

[India : Odisha Government to take Possession of 29 Mines](#)

2nd Feb,2015 Steelmint.com

The Odisha mines departments has initiated a set of steps on closed mines. This was revealed in a letter (364 / DM) dated 16 Jan, 2015 sent by director of mines to deputy director of mines, Joda circle. Acting on the directive director of Joda circle has asked mining officers to take possession of mines that have lapsed or whose several 'determined refused'. Besides, a directive has been issued to take possession of undisposed mineral stocks by 31 Jan 2015. The mining officer were asked to conduct a technical enquiry (TE) and prepare a checklist of pending renewal of mining leases (RML) and submit it to Keojhar Collector and director of mines within 7 days.

In the letter, mining officers of Joda Circle, LD Nayak and SK behera were also asked to send mining inspectors to 29 lease areas to assess the value of minerals. They were instructed to find out whether the size of the stocks in the mines is matching with data in their records

There are 29 mines in this list including two mines of Arjun Lodha, three mines of BK Mohanty, tow mines of S Pradhan, one each of BPS, Essel Mining, RP Sao. SN Pal, MR Das, RB Das, SN Dasmohapatra, DK Rathor, Mineral Trading Syndicate, Jagdish Mishra, KC Pradhan and four miners of DC Jain

Note : This is to disclaimer that news is been obtained from authentic sources, however, miners were not present to clarify their name as mentioned.

[CG Commercial Tax Department release notification on VAT & CST](#)

31st Jan,2015 Steelmint.com

CG Commercial Tax Dept has finalized VAT and CST after is loses the case in High Court on different tax structure in same goods (under Industry classification as per capital invested in Plant & Machinery)

The much awaiting tax has released today finally by the Chhatishgarh Commercial Tax Department. It is going to be applicable with effect from 1st Feb'15 on all steel goods, except MS Ingot i.e. 2% (VAT) against declaration.

VAT – 5%

CST 2% against 'C' Form

The new notification copy is attached for your perusal below.

On 9 Jan,2015 Chhatishgarh High Court had ordered a uniform VAT regime for state based Steel Industry. The court's decision implied that CG Notification No. 60/2014 is the breach of articles no. 301 and 304 of Indian Constitutional Act that gives rights to free flow of trade to every Citizen of India.

The C.G. government notification no. 60 in the budget FY -15 defines different tax structure on same product on the basis industry size. The court also says the notification is also violation of CG Government Tax Structure law article no. 14 that clearly says each goods will taxed uniformly and to all class of dealers.

As per a leading VAT lawyer and consultant. Rate of Tax on Iron and Steel CST 2% from 01.02.2015. VAT as per notification 55 from 09.01.2015. But as per law and notification can be rescinds or

issued from prospective date if it enhance the rate of tax. As per my opinion VAT up to 30.01.15- 3% for all and 5 % for all from 31.01.2015. For Ingot 2% against declaration will continue

Miners plead to Odisha government for reopening of 18 shut mines

(Follow @steelguru on Twitter for important updates)

Business Standard reported that the Eastern Zone Mining Association has made a strong plea to the Odisha government to speed up reopening of 18 shut iron and manganese ore mines awaiting second and subsequent renewal.

The 18 mines in question include the ones held by TATA Steel, KJS Ahluwalia, KN Ram, Kalinga Mining Corporation, Kaypee Enterprises, Mideast Integrated Steel, Aryan Mining & Trading Corporation Ltd, Bonai Industrial Company Ltd, B I Company Ltd, Feegrade & Company Ltd, OMM Pvt Ltd, state run Odisha Mining Corporation (OMC) and Rungta Mines Ltd.

These mines that were operating under the provisions of 'deemed extension' have been inoperative since May last year following a Supreme Court order. But EZMA pressed for allowing the mines to resume operations, citing the recent Mines and Minerals Development & Regulation (MMDR) Ordinance, 2015.

Mr Prabodh Mohanty, secretary, EZMA after meeting chief secretary Mr GC Pati, said that “We had a detailed discussion on the status of these 18 mines during the recent visit of joint secretary, Union mines ministry. Today, we reiterated our demand for reopening these mines. All clearances are available for these 18 mines. These mines have also got extension to operate till 2020 as per the recent Ordinance.”

Mr Mohanty said that “EZMA has urged the state government to examine the case of all these 18 mines and decide expeditiously. The state government has assured us that they are waiting for the Rules to be framed for implementing the Ordinance. After the Rules are framed, the government will dispose off the cases of the 18 mines expeditiously.”

EZMA also demanded reopening of 102 non-working mines that have been suspended for want of statutory clearances. He said that “We have urged the state government to examine the status of these 102 mines and decide on them on a case to case basis. Those mines that have already obtained all necessary clearances may be allowed to operate.”

Last month, the state government decided to auction all mines awaiting second and subsequent renewal, including the 18 iron and manganese ore mines affected by the Supreme Court order. Some of these miners contested the government's resolution in the Orissa High Court. The state government has filed a counter affidavit, pleading that it can examine and decide the cases of these 18 mines. The court while staying the resolution, has fixed February 4th as the next date of hearing.

Source – Business Standard - Get latest updates through Twitter – Follow @steelguru

(www.steelguru.com)

Steel Talks - "Steel industry needs to re-invent itself as backbone of India's economy"

(Follow @steelguru on Twitter for important updates)

In an exclusive interview to Saket Kumar Jha Senior Analyst Steel Guru Dr Anil Dhawan, Commercial Director of Visa Steel, touched upon the vital issues of the growth in steel sector catering to the demand from projected economic growth in India.

Q - World Economic Report update released by the International Monetary Fund outlined that India is expected to grow at 6.3 % this year and 6.5% in 2016 surpassing China's projected growth How do you feel the Indian steel industry is geared up to take up the challenge of increased steel demand?

A - The present regime is focusing on growth driven demand in the economy The focus on infrastructure, construction, and housing are keys to generation of steel demand. Economic growth has to be supported by growth in steel demand and vice-versa. They have to move in tandem Indian steel industry is geared up to take up challenges of demand growth however there are inherent issues which need to be addressed

Q - What are major impediments in the growth of steel production to meet the increased demand projections?

A - Raw material linkage for availability of iron ore is the main issue plaguing the production growth in steel industry particularly in the private sector Most the mills in the private sector production increase has been stemmed owing to iron ore shortage JSW, Essar, Visa Steel and others are facing difficulty in stepping up production owing to lack of iron ore linkage. The production growth can be sustained only with removal of these blockages However with the new government showing positive drive we are hopeful that these issues will be addressed very soon

Q - Is it viable for Indian mills to import iron ore keeping in view that parity advantage is still in favor of domestic iron ore suppliers?

A - The question of viability does not arise when mills are on the verge of closure and bigger ones are taking severe hit on their bottom lines. Steel manufacturers have invested huge capital in setting up plants and they cannot idle their Blast Furnaces due raw material shortage It is not bare economics mills have to run even if at a loss. Profits of steel majors have dropped JSW Q3 profit has dropped by 30%. Mills are being forced to import and run. Hence the government needs to act swiftly to alleviate the situation. Why see the death and then act? Government should treat steel industry as the backbone of Indian economy and this has to continue for 10-15 years.

Q - In view of the growth in steel consumption do you feel that the Indian mills are cost effective to meet the demand since crashing global steel prices has led to surge in import in India to the tune of 58% (April-Dec 2014). Will India be primarily importing rather than meeting its own demand?

A - Per capita steel consumption has grown by meager 1.4% last year which means bulk of the growth has been driven by imports. Material is being dumped into India by China and Russia at very low price.

India is a low cost producer but one cannot help if the material is being dumped It is unhealthy imports. Government needs to take immediate policy measures by hiking import duty to 10% and peak duty to 25%. After the hike in import duty industry will revert back to the good days of 2008, 2009 when India was the on high steel demand trajectory despite recession across the globe It has to be a level playing field and Indian steel mills will return to profitability.

Q - Per capita steel consumption in India is only 57.5 kg compared to global average of 225 kg. The scope for increment is in rural sector. How do you feel the Indian mills are geared up to meet the demand in rural sector and the areas need to be addressed to tap the demand?

A - The realization has already sunk in the government as well as the steel industry that focus has to shift from urban to rural for steel demand In urban areas the per capita steel consumption is 70 kg whereas in the rural areas it is as low as 10 kg. There is immense potential for growth in demand in the rural sector. The concept of Smart cities is beginning in the right direction with the shift from urban to rural areas in terms of development of infrastructure projects, houses, roads, etc. Steel consumption needs to be linked with growth in Small Scale and cottage industry eg low cost houses, bicycle units, umbrella units.

Focus has shifted to opportunity driven investment rather than the other way round.

Source - Strategic Research Institute, Steel Guru Get latest updates through Twitter - Follow @steelguru

www.steelguru.com