NTPC to Start Work at Jharkhand Mine

State-owned NTPC said it is aiming to start production from Pakri-Barwadih coal block in Jharkhand this year, while production from three more coal blocks may commence over the next two years.

In March, NTPC was re-allotted five coal blocks, including Chatti-Bariatu, Chatti-Bariatu (South) and Kerandari in Jharkhand; Dulanga in Odisha and Talaipalli in Chhattisgarh. The allotments were cancelled by the Supreme Court in 2014.

Pakri-Barwadih is in advanced stage and we have a target to begin production from the mine this year. We are hopeful that in next two years we will start production in another three mines, NTPC Chairman and Managing Director, A.K. Jha said.

The PSU had earlier said it would soon appoint a mine developer and operator for its Pakri-Barwadih coal block and Kerandari coal block.

India's Iron Ore Imports to Fall 60% in FY16

India's iron ore imports are set to decline drastically during the current financial year as the domestic production has shown considerable improvement and prices have seen a downward correction. The import of the key steel-making raw material is projected at 6 million tonnes in FY16, about 60% lower than last financial year, according to the Federation of Indian Mineral Industries (FIMI). In 2014-15, Indian steel makers imported a record level of 15 mt after the global iron ore prices hit a historic low of $45 per tonne for 62% Fe-grade iron ore.

"There is an abundant quantity of iron ore available in the country. The total stocks lying at various mines are estimated at 150 mt. In addition, there will be fresh production this year. Overall, there is no need to import iron ore in the country," R K Sharma, Secretary General, (FIMI) said.

For the period April to August 2015, steel mills and traders imported around 2.8 mt of iron ore. JSW Steel, which was the largest importer of iron ore last year at 10 mt, has imported barely 700,000 tonnes in the first five months of the current financial year. The company might import more depending on the prices in the domestic market and supply situation in Karnataka, the company sources said.

Apart from JSW Steel, other importers this year include Tata Steel, Essar Steel, KIOCL and private traders. Sharma said the steel mills are hardly producing around 45 mt of steel using iron ore as raw material, while the balance 42 mt of steel is produced by induction furnaces, which do not use iron ore. This means, the requirement of iron ore for integrated steel mills is not much and whatever they require is available in the country.

"Currently, the domestic iron ore with 62% Fe grade is available at Rs 2,500 per tonne, which is 50% lower than the landed cost of imported iron ore. Whereas the imported iron ore with similar grade costs Rs 4,500 per tonne to Rs 5,000 per tonne. So, there is not much scope for importing iron ore this year," said Basant Poddar, senior vice-president, FIMI. He said 62% Fe-grade iron ore fines were sold at Rs 4,500 per tonne about a year ago. Going by the current trend, the total imports for this year will not exceed 6 mt, Poddar said.

NMDC has reduced its prices by 33% between March and September this year. The company currently sells iron ore fines at R1,660 per tonne compared to Rs 2,460 per tonne in March this year. "The weak sentiment coupled with higher production estimated for the current fiscal has resulted in the lowering of prices in the domestic market. This situation has led to decline in import of iron ore this year," an analyst said.

Iron ore production for the fiscal 2016 is estimated at 160 mt, if Goa opens up mining, otherwise it will be in the range of 145-150 mt compared to 129 mt in FY15, the industry sources added.

Maharashtra Traders against Proposed Amendments to Iron & Steel Act

Steel traders from Maharashtra have asked the Centre not to bring "license raj" into the iron and steel sector, which according to them will affect enterprises and ultimately result in the failure of Prime Minister Narendra Modi's 'Make in India' initiative.

Steel manufacturers have also warned that a proposed amendment in the Iron and Steel Act will a create monopoly of a few business houses and will increase construction costs that will directly affect the common man.

According to Nikunj Turakhia President of Bombay Iron Merchant's Association (BIMA) the Union Steel ministry is bringing an amendment in the Iron and Steel Act.

"This is a fight against a few Indian steel manufacturers who do not want to compete with international standards and have misguided the Modi government to bring a ban on the import of steel, especially from China.

"At the same time they want to create a monopoly over this sector and hence have demanded control over Small and Medium enterprises (SME) and Micro, Small and Medium Enterprises (MSME) of steel and iron," Turakhia said.

He further claimed that the proposed amendment in the Act has suggested that all steel and iron traders as well as local and international steel manufacturers have to register with the Board of Indian Standard (BIS).

"Small traders, stockists and distributors will have to open their stock for scrutiny or inspection at any time. Inspector of the Steel and iron department can raid, seize and scrap the material if it is found to be not registered with BIS. This will bring the license raj system back in the country and result in the failure of PM Modi's Make in India project," he said.