sector managed to buck the global trend and showed a marginal 1.2 per cent rise in production during the month, according to latest data from World Steel Association, a Brussels-based body which collates production figures for 65 countries reporting to it.

In India, domestic steel production climbed up to 7.6 mt in July 2015 from 7.5 mt in July 2014. Apart from India, South Korea was the only exception among Asian countries posting a 1.7 per cent growth in steel production to 6 mt during the month.

