

Lokayukta Report: Facts on Iron Ore exports from Karnataka, 2006-2010

(For more details see complete Lokayukta report at <http://ibnlive.in.com/news/read-ktaka-lokayukta-report-on-illegal-mining/171489-53.html>)

METHODOLOGY

The 2011 Lokayukta Report on Karnataka mining determines the total exported iron ore from Karnataka by looking at export documents from various ports in South India, where the exported iron ore is marked as being of Karnataka origin. He then compares it to the export permits issued by the Government each year, to calculate the value exported in excess of the permits

OUTCOME

Year	Quantity of iron ore export permitted (Lakh MT)	Quantity of iron ore exported in excess of permit (Lakh MT)	Average sale rate for iron ore export (USD)	Average Rupee value of USD (Rs.)	Rupee value of Iron ore exported in excess (Rs. Crore)
2006-07	183.3	31.8	56.71	45.11	814.57
2007-08	268.5	37.1	115.7	40.12	1724.33
2008-09	241.0	53.6	94.28	45.89	2317.13
2009-10	206.5	128.0	76.38	47.42	4635.86
2010 (till Dec)	60.1	48.1	124.7	45.65	2736.25
Total	959.3	298.6			12228.14

OBSERVATIONS

- The total iron ore exported in excess of permits for the period 2006 - Dec 2010 is 298.6 lakh MT.
- The approximate loss to the state government due to the excess exports in this period comes to approximately Rs. 12,228 crore, if calculated according to the yearly average export rates / MT from all the ports.
- 252 exporters were engaged in export of iron ore of Karnataka origin during 2006-2010. A port-wise examination of excess iron ore exports shows higher proportion of such exports from Belekeri and Krishnapatnam ports, both run by private companies.
- The Supreme Court ban on iron ore exports from Bellary is operating from 28.07.2010. However, the Lokayukta report indicates 83 exports with a total quantity of 17.58 lakh MT of Bellary iron ore after this date, over 80% of this from the Krishnapatnam port.
- There are also 478 noted cases of under-invoicing of iron ore sales leading to evasion of export duties. The quantum of loss as calculated by the Lokayukta comes to US \$ 55,55,65,234, or Rs. 2222.26 crore. Further it is found that in many cases exporters had a preferred consignee for under invoiced exports.