

15

STANDING COMMITTEE ON  
COAL AND STEEL (2010-2011)  
FIFTEENTH LOK SABHA

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MINISTRY OF STEEL

DEMANDS FOR GRANTS (2010-11)

[Action Taken by the Government on the Observations/  
Recommendations contained in the Sixth Report of the  
Standing Committee on Coal and Steel (Fifteenth Lok Sabha)  
on Demands for Grants (2010-2011) of the Ministry of Steel]

FIFTEENTH REPORT



LOK SABHA SECRETARIAT  
NEW DELHI  
August, 2011 / Sravana, 1933(Saka)

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**(FIFTEENTH LOK SABHA)**

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**Presented to Lok Sabha on \_\_\_\_\_**

**Laid in Rajya Sabha on \_\_\_\_\_**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2011 / Sravana, 1933(Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2010-11)**

**Shri Kalyan Banerjee        -        Chairman**

**MEMBERS**

**Lok Sabha**

2. Shri Hansraj G. Ahir
3. Shri Jaywant Gangaram Awale
4. Shri Sanjay Bhoi
5. Shri Abu Hasem Khan Choudhury
6. Shri Ismail Hussain
7. Shri Yashbant Laguri
8. Shri Narahari Mahato
9. Shri Babu Lal Marandi
10. Shri Govind Prasad Mishra
11. Kumari Saroj Pandey
12. Shri Ramesh Rathod
13. Shri Rakesh Sachan
14. Shri Adhi Sankar
15. Shri Pashupati Nath Singh
16. Smt. Rajesh Nandini Singh
17. Shri Rajiv Ranjan Singh (Lalan)
18. Sardar Sukhdev Singh Libra
19. Shri Shibu Soren
20. Dr. G. Vivekanand
21. Vacant

**Rajya Sabha**

22. Mohd. Amin
23. Shri Ali Anwar Ansari
24. Shri Jugul Kishore
25. Shri Kishore Kumar Mohanty
26. Dr. Dasari Narayana Rao
27. Ms. Mabel Rebello
28. Shri Dhiraj Prasad Sahu
29. Shri Nand Kumar Sai
30. Shri Jai Prakash Narayan Singh
31. Shri R.C. Singh

(iii)

## SECRETARIAT

- |    |                  |   |                  |
|----|------------------|---|------------------|
| 1. | Shri Ashok Sarin | - | Joint Secretary  |
| 2. | Shri Shiv Singh  | - | Director         |
| 3. | Md. Aftab Alam   | - | Deputy Secretary |

(iv)

## **INTRODUCTION**

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Fifteenth Report (Fifteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Sixth Report of the Standing Committee on Coal and Steel(Fifteenth Lok Sabha) on "Demands for Grants (2010-11)" of the Ministry of Steel.

2. The Sixth Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 22<sup>nd</sup> April, 2010. Replies of the Government to all the observations/recommendations contained in the Report were received on 15<sup>th</sup> September, 2010.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 05.08.2011.

4. An analysis on the Action Taken by the Government on the observations/recommendation contained in the Sixth Report (Fifteenth Lok Sabha) of the Committee is given at Annexure-IV.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Chapter-I of the Report.

NEW DELHI;  
August, 2011  
**Sravana, 1933(Saka)**

KALYAN BANERJEE  
Chairman  
**Standing Committee on Coal and Steel**

## REPORT

### CHAPTER - I

This Report of the Standing Committee on Coal and Steel deals with Action Taken by the Government on the Observations/Recommendations contained in the Sixth Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel on Demands for Grants (2010-11) of the Ministry of Steel which was presented to Lok Sabha/laid in Rajya Sabha on 22<sup>nd</sup> April, 2010.

2. The Report contained 18 Observations/Recommendations. Action Taken Notes have been received from the Ministry of Steel in respect of all the Observations/Recommendations contained in the Report. These have been categorised as follows:

- (i) Observations/Recommendations that have been accepted by the Government:

Sl. Nos.1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17 and 18.

Total – 17  
(Chapter II)

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:

Sl. No. Nil.

Total – 00  
(Chapter III)

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:

Sl. No. nil.

Total – 00  
(Chapter IV)

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:

Sl. No. 15.

Total – 01  
(Chapter V)

**3. The Committee hope that utmost importance would be given for expeditious implementation of their recommendations. The Committee also**

**desire that the replies to Observations/Recommendations contained in Chapter-I and final reply in respect of Observations/Recommendations given in Chapter-V should be furnished to them expeditiously.**

4. The Committee will now deal with the action taken by the Ministry on some of their Observations/Recommendations made in the Sixth Report.

### **Recommendation (Serial No.3)**

5. The Committee had noted that for XI Five Year Plan (2007-12) Planning Commission had approved total outlay of Rs. 45607.08 crore. Budgetary support had been kept at Rs. 217 crore. The Committee were, however, concerned to note that cumulative expenditure during XI plan upto January, 2010 had been far from satisfactory as was evident from the fact that about 50% of the expenditure was likely to be incurred during the first 3 years of plan period as against that of 60%. The Committee desired that the Ministry should endeavour to analyse the reasons for inadequate utilization of the funds so far and gear up its monitoring mechanism to ensure that by the end of the XI Five Year Plan total allocated funds were fully utilized. The Committee also urged upon the Government to expeditiously approve the merger of SIIL with NMDC and resolve the financial issues relating to waiver of outstanding loans and interest thereon in respect of HSCL for speedy restructuring of the Company.

6. The Ministry in their in their written reply have stated as under:

“During the first three years of the XIth Plan, the actual expenditure till March, 2010 was Rs. 25685.11crore (56.32%). Keeping in view the progress of expansion and modernization plan of SAIL and RINL and schemes of smaller PSUs, the approved Outlay Plan will be utilized. However, there may be some shortfall in utilization of allocated fund for XIth Plan in case of KIOCL, NMDC and Bird Group of Companies because some of their projects/schemes are held up or delayed due to non receipt of forest and environment clearance, non-renewal of mining leases and land dispute etc. The merger process of SIIL with NMDC is completed. All the proposals for expansion projects of SIIL have been kept in abeyance. The utilization of allocated funds by SIIL for XIth Plan would be reviewed upon completion of merger process. HSCL’s revival/restructuring proposal is also under active consideration of the Government.

### **Rashtriya Ispat Nigam Limited (RINL)**

RINL has adequately utilized the funds against the total approved outlay for the XI Five Year Plan and has already incurred expenditure to the tune of 68% by the end of three years and the balance will also be spent by the end

of the XI Five Year Plan, fulfilling 100% of the target. The amount spent by RINL against the approved outlay is indicated below:

Unit : Rs Crores.

Approved Plan Outlay in XI Five Year Plan	Cumulative expenditure till 2009-10	% fulfillment w.r.t total outlay	Balance for 2010-11 & 2011-12
9569.18	6473.40	68	3095.78

### **Bird Group of Companies (Government Managed Company)**

The funds could not be utilized due to delay in renewal of mining leases as well as issuance of Forest & Environment clearance of Mines. Efforts are being made to get the mining leases renewed at the earliest.

### **NMDC Limited**

#### **Merger of SIIL with NMDC.**

NMDC has filed the Ministry of Corporate Affairs Order approving Merger of SIIL with NMDC Ltd. with Registrar of Companies, Andhra Pradesh on 1<sup>st</sup> July, 2010. Consequently, SIIL stands dissolved without being wound up. **With this, the process of merger of SIIL with NMDC stands completed.**

### **Restructuring of Hindustan Steelworks Construction Limited (HSCL)**

The matter relating to financial issues relating to waiver of outstanding loans and interest thereon in respect of HSCL has been taken up with Ministry of Finance. In this connection, Ministry of Finance has requested, Ministry of Steel to submit a revised proposal on restructuring of HSCL, after discussion with the banks. HSCL has approached M/s SBI Caps for syndication of roll over of bank loan. After receipt of their report, within 60 days, final proposal will be submitted for approval of the Competent Authority."

**7. The Ministry of Steel in their action taken reply has admitted that there may be shortfall in utilization of allocated funds during XI Plan in case of KIOCL, NMDC and Bird Group of Companies(BGC). The reasons for under-utilization of fund have been attributed to delay of completion of their project(s)/scheme(s) due to non-receipt of forest and environment clearance, non-renewal of mining leases and land dispute etc. The Committee deprecate under-utilization of funds by aforesaid PSUs of Ministry of Steel by offering these routine reasons. They have been repeatedly emphasizing the Ministry to facilitate their PSUs overcome the constraints being faced by them in getting the necessary statutory clearances. Obviously, Ministry have failed in discharging their duty as facilitator. The Committee would, therefore, like the Ministry to undertake a**

**comprehensive exercise to identify major constraints faced by NMDC, KIOCL and BGC relating to Environment and Forest Clearances and render them necessary assistance in resolving the land dispute.**

**Recommendation (Serial No.4)**

8. The Committee had found that a new scheme i.e. "Scheme for Promotion of R&D in Iron and Steel Sector" for XI Plan (2007-12) with an outlay of Rs. 118 crore was approved by the Planning Commission. The objective of the scheme was stated to promote and accelerate R&D activities in development of key raw materials. The Committee regretted to observe that no expenditure had been incurred on any research activities in first 2 years of the plan period. Although, 7 R&D projects of national importance were short listed, work on not even a single project could commence. The Committee recommended that the R&D projects identified by the Ministry might be accorded top priority and necessary corrective measures might be taken to ensure gainful utilization of the fund allocated for the projects during the remaining plan period. The Committee would like the Ministry of steel to complete the proposed R&D projects through in-house research instead of depending on imported technology, which was not in the overall interest of steel industry in India.

9. The Ministry in their written reply have stated the following:

"The suggestions of the Committee have been noted and corrective actions are being taken by the Ministry. It is submitted that under the "Scheme for promotion of R&D in iron and steel sector" with plan outlay of Rs.118 crore, eight R&D projects of national importance have been identified. Total cost of these projects is Rs.134.64 crore (approx.) of which the Plan fund component is Rs.110 crore (approx.). Out of the eight projects, four projects costing Rs.33.41 crore (approx.) with full support from Plan Fund have been approved by the Ministry. So far, Rs.4.11 crore being the part of first installment has been released. Balance amount will be released as per the requirement of the project. The remaining four projects are at different stages of examination."

**10. The Committee find that out of the eight R&D Projects of national importance, only four projects costing Rs. 33.41 crore(approx.) have been approved so far by the Ministry and a meagre amount to the tune of Rs. 4.11 crore as the first instalment has been released. The Committee deplore the lackadaisical approach of the Ministry in not according utmost importance to R&D Schemes according approval to all the projects and timely measures for**

**their time bound completion. The Committee would like the Ministry to make sincere efforts to complete all the R&D Projects at the earliest. The Committee would like to be informed of the precise action taken in the matter.**

**Recommendation (Serial No.11)**

11. The Committee regretted to point out that the RINL had not been successful so far in acquiring captive mines of core raw materials viz. iron ore and coking coal. Further, two coal blocks viz. Mahal and Tenughat Jhirki allotted by Coal India Limited were not likely to be developed due to operational reasons. The performance of the company had been adversely affected on this account. Non-availability of iron ore and coking coal mines had been a major constraint for RINL and the Committee had been recommending repeatedly to the Ministry to facilitate them in this regard. The Ministry were exhorted to take urgent measures to help RINL in acquiring captive mines to ensure increased production of steel, in Action Taken Replies.

12. The Ministry in their reply have stated as follows:

**"Rashtriya Ispat Nigam Limited (RINL)**

**1) Iron Ore:**

**Allocation of Mines:** RINL-VSP has been continuously taking up the matter of allocation of mines with respective State Govt., Central Govt. since 2003 for allotment of Mines on priority basis. Details of Mining lease applications filed by RINL in the status of Orissa, Chhattisgarh, Andhra Pradesh & Rajasthan and their present status is as given in the **Annexure-I**.

VSP also approached the State Mineral Development Corporations (SMDC) of the States of Orissa, Karnataka & Jharkhand for allocation of suitable iron ore blocks and also expressed its interest for setting up of JVs for projects involving value addition in the State.

In connection with the above, RINL and MoS both have taken up with Chief Secretary & Chief Development Commissioner, Govt. of Orissa, Chief Secretary, Govt. of Karnataka & Chief Secretary, Govt. of Jharkhand, at various instances, requesting for allocation of suitable iron ore blocks to RINL-VSP along with SMDC as a Joint Sector project for mine development and further value addition.

Help of NMDC would be needed to ensure supply of adequate iron ore slurry for the pelletisation plant.

A proposal for restructuring of BIRD group of companies, making it a subsidiary of RINL has already been approved by Government. Formalities for transfer of 51% stake in M/s EIL, the holding company of OMDC & BSLC to RINL are in the advanced stage of completion. This would give RINL access to around 200 Mt of Iron ore reserves.

**b) Coal:**

**1)** The Ministry of Steel has communicated to the Ministry of Coal indicating that due to various constraints, economical mining is not possible in the allocated blocks i.e. Mahal & Tenughat-Jhirki. Hence it has been proposed to hand over these blocks back to the Ministry of Coal and to allocate an open cast Coking Coal block to RINL.

ii) RINL have also joined ICVL for the purpose of acquisition of coal mining assets abroad. International Coal Ventures Ltd (ICVL) was formed with equity participation by NMDC, CIL, NTPC, SAIL & RINL to acquire metallurgical and thermal coal assets overseas and was incorporated on 20.05.09. ICVL is considering several proposals to acquire coal assets abroad."

**13. The Committee note that in order to overcome the difficulty being faced by RINL such as non availability of iron ore and coking coal mines, RINL-VSP are stated to have continuously taking up the matter with concerned State Governments. The Committee feel that despite these States, the desired results have not yet been achieved, the steps have been taken by RINL and Ministry of Steel requesting the concerned State Governments to allocate suitable iron ore blocks to RINL-VSP and forming Joint Venture with SMDC (State Mineral Development Corporations) for mine development and value addition. Consequently, RINL Plan of reducing dependence on the external sources for raw material and its techno-economic parameters will be affected. In order to ensure supply of critical raw materials viz. iron ore and coking coal to RINL, the Committee would like to impress upon the Ministry of Steel to pursue the matter vigorously with concerned State Governments for allocation of suitable iron ore/coking coal mines so that RINL is able to meet its requirement of raw materials which has been necessitated in view of its modernisation and expansion.**

**Recommendation (Serial No.16)**

14. The Committee were concerned to note that due to limited production of indigenous coking coal, domestic steel industry had to resort to imported coking coal to fulfill its requirement. The Committee had found that 11 coking coal blocks and 56 non-coking coal had been allotted to different steel companies for captive use. They

were satisfied to note that government was encouraging the formation of joint ventures between steel companies to acquire coking coal blocks abroad. The Committee had desired that work on war footing might be initiated for development of the coking coal blocks and non-coking coal blocks allotted to steel PSUs so that these companies could reap the benefit of having their own captive coal mines. The Committee had found that Indian steel Industry did not have adequate sintering and Pelletisation facility as a result of which iron ore fines were exported. The Committee felt that steel PSUs should set up sintering and pelletisation facilities which would help to promote value addition of iron ore in the country. Further, the Finance Ministry might be persuaded to provide fiscal incentives for setting up beneficiation and pelletisation plants in the country to make best use of iron ore fines.

15. The Ministry in their reply have stated as under:

**"Steel Authority of India Limited (SAIL)"**

**a) Coking Coal :**

In order to reduce dependence on purchased coking coal, SAIL has been allocated two coking coal blocks at Tasra and Sitanala. All efforts are being made for early start of production from these blocks. Status of their development is given below :

**i) Tasra Coking Coal Block:**

All statutory clearances have been obtained. Planned mine capacity is 4 MTPA (ROM) to produce about 2 MTPA of clean coal. Selection of Mine Developer cum Operator (MDO) is in progress. Through tendering process, L-1 bidder has been identified and work order is to be issued shortly. In the meantime, small scale production has been started from November'2009.

**ii) Sitanala Coking Coal Block:**

Mine planned for production of 0.3 MTPA (ROM) to produce about 0.2 MTPA clean coal. Project report has been prepared, mine plan approved and grant of environment clearance is in advance stage. Selection of Mine Developer cum Operator (MDO) is also in progress.

In order to further augment captive coking coal production, SAIL has identified two potential coking coal blocks namely, Jhirki/ Jhirki West OC & Rhone-Routpara West in Jharkhand and requested Ministry of Steel & Ministry of Coal for allocation of the blocks. Coal blocks are yet to be allocated to SAIL. Hon'ble Minister of Steel has also requested Hon'ble Minister of State for Coal in February'2010 to allocate these coking coal blocks to SAIL through Govt. dispensation route.

**b) Allocation of thermal coal blocks for captive use**

Presently, major requirement of thermal coal is being met by supplies from Coal India Limited. In order to ensure security of thermal coal availability, SAIL has identified six thermal coal blocks namely Tentuloi, Ghogharpalli &

Extension, Bankhui, Gand Bahera Ujheni, Puta Parogia & Pindrakhi and requested Ministry of Steel & Ministry of Coal for allocation of at least 2-3 blocks. Hon'ble Minister of Steel has also requested Hon'ble Minister of State for Coal in February'2010 to allocate these thermal coal blocks to SAIL through Govt. dispensation route.

**c) Sintering & Pelletisation**

SAIL already has sintering facility having around 21 million tons per annum capacity. As part of expansion plan being implemented by SAIL, sinter capacity is also being augmented to the level of around 29 million tons per annum.

In order to ensure gainful utilization of low grade iron ore fines and slimes from tailing ponds, SAIL has planned to install pelletisation plants. In this regard, DPR for setting up a 4 mtpa pellet plant at Gua has been prepared and tender has been floated for installation of pellet plant. Last date for submission of bid is 22.7.2010.

DPR for second Pellet plant is also being prepared.

**Rashtriya Ispat Nigam Limited (RINL)**

RINL-VSP has already two Sinter Machines in the existing plant to produce about 5.3 Mt of sinter using iron ore fines. New Sinter Plant (SP#3) with capacity of 3.25Mt is getting added in the current expansion programme and is scheduled for commissioning in 2010-11. This will further enhance the usage of iron ore fines.

To improve usage of lower grade of iron ore fines through beneficiation, RINL has also proposed to set up a Pelletisation plant of capacity of around 5 mtpa in Visakhapatnam. It is envisaged that the feed to the pelletisation plant will be through a slurry pipeline to carry iron ore slurry from Bailadilla mines to Visakhapatnam. This ensures secured transportation of iron fines to VSP from Bailadilla mines and also further value addition in the form of pellets.

**Bird Group of Companies (Government Managed Company)**

OMDC has already invited expression of interest through paper publication for setting up a 2 MTPA Beneficiation and Pelletisation Plant and the matter is under active consideration.

**NMDC Limited**

Ministry of Steel has been recommending to Ministry of Finance for fiscal incentives for setting up beneficiation and pelletisation plants in the country."

**16. Though the coal blocks allotted to Steel PSUs have not yet been developed so far thus affecting the sustainable growth of steel companies for want of critical raw material. The Committee would, therefore, like that coal blocks already allotted to steel companies should be developed expeditiously to meet the impending demand of coking coal essential for**

**modernisation and expansion of steel PSUs. Further, the Ministry of Steel should explore the feasibility of Steel PSUs to acquiring/developing economically viable coking coal assets in India and abroad through joint venture companies.**

**The Committee note with satisfaction that SAIL, RINL and Bird Group of Companies have started the process of setting up pelletisation plants for gainful utilization of low grade iron ore fines and slimes. The Committee would like the steel companies to expedite appropriate steps to install these plants.**

#### **Recommendation (Serial No.17)**

17. The Committee were concerned to note that SAIL was having only 5 valid leases of iron ore, the remaining 20 leases were either disputed or under deemed extension. The Committee were informed that an out of court settlement was likely to resolve dispute with Government of Jharkhand in case of two leases i.e. Chiria and Gua. The Committee had observed that many proposals of SAIL and NMDC relating to iron ore mining leases were pending with Government of Jharkhand, Orissa and Ministry of Environment forest for want of environment and forest clearances. The Committee had desired that mining leases awaiting mandatory statutory clearances such as forest clearances and environment clearances might be accorded top priority by taking the matter with the concerned State Government at the highest level. They had also recommended that a special cell might be created in the Ministry which would address the objections/concerns of the State Government and Ministry of Environment and Forest.

18. The Ministry in their reply have stated as follows:

#### **"Steel Authority of India Limited (SAIL)"**

a) Out of 26 iron ore mining leases in the states of Jharkhand, Orissa and Chhattisgarh, only 5 leases are valid. This includes grant of Mining Lease at Rowghat in Chhattisgarh in October'2009. Status of leases is shown below :

<b>Details</b>	<b>Orissa</b>	<b>Jharkhand</b>	<b>Chhattisgarh</b>	<b>Total</b>
No. of leases	07	13	06	26
Valid	NIL	NIL	05	05
Under deemed extension	06	05	01	12

In-Principle approval by State Govt.	NIL	04	NIL	04
Under dispute	01	04	NIL	05

SAIL possesses 10 mining leases in the Chiria-gua belt of Jharkhand, six leases (Ajitaburu, Sukri-Latur, Tatiburu, Budhaburu (McLellan), Dhobil and Ankua) are in Chiria and the balance four leases (Dugaiburu, Jhillingburu\_I, Jhillingburu-II and Topailore) are in Gua.

For early renewal of leases particularly in Jharkhand and Orissa, continuous effort is being made by SAIL and Ministry of Steel. In connection with renewal of leases for Chiria & Gua, on request of Ministry of Steel, a meeting was held by Secretary (Mines), GoI on 5-10-2009 which was also attended by Chief Secretary, Government of Jharkhand, Joint Secretary, Ministry of Steel, Controller General IBM, Director General, GSI and Chairman SAIL. As decided in the meeting, SAIL vide letter dated 19.10.09, requested Chief Secretary, Government of Jharkhand to renew mining leases of Chiria and Gua mine of 1 billion tonne immediately and to initiate dialogue for renewal of the balance leases to meet the projected requirement for 50 years. After the long persuasion, the State Government of Jharkhand conveyed its in-principle approval on renewal for the Budhaburu lease (823.62 ha) of Chiria iron mine on 23.10.09. SAIL vide letter dated 18.11.09 has further requested Jharkhand Govt. to renew leases corresponding to 1000 million tonnes keeping all four leases of Gua & Ajitaburu of Chiria in the present form and redefining Budhaburu lease. Secretary (Steel), GoI has also held meeting with Chief Secretary, Govt. of Jharkhand on 17-2-2010 on the issue of renewal of mining leases including Chiria.

b) With regard to grant of Environment clearance and Forestry clearance, matter is continuously being followed up with respective State Govt. and Ministry of Environment & Forest (MoEF), GoI. This has enabled us to obtain Stage-1 Forestry clearance/ Temporary Working permission for Barsua-Kalta, Kiriburu-Meghahatuburu and Bolani iron ore mines which were due for renewal.

Status of Forest & Environment clearances for iron ore mines of SAIL is as given in the **Annexure-II**."

**19. While appreciating the efforts made by the Ministry of Steel and SAIL impressing upon the State Governments and Ministry of Environment and Forest to grant statutory clearance for renewal of mining leases, the Committee are surprised to note that the Ministry of Steel have conveniently evaded the issue of creation of special cell in the Ministry which can**

**exclusively take up the matter with State Government and Ministry of Environment and Forest for grant of statutory clearances. The Committee would like to be informed of the precise action taken by the Ministry in response to this specific recommendation. The Committee understand that Ministry of Environment and Forest have since granted environment clearance for renewal of Chiria mines of SAIL which is the lifeline for its Bokaro unit. Similarly, NMDC have also received the nod of Ministry of Environment and Forest for Greenfield Bailadila iron ore project at Dantewada, Chhattisgarh. The Committee desire that Ministry of Steel/SAIL/RINL should make sincere efforts to obtain forest and environment clearance for renewal of pending iron ore leases.**

## **CHAPTER II**

### **OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation (Serial No.1)**

Keeping in view the significance of steel industry in the overall development of economy and its contribution in the growth of GDP, it is imperative that the Government should endeavour to make a policy framework in the long term interest of the Indian steel industry which would help them enhance their production capacity in order to keep pace with the anticipated increase in domestic and overseas demands. The Committee would like the Ministry to take appropriate measures to enable Indian steel industry to become competitive globally not only in terms of cost, quality and product – mix but also in terms of global benchmarks of efficiency and productivity, expeditious removal of procedural bottlenecks, availability of critical raw material, infrastructure and modern technology. The Committee would like to be apprised of the steps taken/ proposed to be taken in this regard.

#### **Action Taken**

Keeping in view the significance of steel industry in the overall development of economy and contribution in the growth of GDP, Government of India took initiatives to bringing out National Steel Policy. The National Steel Policy (NSP) envisages a modern and efficient steel industry of world standards to serve as a springboard for reaching the National Vision of transforming India into a developed economy by 2020. The focus are [a] Global Competitiveness in terms of cost, quality and product-mix [b] Global bench-mark of efficiency and productivity.

In the context where Global crude steel production reached 1220 million tonne in 2009, a decline of 8 per cent over 2008 and China remained the largest crude steel producer in the world with production reaching 567.8 million tonne, a growth of 13.5 per cent over 2008, the progress of Indian Steel Industry is remarkable. India once again emerged as the fifth largest producer in 2009 and recorded a growth of 2.7 per cent as compared to 2008, the only other country in the top 10 bracket to register a positive growth during 2009. India also emerged as the largest sponge iron producing country in the world in 2009, a rank it has held on since 2002. If proposed expansions plans are implemented as per schedule, India may become the second largest crude steel producer in the world by 2015-16.

All major steel companies in India are modernizing and expanding their capacity to be globally competitive in terms of cost, quality and product-mix. They are bringing state of art technology so that they are able to achieve efficiency and productivity in line with global bench mark. Steel Authority of India Limited has also drawn its modernization and expansion plan, under which, in first phase, the capacity will be increased to about 23 Mt. of hot metal in next 2-3 years. The strategic intent of the company is to expand the capacity to 60 Mt. by 2020. All additional capacity is planned to be globally comparative in terms of cost, quality and product-mix. The strategy of the company also includes sourcing of critical raw-materials and modern technology in iron and steel.

As regards monitoring and implementation of steel projects and removing bottlenecks, Prime Minister has approved constitution of an Inter Ministerial Group (IMG) under the Chairmanship of Secretary (Steel) to monitor and coordinate issues concerning major steel investments in the country. The other members are Secretaries of Department of Industrial Policy and Promotion, Department of Shipping, Department of Road Transport & Highways, Ministry of Mines, Ministry of Environment and Forests, Member (Traffic) of the Railway Board and as well as Chief Secretaries of the concerned State Government.

Issues concerning various issues of major steel investment projects, including steel PSUs are discussed in the IMG meetings, where the concerned State Government as well as Ministries / Departments of the Union Government are requested to comment and take note of the issues.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.2)**

The Committee have been given to understand that Budgetary Support (BS) is being provided by the Ministry to some of the financially weak and loss making PSUs and Internal and Extra Budgetary Resources (IEBR) are being raised by profit making PSUs for implementing their schemes. As against the proposed annual plan outlay of Rs. 17221.82 crore (IEBR: Rs. 17163.82 crore + BS: Rs. 58.00 crore), the Planning Commission has approved an outlay of Rs. 17199.82 crore (IEBR Rs. 17163.82+ BS Rs. 36.00 crore). The Committee note that the outlay for 2010-11 has sharply increased to Rs. 17199.82 crore as compared to that of Rs. 13756.66 crore in 2009-10. However, the Revised Estimates (RE) for 2009-10 was marginally reduced to Rs. 13252.46 crore and the actual expenditure upto January, 2010 was Rs. 11122.11 crores. The Committee understand that the plan outlay has been increased as compared to the preceding year to meet the expenditure on various on-going projects/scheme of steel PSUs. What the Committee would like the Ministry is to ensure that the enhanced allocation is gainfully utilized and the on-going projects/schemes are strictly monitored to keep pace with expenditure.

### **Action Taken**

There has been an increase of 25% in the Plan Outlay for 2010-11 over Plan Outlay of 2009-10. The increase is basically due to increase in the Plan Outlay of SAIL and RINL, whose expansion and modernization plan is going on. During 2009-10 against the approved Outlay of Rs. 13756.66 crore, the actual expenditure was Rs. 13324.75 crore (96.86%). It may be mentioned here that the implementation status of projects/schemes and utilization of Plan Outlay by the PSUs is being monitored in the Ministry at various levels through performance review meetings of PSUs.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.3)**

The Committee note that for XI Five Year Plan (2007-12) Planning Commission has approved total outlay of Rs. 45607.08 crore. Budgetary support has been kept at Rs. 217 crore. The Committee are, however, concerned to note that

cumulative expenditure during XI plan upto January, 2010 has been far from satisfactory as is evident from the fact that about 50% of the expenditure is likely to be incurred during the first 3 years of plan period as against that of 60%. The Committee desire that the Ministry should endeavour to analyse the reasons for inadequate utilization of the funds so far and gear up its monitoring mechanism to ensure that by the end of the XI Five Year Plan total allocated funds are fully utilized. The Committee also urge upon the Government to expeditiously approve the merger of SIIL with NMDC and resolve the financial issues relating to waiver of outstanding loans and interest thereon in respect of HSCL for speedy restructuring of the Company.

### **Action Taken**

During the first three years of the XIth Plan, the actual expenditure till March, 2010 was Rs. 25685.11crore (56.32%). Keeping in view the progress of expansion and modernization plan of SAIL and RINL and schemes of smaller PSUs, the approved Outlay Plan will be utilized. However, there may be some shortfall in utilization of allocated fund for XIth Plan in case of KIOCL, NMDC and Bird Group of Companies because some of their projects/schemes are held up or delayed due to non receipt of forest and environment clearance, non-renewal of mining leases and land dispute etc. The merger process of SIIL with NMDC is completed. All the proposals for expansion projects of SIIL have been kept in abeyance. The utilization of allocated funds by SIIL for XIth Plan would be reviewed upon completion of merger process. HSCL's revival/restructuring proposal is also under active consideration of the Government.

### **Rashtriya Ispat Nigam Limited (RINL)**

RINL has adequately utilized the funds against the total approved outlay for the XI Five Year Plan and has already incurred expenditure to the tune of 68% by the end of three years and the balance will also be spent by the end of the XI Five Year Plan, fulfilling 100% of the target. The amount spent by RINL against the approved outlay is indicated below:

Unit : Rs Crores.			
Approved Plan Outlay in XI Five Year Plan	Cumulative expenditure till 2009-10	% fulfilment w.r.t total outlay	Balance for 2010-11 & 2011-12
9569.18	6473.40	68	3095.78

### **Bird Group of Companies (Government Managed Company)**

The funds could not be utilized due to delay in renewal of mining leases as well as issuance of Forest & Environment clearance of Mines. Efforts are being made to get the mining leases renewed at the earliest.

### **NMDC Limited**

#### **Merger of SIIL with NMDC.**

NMDC has filed the Ministry of Corporate Affairs Order approving Merger of SIIL with NMDC Ltd. with Registrar of Companies, Andhra Pradesh on 1<sup>st</sup> July, 2010. Consequently, SIIL stands dissolved without being wound up. With this, the process of merger of SIIL with NMDC stands completed.

## **Restructuring of Hindustant Steelworks Construction Limited (HSCL)**

The matter relating to financial issues relating to waiver of outstanding loans and interest thereon in respect of HSCL has been taken up with Ministry of Finance. In this connection, Ministry of Finance has requested, Ministry of Steel to submit a revised proposal on restructuring of HSCL, after discussion with the banks. HSCL has approached M/s SBI Caps for syndication of roll over of bank loan. After receipt of their report, within 60 days, final proposal will be submitted for approval of the Competent Authority.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Comments of the Committee**

(Please see para 1.7 of Chapter I of the Report)

### **Recommendation (Serial No.4)**

The Committee find that a new scheme i.e. "Scheme for Promotion of R&D in Iron and Steel Sector" for XI Plan (2007-12) with an outlay of Rs. 118 crore was approved by the Planning Commission. The objective of the scheme is stated to promote and accelerate R&D activities in development of key raw materials. The Committee regret to observe that no expenditure has been incurred on any research activities in first 2 years of the plan period. Although, 7 R&D projects of national importance were short listed, work on not even a single project could commence. The Committee recommend that the R&D projects identified by the Ministry may be accorded top priority and necessary corrective measures may be taken to ensure gainful utilization of the fund allocated for the projects during the remaining plan period. The Committee would like the Ministry of steel to complete the proposed R&D projects through in-house research instead of depending on imported technology, which is not in the overall interest of steel industry in India.

### **Action Taken**

The suggestions of the Committee have been noted and corrective actions are being taken by the Ministry. It is submitted that under the "Scheme for promotion of R&D in iron and steel sector" with plan outlay of Rs.118 crore, eight R&D projects of national importance have been identified. Total cost of these projects is Rs.134.64 crore (approx.) of which the Plan fund component is Rs.110 crore (approx.). Out of the eight projects, four projects costing Rs.33.41 crore (approx.) with full support from Plan Fund have been approved by the Ministry. So far, Rs.4.11 crore being the part of first installment has been released. Balance amount will be released as per the requirement of the project.

The remaining four projects are at different stages of examination.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Comments of the Committee**

(Please see para 1.10 of Chapter I of the Report)

### **Recommendation (Serial No.5)**

The Committee have been given to understand that an Inter Ministerial Group (IMG) constituted to monitor and coordinate various issues concerning major steel investment in the country is striving to resolve issues pertaining to environment and infrastructure. The Ministry have admitted that major issues hampering steel industry relate to linkage of iron ore and raw materials. The Committee feel that timely completion of ongoing schemes of steel PSUs and full utilization of allocated funds in XI Five Year Plan are dependent on statutory environment and forest clearances. The Committee would like the Ministry to use IMG as an effective tool for resolving the issue relating to environment and forest clearances for various schemes of steel PSUs.

#### **Action Taken**

Inter-Ministerial Group (IMG) is also represented by Ministry of Environment & Forest (MoEF) and the concerned State Governments. Issues concerning environment and forest clearance of major steel investment projects, including steel PSUs are discussed in the IMG meetings, where the concerned State Government as well as Ministry of Environment & Forests are requested to comment and take note of the issues.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.6)**

The Committee note that Annual Plan outlay of Steel Authority India Ltd. (SAIL) for the year 2010-11 has been increased to Rs. 12254 crore from 10356 crore in 2009-10 keeping in view progress of modernization and expansion plan and other ongoing projects. The Committee observe that SAIL could not keep its commitment as regards completion of modernization and expansion plan. As a result thereof expected production has been seriously affected.

#### **Action Taken**

#### **Steel Authority of India Limited (SAIL)**

- During the year 2009-10, against the budget outlay of Rs 10,356 crore, the actual expenditure was Rs 10,606 crore. Keeping in view the envisaged progress of execution like civil & structural work, equipment supply & erection, refractory supply & erection etc. of the on-going modernization and expansion plan, the budgeted estimate of 2010-11 has been kept as Rs. 12254 crore.
- In early 2008, when the major packages of various plants were being finalised, the market conditions due to buoyant steel sector scene in the country had created an environment of sellers' market. This situation had pushed up the price scenario for most of the packages and in many cases, the prices received were higher than the estimates. In this context there was a need to revisit some of the contracts involving large capital investments and in some packages re-tendering was resorted to.
- In the light of post global economic melt down and its impact on the domestic

and global steel market situation, the targets were reviewed during Feb-Jun'09 and it was decided to implement the Modernisation & Expansion plan of SAIL in phases.

- The current phase of modernization and expansion plan is envisaged to be completed by 2012-2013.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.7)**

The Committee note that after deregulation of Steel Sector, capacity creation has taken place primarily in the private sector. The reason furnished by the Ministry for not keeping pace with the private sector in capacity creation that plants of SAIL were undergoing technological upgradation is not convincing enough. As a matter of fact, modernization of projects such as replacement of obsolete technology and introduction of latest technology is a normal process for sustained development of steel industry. In this connection, the Committee would like to point out that in 2004-05, the share of public sector in total crude steel and finished steel production was 36.6 million tonnes and 28.3 million tonnes respectively which came down to 28 million tonnes and 22.2 million tonnes respectively in 2008-09. The Committee are inclined to conclude that Public Sector is witnessing a declining trend in total crude and finished steel output. The Committee therefore recommend that Ministry should take necessary remedial measures to help its PSUs to compete with the private sector in production and offtake of crude and finished steel.

### **Action Taken**

#### **Steel Authority of India Limited (SAIL)**

- SAIL has undertaken Modernisation & Expansion of its five integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur & IISCO Steel Plants and special Steel Plant at Salem.

The current Phase of Modernisation & Expansion Plan envisages increase in capacity of hot metal, crude steel & saleable steel as follows:

(Million Tonne)

<b>Items</b>	<b>Installed capacity</b>	<b>Capacity after implementation of current programme</b>
Hot Metal	13.8	23.46
Crude Steel	12.8	21.40
Saleable Steel	11.1	20.23

The expansion plans of Steel PSUs embody latest technology and would help the PSUs in producing specialized and value added steel and introduce new products to allow PSUs to engage in competition with the private sector.

### **Rashtriya Ispat Nigam Limited (RINL)**

RINL-VSP registered a growth of 8% & 16 % in Crude steel & Finished steel in 2009-10 compared to CPLY with production of 3.205 Mt & 2.959 Mt respectively. During the year 09-10, the volume of saleable steel sales was 3.132 Mt registering a growth of 20% compared to 08-09.

Towards addition of capacity, RINL is already doubling its capacity of liquid steel from the existing 3.0 Mt to 6.3 Mt by 2011-12, through implementation of expansion scheme.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.8)**

The Secretary, Ministry of Steel admitted during evidence that SAIL and RINL have not gone in for specialized and high grade steel which is basically a value addition. However, the Committee have been now given to understand that that SAIL and POSCO have entered into a strategic alliance for information sharing in areas related to corporate strategic planning, collaboration and cooperation in areas pertaining to joint research and development projects and joint ventures mutually agreed upon. The Committee feel that it is imperative that Indian steel industry particularly SAIL should improve the quality of steel to match international standards. The formation of joint venture between SAIL and POSCO is a step in right direction and the Committee feel that more such joint ventures would be formed between steel PSUs and leading steel producers of the world engaged in production of specialized steel. The Committee also recommend that Ministry may formulate an action plan for the PSUs particularly SAIL and RINL for diversification of their products and encourage them to produce specialized steel such as steel used in automobile sector, electrical utility, turbine making, nuclear plant etc.

### **Action Taken**

### **Steel Authority of India Limited (SAIL)**

The modernization & expansion plan envisages installation of facilities for Secondary steel facilities alongwith SMS at BSP, RSP and ISP. With this, SAIL will be able to produce higher grades of Steel. Also, the Plan envisages installation of a 4.3 m wide Plate Mill at RSP and Universal Rail Mill for production of Head hardened rails & special heavy rails for high speed tracks at BSP.

At BSL, a new Cold Rolling mill comprising Pickling line, Tandem Mill, Hot Dip Galvanising Line, Electrolytic cleaning line, skin pass mill, coil packaging line, etc. is being installed which will improve the quality of the Cold Rolled products.

SAIL and RINL formulate their individual action plans for producing diversified products keeping in view projected demand and market feedback. The current expansion and modernization plans under implementation provides an opportunity to the Plants to revamp their product mix and cater to specialized products by incorporating such shop facilities.

### **Rashtriya Ispat Nigam Limited (RINL)**

Though RINL was basically designed to produce mild steel grades, innovative in-house process improvements in the manufacturing processes have enabled RINL-VSP to continuously develop value added products and is currently producing more than 70% of its saleable steel as value added steel.

This includes development and production of special grades like High Carbon Steel, EN8D, A105, EN9, SAE1049, EN8, CK45, 35C8 etc., (around 5 lakh tonnes in 2009-10) to cater to the manufacturing segment including auto sector. RINL's special steels serves several niche engineering sectors viz grade 27C15 used for Anchor chain link in the shipping industry, CHQ 1010 & CHQ 1018 in Auto sector, C20 MMn for elements of Transmission towers and SAE 1524S in Axles and spindles etc.

In the current expansion, for production of very high grades of steel, RINL-VSP has gone for adoption of state-of-the-art technology which will help in producing various grades of special steel which are not manufactured by secondary steel producers viz high carbon steel, case hardening steel, cold heading quality steel, electrode quality steel, spring steel, bearing steel, free cutting steel, micro alloy steel, alloy steel, boron steel etc. These steels find application in automobile, infrastructure, machinery / equipment manufacturing, forging industry, pumps, turbines, wind power, oil and gas pipelines, railways, defence etc.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.9)**

The Committee observe that for long term security in supply of metallurgical coking coal, SAIL should have acquired coal mines abroad. The Committee are, however, distressed to note that so far SAIL has not acquired any overseas coal mines. As a matter of fact, SAIL alongwith CIL, RINL and NTPC had formed a joint venture company viz. International Coal Ventures Private Ltd. (ICVL) in May, 2009 for acquisition of overseas coal mines. However, ICVL is yet to identify a potential country for acquisition of coal mines. The Committee urge upon the Ministry to play a proactive role for expeditious acquisition of overseas mines for its three PSUs viz. SAIL, RINL and NDMC who are the promoters of ICVL.

### **Action Taken**

### **Rashtriya Ispat Nigam Limited (RINL)**

ICVL is active and is bidding for the properties in USA, Indonesia, South Africa, Australia and Russia. Acquisition of mineral properties abroad is a long term process. Not only very few properties are available for JVs/acquisition etc, but there are already well established international companies in the field, who almost have a monopoly in the business. Moreover, a very high degree of diligence/research is required before bidding for any property to ensure that the resources/efforts put on acquisition are not wasted.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.10)**

The Committee note that the annual outlay of RINL was reduced to Rs. 2224.48 crore at RE stage against that of Rs. 2437 crore of BE 2009. Although, the Ministry have admitted that Revised Estimates would not be utilized, the allocation has been subsequently increased to Rs. 4049 crore at BE 2010-11. The Committee strongly urge upon the Ministry to ensure that all procedural steps are taken well in time so that steep increase in budget estimate of 2010-11 would be fully utilised.

### **Action Taken**

#### **Rashtriya Ispat Nigam Limited (RINL)**

The Budget estimates for 2010-11 amounts to Rs.4049 Crores, which is higher by about Rs.1825 Cores, w.r.t revised estimates of 2009-10. Out of this Rs.2800 Cores was allocated to expansion, which is higher by Rs.1000 cores compared to 2009-10 budget allocation. This is because, most of RINL's Stage – I units under expansion are expected to be commissioned this year. Remaining allocation of Rs.1249 Cores is towards other ongoing modernization and auxiliary units like ASP, Oxygen Plant, TG-5 and 330TPH Boiler etc, which will commensurate with the expansion scheme. Besides, VSP is also undertaking other major capital repairs in BF and SMS. All necessary steps required for achieving the targeted expansion milestones and other schemes have been taken and it is therefore expected that the Budget Estimates of 2010-11, would be gainfully utilized.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.11)**

The Committee regret to point out that the RINL has not been successful so far in acquiring captive mines of core raw materials viz. iron ore and coking coal. Further, two coal blocks viz. Mahal and Tenughat Jhirki allotted by Coal India Limited are not likely to be developed due to operational reasons. The performance of the company has been adversely affected on this account. Non-availability of iron ore and coking coal mines has been a major constraint for RINL and the Committee have been recommending repeatedly to the Ministry to facilitate them in this regard. The Ministry ought to take urgent measures to help RINL in acquiring captive mines to ensure increased production of steel.

### **Action Taken**

#### **Rashtriya Ispat Nigam Limited (RINL)**

#### **a) Iron Ore:**

**Allocation of Mines:** RINL-VSP has been continuously taking up the matter of allocation of mines with respective State Govt., Central Govt. since 2003 for allotment of Mines on priority basis. Details of Mining lease applications filed by RINL in the status of Orissa, Chhattisgarh, Andhra Pradesh & Rajasthan and their present status is as given in the **Annexure-I**.

VSP also approached the State Mineral Development Corporations (SMDC) of the States of Orissa, Karnataka & Jharkhand for allocation of suitable iron ore blocks and also expressed its interest for setting up of JVs for projects involving value addition in the State.

In connection with the above, RINL and MoS both have taken up with Chief Secretary & Chief Development Commissioner, Govt. of Orissa, Chief Secretary, Govt. of Karnataka & Chief Secretary, Govt. of Jharkhand, at various instances, requesting for allocation of suitable iron ore blocks to RINL-VSP along with SMDC as a Joint Sector project for mine development and further value addition.

Help of NMDC would be needed to ensure supply of adequate iron ore slurry for the pelletisation plant.

A proposal for restructuring of BIRD group of companies, making it a subsidiary of RINL has already been approved by Government. Formalities for transfer of 51% stake in M/s EIL, the holding company of OMDC & BSLC to RINL are in the advanced stage of completion. This would give RINL access to around 200 Mt of Iron ore reserves.

**b) Coal:**

i) The Ministry of Steel has communicated to the Ministry of Coal indicating that due to various constraints, economical mining is not possible in the allocated blocks i.e. Mahal & Tenughat-Jhirki. Hence it has been proposed to hand over these blocks back to the Ministry of Coal and to allocate an open cast Coking Coal block to RINL.

ii) RINL have also joined ICVL for the purpose of acquisition of coal mining assets abroad. International Coal Ventures Ltd (ICVL) was formed with equity participation by NMDC, CIL, NTPC, SAIL & RINL to acquire metallurgical and thermal coal assets overseas and was incorporated on 20.05.09. ICVL is considering several proposals to acquire coal assets abroad.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

**Comments of the Committee**

(Please see para 1.13 of Chapter I of the Report)

**Recommendation (Serial No.12)**

The Committee find that an amount of Rs. 700 crore at BE 2009-10 in respect of NMDC was downsized at RE stage to Rs. 543 crore. According to the Ministry, the amount provided for development of Bailadila Deposit 11 B projects could not be utilized due to delay in procurement of Heavy Engineering Machines (HEM) equipments. Further, there has been inordinate delay in tendering process of Integrated Steel Plant (ISP) at Nagarnar. The reasons cited by the Ministry/NMDC were not unforeseen and timely action was not taken to plug the loop-holes. The Committee desire that necessary corrective measures may now be taken so that fund earmarked for 2010-11 is fully utilised.

## **Action Taken**

### **NMDC Limited**

Against the RE of Rs. 543 Crore in respect of NMDC in 2009-10, actual expenditure has been Rs. 378.90 Crores. The less expenditure was mainly on Bailadila Deposit 11-B project, Kumarswamy iron ore mine and acquisition of SIIL.

As regards the tendering for the Integrated Steel Plant, applications for the Expression of Interest for 7 major technological packages were scrutinized and short listed. Tender enquiries for 5 of these packages on turnkey basis were issued to the short listed parties. In addition, Open Tender Enquiries for the enabling works like Site leveling, Construction water, Construction power, In-plant road network etc have also been floated.

Forest land clearance for the 25.72 Hectares of Forest land (falling within the land under acquisition) is expected in the 2<sup>nd</sup> quarter of 2010-11 and thereafter, construction at site will commence.

NMDC has conveyed that they are making their best efforts to fully utilize the fund earmarked for 2010-11.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

## **Recommendation (Serial No.13)**

The Committee note that NMDC had signed an MoU with Rio Tinto in August, 2008 for acquiring and developing mines in India and abroad. In this connection, only so far some projects in India and abroad have been identified and not even a single mine has been acquired. The Committee deprecate the casual approach adopted by the Ministry which has resulted in inordinate delay in acquiring the requisite mines. The Committee desire for NMDC to retain its important entity as a global mining giant, it ought to move speedily to acquire as many mines as it can in India and abroad.

## **Action Taken**

### **NMDC Limited**

NMDC & Rio Tinto signed a MOU on 18<sup>th</sup> August, 2008 to co-operate in investigating mutually advantageous potential investment opportunities primarily for iron ore and other commodities both in India and globally. The working group identified some resources to pursue further. However, Rio Tinto failed to submit their proposal saying that the JV proposals in India to jointly follow the RP application in Jharkhand and Chhattisgarh are pending at their higher management, whereas NMDC did not find any suitable property tabled to it for acquisition overseas. Effective 5<sup>th</sup> June, 2008, when Rio Tinto signed non-binding agreement with BHP Billiton, Rio Tinto narrowed down their activities in India and concentrated to establish a production joint venture to develop Western Australian iron ore assets.

NMDC is making all out efforts for acquisition of mineral assets abroad. It had signed MOU with Kopano of South Africa to explore possibilities jointly in South Africa and share holders agreement is being finalized.

Further, a MOU has been signed with Arcelor Mittal to jointly develop the Falame Deposit in Senegal. Opportunities across geographies are being evaluated for participation and acquisition.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.14)**

The Committee observe that the amount of Rs. 85 crore earmarked at BE 2009-10 has been drastically reduced to Rs. 10 crore at RE and the expenditure incurred upto January, 2010 is merely Rs. 1.85 crore. The Committee regret to observe that some of the schemes of KIOCL viz. development of permanent Railway Sliding at Mangalore, construction of Bulk Material Handling facility for receipt of iron ore by rail, Ductile Iron Spun Pipe, eco-Tourism development at Kudremukh are hanging fire for quite some time for want of completion of various procedural formalities and statutory clearances. KIOCL has been facing serious crisis ever since the Supreme Court imposed complete ban on mining operations at Kudremukh and has been struggling hard to sustain itself. The Committee feel that Ministry should take proactive steps to overcome difficulties/ constrains as well as to ensure that whatever funds made available are timely and fully utilized.

### **Action Taken**

The observation/recommendation of the Committee has been noted by the Ministry for compliance. KIOCL is taking proactive steps to overcome difficulties/ constrains as well as to ensure that whatever funds made available are timely and fully utilized.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Recommendation (Serial No.16)**

The Committee are concerned to note that due to limited production of indigenous coking coal, domestic steel industry has to resort to imported coking coal to fulfill its requirement. The Committee find that 11 coking coal blocks and 56 non-coking coal have been allotted to different steel companies for captive use. They also note with satisfaction that government is encouraging the formation of joint ventures between steel companies to acquire coking coal blocks abroad. The Committee desire that work on war footing may be initiated for development of the coking coal blocks and non-coking coal blocks allotted to steel PSUs so that these companies can reap the benefit of having their own captive coal mines. The Committee find that Indian steel Industry do not have adequate sintering and Pelletisation facility as a result of which iron ore fines are exported. The Committee feel that steel PSUs should set up sintering and pelletisation facilities which would help to promote value addition of iron ore in the country. Further, the Finance Ministry may be persuaded to provide fiscal incentives for setting up beneficiation and pelletisation plants in the country to make best use of iron ore fines.

## **Action Taken**

### **Steel Authority of India Limited (SAIL)**

#### **a) Coking Coal :**

In order to reduce dependence on purchased coking coal, SAIL has been allocated two coking coal blocks at Tasra and Sitanala. All efforts are being made for early start of production from these blocks. Status of their development is given below :

##### **i) Tasra Coking Coal Block:**

All statutory clearances have been obtained. Planned mine capacity is 4 MTPA (ROM) to produce about 2 MTPA of clean coal. Selection of Mine Developer cum Operator (MDO) is in progress. Through tendering process, L-1 bidder has been identified and work order is to be issued shortly. In the meantime, small scale production has been started from November'2009.

##### **ii) Sitanala Coking Coal Block:**

Mine planned for production of 0.3 MTPA (ROM) to produce about 0.2 MTPA clean coal. Project report has been prepared, mine plan approved and grant of environment clearance is in advance stage. Selection of Mine Developer cum Operator (MDO) is also in progress.

In order to further augment captive coking coal production, SAIL has identified two potential coking coal blocks namely, Jhirki/ Jhirki West OC & Rhone-Routpara West in Jharkhand and requested Ministry of Steel & Ministry of Coal for allocation of the blocks. Coal blocks are yet to be allocated to SAIL. Hon'ble Minister of Steel has also requested Hon'ble Minister of State for Coal in February'2010 to allocate these coking coal blocks to SAIL through Govt. dispensation route.

#### **b) Allocation of thermal coal blocks for captive use**

Presently, major requirement of thermal coal is being met by supplies from Coal India Limited. In order to ensure security of thermal coal availability, SAIL has identified six thermal coal blocks namely Tentuloi, Ghogharpalli & Extension, Bankhui, Gand Bahera Ujheni, Puta Parogia & Pindrakhi and requested Ministry of Steel & Ministry of Coal for allocation of at least 2-3 blocks. Hon'ble Minister of Steel has also requested Hon'ble Minister of State for Coal in February'2010 to allocate these thermal coal blocks to SAIL through Govt. dispensation route.

#### **c) Sintering & Pelletisation**

SAIL already has sintering facility having around 21 million tons per annum capacity. As part of expansion plan being implemented by SAIL, sinter capacity is also being augmented to the level of around 29 million tons per annum.

In order to ensure gainful utilization of low grade iron ore fines and slimes from tailing ponds, SAIL has planned to install pelletisation plants. In this regard, DPR for setting up a 4 mtpa pellet plant at Gua has been prepared and tender has been floated for installation of pellet plant. Last date for submission of bid is 22.7.2010.

DPR for second Pellet plant is also being prepared.

### **Rashtriya Ispat Nigam Limited (RINL)**

RINL-VSP has already two Sinter Machines in the existing plant to produce about 5.3 Mt of sinter using iron ore fines. New Sinter Plant (SP#3) with capacity of 3.25Mt is getting added in the current expansion programme and is scheduled for commissioning in 2010-11. This will further enhance the usage of iron ore fines.

To improve usage of lower grade of iron ore fines through beneficiation, RINL has also proposed to set up a Pelletisation plant of capacity of around 5 mtpa in Visakhapatnam. It is envisaged that the feed to the pelletisation plant will be through a slurry pipeline to carry iron ore slurry from Bailadilla mines to Visakhapatnam. This ensures secured transportation of iron fines to VSP from Bailadilla mines and also further value addition in the form of pellets.

### **Bird Group of Companies (Government Managed Company)**

OMDC has already invited expression of interest through paper publication for setting up a 2 MTPA Beneficiation and Pelletisation Plant and the matter is under active consideration.

### **NMDC Limited**

Ministry of Steel has been recommending to Ministry of Finance for fiscal incentives for setting up beneficiation and pelletisation plants in the country.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Comments of the Committee**

(Please see para 1.16 of Chapter I of the Report)

### **Recommendation (Serial No.17)**

The Committee are concerned to note that SAIL is having only 5 valid leases of iron ore, the remaining 20 leases are either disputed or under deemed extension. The Committee are informed that an out of court settlement is likely to resolve dispute with Government of Jharkhand in case of two leases i.e. Chiria and Gua. The Committee observe that many proposals of SAIL and NMDC relating to iron ore mining leases are pending with Government of Jharkhand, Orissa and Ministry of Environment forest for want of environment and forest clearances. The Committee desire that mining leases awaiting mandatory statutory clearances such as forest clearances and environment clearances may be accorded top priority by taking the matter with the concerned State Government at the highest level. They also

recommend that a special cell may be created in the Ministry which would address the objections/concerns of the State Government and Ministry of Environment and Forest.

### **Action Taken**

#### **Steel Authority of India Limited (SAIL)**

- a) Out of 26 iron ore mining leases in the states of Jharkhand, Orissa and Chhattisgarh, only 5 leases are valid. This includes grant of Mining Lease at Rowghat in Chhattisgarh in October'2009. Status of leases is shown below :

<b>Details</b>	<b>Orissa</b>	<b>Jharkhand</b>	<b>Chhattisgarh</b>	<b>Total</b>
No. of leases	07	13	06	26
Valid	NIL	NIL	05	05
Under deemed extension	06	05	01	12
In-Principle approval by State Govt.	NIL	04	NIL	04
Under dispute	01	04	NIL	05

SAIL possesses 10 mining leases in the Chiria-gua belt of Jharkhand, six leases (Ajitaburu, Sukri-Latur, Tatiburu, Budhaburu (McLellan), Dhobil and Ankua) are in Chiria and the balance four leases (Dugaiburu, Jhillingburu\_I, Jhillingburu-II and Topailore) are in Gua.

For early renewal of leases particularly in Jharkhand and Orissa, continuous effort is being made by SAIL and Ministry of Steel. In connection with renewal of leases for Chiria & Gua, on request of Ministry of Steel, a meeting was held by Secretary (Mines), GoI on 5-10-2009 which was also attended by Chief Secretary, Government of Jharkhand, Joint Secretary, Ministry of Steel, Controller General IBM, Director General, GSI and Chairman SAIL. As decided in the meeting, SAIL vide letter dated 19.10.09, requested Chief Secretary, Government of Jharkhand to renew mining leases of Chiria and Gua mine of 1 billion tonne immediately and to initiate dialogue for renewal of the balance leases to meet the projected requirement for 50 years. After the long persuasion, the State Government of Jharkhand conveyed its in-principle approval on renewal for the Budhaburu lease (823.62 ha) of Chiria iron mine on 23.10.09. SAIL vide letter dated 18.11.09 has further requested Jharkhand Govt. to renew leases corresponding to 1000 million tonnes keeping all four leases of Gua & Ajitaburu of Chiria in the present form and redefining Budhaburu lease. Secretary (Steel), GoI has also held meeting with Chief Secretary, Govt. of Jharkhand on 17-2-2010 on the issue of renewal of mining leases including Chiria.

- b) With regard to grant of Environment clearance and Forestry clearance, matter is continuously being followed up with respective State Govt. and Ministry of Environment & Forest (MoEF), GoI. This has enable us to obtain Stage-1

Forestry clearance/ Temporary Working permission for Barsua-Kalta, Kiriburu-Meghahatuburu and Bolani iron ore mines which were due for renewal.

Status of Forest & Environment clearances for iron ore mines of SAIL is as given in the **Annexure-II**.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **Comments of the Committee**

(Please see para 1.19 of Chapter I of the Report)

### **Recommendation (Serial No.18)**

The Committee regret to note that although profit making steel PSUs earmark 2% of their distributable surplus (5% in the case of NMDC) for Corporate Social Responsibility (CSR) activities, the allocation under CSR is not being properly utilised. The expenditure trend of 2008-09 and 2009-10 in respect of CSR activities of SAIL, RINL and NMDC indicate that these companies have failed to utilise the allocated budget on CSR activities. For example in 2008-09, SAIL had made budgetary allocation of Rs. 114 crore, out of which they could utilize only Rs. 85.3 crore. The Committee, therefore, recommend that steel PSUs should make sincere effort to fully utilize the allocated budget on CSR activities. Further, all the profit making PSUs should explore the possibility of enhancing their distributable surplus for CSR activities from existing 2% to 5%. The Committee also desire that people's representatives of the concerned area should be associated in identifying the areas where the fund meant for CSR activities are to be utilised.

### **Action Taken**

#### **Steel Authority of India Limited (SAIL)**

SAIL is implementing various schemes in the periphery of steel plants under Corporate Social Responsibility (CSR) to improve the Quality of life of the local population, with a strong focus on the weaker and vulnerable section of the society.

CSR budget is allocated on financial year basis and expenditure is incurred on various activities under CSR. In 2008-09, the allocation was to the tune of Rs.117 crore and expenditure made during the year was Rs.83.04 crore. However, during 2007-08, the allocation made was Rs.100 crore but the expenditure was Rs.119.61 crore. Thus, SAIL has made higher expenditure than the allocation during 2007-08, which reflects the commitment to CSR cause.

Further, it may be mentioned here that over and above the utilization of allocated CSR funds, SAIL has incurred an expenditure of Rs.163 crore, Rs.324 crore and Rs.171 crore during the financial years 2007-08, 2008-09 and 2009-10 (April-Dec'2009) respectively, on non-SAIL / non-entitled people on account of various on-going schemes pertaining to the areas of Health, Education, Township, etc.

Therefore, it is pertinent to mention that under these various schemes, a number of people living in and around plant townships are being benefited directly and indirectly.

Against the budgeted allocation of ` 94 crores for 2010-11, upto quarter-1 (April-June, 2010) ` 11 crores has been spent by SAIL on CSR activities.

The system of association of people's representatives of the concerned area in the CSR activities already exists in SAIL Plants. The panchayats of local villages, various social organizations, MLAs, MPs and District authorities also forward their requirements through various modes (either through meetings with Plant Officials or through request memos or through representations). The requirements forwarded by them are also considered and after following an established system, the job is executed.

The SAIL Board has taken a decision that 2% of budgeted distributable surplus of the projected profit of financial year is to be allocated for CSR activities including Community Development. In addition, SAIL is also incurring huge expenditures on non-SAIL/non-entitled people on account of various on-going schemes pertaining to the areas of Health, Education, Township etc. as mentioned above. This expenditure is over and above the 2% allocated budget.

### **Rashtriya Ispat Nigam Limited (RINL)**

RINL-VSP has been discharging its duties as a responsible corporate citizen since inception. Through its efforts towards Corporate Social Responsibility, RINL-VSP has created employment and entrepreneurial opportunities for several thousands of people in and around Visakhapatnam. The focus of CSR at RINL is on sustained development and inclusive growth of the surrounding Community and some of the major thrust areas include Peripheral Development, Education, Medical & Health, People care, Sports & Cultural Efflorescence and Help during Natural calamities.

An amount of around Rs. 46 Crores has been spent towards CSR activities during the last three years. At RINL it is planned that the allocations to CSR are spent in totality. The budget allocated and committed in a particular year is carried forward as the projects taken up under CSR may be completed in subsequent years, thereby ensuring that the amount allocated and committed is fully spent only on CSR activities.

While selecting the CSR activities, the requests of Peoples' Representatives, Government Authorities etc., are considered on priority basis. CSR Committee consists of Representatives from Management & Unions.

### **NMDC Limited**

The CSR Budget of NMDC for the year 2009-10 was Rs. 80 Crores. This budget was fully utilized. The actual expenditure was Rs. 83.07 Crores.

Due to the high value and long term CSR programme of social engineering nature being initiated, the gestation period from evaluation to execution is usually long.

The constraints being faced by NMDC due to resistance from Maoists etc. have already been explained (ref. page 32 of the report). The cumulative carry forward funds i.e. funds budgeted but not committed since 2006-07 till 2008-09 were Rs. 51.53 Crores. During the year 2009-10, NMDC has committed all the carry forwarded funds. Infact, a total commitment of Rs. 226.58 Crores was made during the year 2009-10 which is in excess of the carried forward funds and the budgeted amount for the year.

NMDC has also informed that discussions are held with Sarpanchs' and other village representatives of the surrounding villages for short-listing of the requirements based on priority. The consolidated list is sent to District Authorities seeking permission to take up the identified works in these villages. Normally, the process takes place once in a year. However, the specific needs that crop up in between are also taken care of. The requests made by the District/State Authorities for developmental activities in line with the CSR Policy of the NMDC in the surrounding areas of NMDC Projects are also funded by NMDC directly to the respective authorities.

**Manganese Ore (India) Limited (MOIL)**

For the year 2010-11, MOU Target on CSR expenditure in respect of MOIL has been fixed at Rs.5.42 crores and the company is making all efforts to utilize the amount under CSR as per MOU Target. As advised by the Committee, MOIL is associating people's representatives from mines areas, in identifying the activities for utilizing the funds meant for CSR activities.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

### **CHAPTER III**

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO  
PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

**-NIL-**

#### **CHAPTER IV**

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE  
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

**-NIL-**

## **CHAPTER V**

### **OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

#### **Recommendation (Serial No.15)**

The Committee have been given to understand that the production of iron ore is much more than the domestic consumption as a result of which more than half the production of iron ore is exported. The Committee are concerned to note that reserve of the iron ore may last till 2021-22. With a view to conserving iron ore for long term use of domestic steel industry and also to ensure its availability to them at a affordable/reasonable price, the Government must explore the possibility of restricting the export of iron ore. For this, the Ministry of Steel should take up the matter with Ministry of Finance so as to impress upon them to levy suitable ad-valorem duty on iron ores.

#### **Action Taken**

##### **NMDC Limited**

Ministry of Steel has taken up the matter of imposition of levying an appropriate duty on export of iron ore as well as other measures to effectively discourage the export of iron ore with Ministry of Finance as well as Ministry of Commerce at the highest level.

[Ministry of Steel O.M. No.H-11014(3)/2010-Parl. dated 15/09/2010]

**NEW DELHI;  
August, 2011  
Sravana, 1933 (Saka)**

**KALYAN BANERJEE  
Chairman  
Standing Committee on Coal and Steel**

## ANNEXURE-I

### Status of Mining Lease Applications for Iron Ore applied by RINL-VSP

1	2	3	4	5	6	7
S No	Lease Name	Type of Ore	Area (Ha)	Reserve of Ore in the Mining Lease (in Million Tonnes)	Background/ History of the Mining Lease	Present Status (where the proposal is pending for what and since when, date)
<b>I</b>	<b>ORISSA</b>					
1	Mankarnach a and Badamgarh Pahar in Sundargarh District	Iron Ore (Haematite)	939.14	71.00	Mining Lease application was filed on 19.11.2003 vide application 8No.1387	Govt. of Orissa informed vide Lr.No. III(B)SM 5/05/18638/SM, dt.30.12.06 that the matter is under <b>process for Disposal</b> due to (1) RINL does not have any proposal for value addition in that state (2) the area is located inside dense forest & (3) the area is earmarked for earlier applicants i.e, TISCO and L&T. (*)
2	Khajurdihi RF, Koida Block in Sundargarh District	Iron Ore (Haematite)	569.56	150.00	Mining Lease application was filed on 19.11.2003 vide application No.1386	Govt. of Orissa informed vide Lr.No. III(B)SM 5/05/18640/SM, dt.30.12.06 that the matter is under <b>process for Disposal</b> due to (1) RINL does not have any proposal for value addition in that state, (2) the area is located inside dense forest & (3) the area is earmarked for earlier applicants i.e, TISCO and L&T. (*)
3	Khajurdihi RF, Jaldihi and Tantigram in Sundargarh District	Iron Ore (Haematite)	1246.09	120.00	Mining Lease application was filed on 13.01.2004 vide application No.1419	The application has been <b>rejected</b> by the Govt. of Orissa vide proceeding No.III(AB)SM 44/06/11189/SM, Dated 27.07.2006 as (1) the area falls under Forest land, (2) the area overlaps with prior mineral concession applications, (3) RINL does not have any proposal for value addition in that state. (*)
4	Kadakala, Marsuan, Tiriba and Rakam	Iron Ore (Haematite)	1300.93	120.00	Mining Lease application was filed on 16.01.2004 vide application No.1025	The application has been <b>rejected</b> by the Govt. of Orissa vide proceeding No.III(A)SM 34/05/7073/SM, Dated 02.05.2006 as (1) the area overlaps with prior mineral concession applications, (2) RINL does not have any proposal for value addition in that state. (*)
5	Khajurdihi RF, Kensara and Batagaon in Keonjhar District	Iron Ore (Haematite)	360.15	50.00	Mining Lease application was filed on 06.08/2004 vide application No.1555.	The application has been <b>rejected</b> by the Govt. of Orissa vide proceeding No.III(AB)SM 29/06/5951/SM, Dated 10.04.2006 as (1) the area falls under Forest land, (2) the area overlaps with prior mineral concession applications, (3) RINL does not have any proposal for for establishment of steel plant in that state. (*)
* Taken up with Chief Secretary, Govt. of Orissa vide Lr.No. CMD/08-09-67, dt. 25.02.2009 by CMD/RINL and D.O.No. 6(5)/2009-VSP, dt. 16.04.2009 by Secretary, Ministry of Steel/Gol, with a proposal to have JV with Orissa State Govt. for setting up value addition projects like Beneficiation Plant, Pellet Plant, Steel plant etc						

### Status of Mining Lease Applications for Iron Ore applied by RINL-VSP

1	2	3	4	5	6	7
S No	Lease Name	Type of Ore	Area (Ha)	Reserve of Ore in the Mining Lease (in Million Tonnes)	Background/ History of the Mining Lease	Present Status (where the proposal is pending for what and since when, date)
<b>II</b>	<b>CHHATTISGARH</b>					
6	Raoghat, Narayanpur Division, Bastar District	Iron Ore (Haematite)	3975.00	255.00	Mining Lease application was filed on 09.12.2003 vide application No.8	The application has been rejected by the Govt. of Chhattisgarh vide Order No.2-10/2007/12 (3), Dated 31.01.2007 since exploration was not conducted by Govt. Agencies / Non-Govt. Agencies.
7	Bailadilla, Dantewada District	Iron Ore (Haematite)	631.34	327.24	Mining Lease application was filed on 23.09.2005 vide application No.21	The application has been rejected by the Govt. of Chhattisgarh vide Order No.F.3-84/96/12, Dated 10.11.2006 since it was premature. A Lr. addressed to the Secretary, Mineral Resource Dept, Govt. of Chhattisgarh, Raipur vide Lr.No. Mines/H/IOM/2-06/07/2211, dt. 20.08.07 for revoking Rejection Order and consideration for allocation.
<b>III</b>	<b>ANDHRA PRADESH</b>					
8	Konijedu, Marlapadu, Sarvareddy palem and Errajerla villages in Tanguturu and Ongole Mandal of Prakasam District.	Iron Ore (Magnetite)	1307.27	52.00	A Mining Lease application was filed on 23.05.2004 vide application No.1416	Govt. of A P rejected the said application vide .Memo No.3510/M-II(2)/2007-2, Dated 02.02.2009 as it was granted to earlier applicant ie., M/s APMDC.
9	Vemparala village, Addanki Mandal, Prakasam District.	Iron Ore (Magnetite)	77.00	5.00	A Mining Lease application was filed on 20.06.2005 vide application No.1733	Govt. of A P rejected the said application vide .Memo No.3505/M-II(2)/2007-2, Dated 02.02.2009 as it was granted to earlier applicant ie., M/s APMDC.
10	Raidurg Section of Obulapuram village in Ananthapur District.	Iron Ore (Haematite)	304.19	To be prospected	Prospecting License has been filed vide application No.4844/PL/06 Dated 30th October, 2006.	Prospecting License application is pending in the office of Secretary, Industries & Commerce Department, Govt. of A P, Secretariat, Hyderabad. The issue is in High Court as M/s VM Minerals, Bellary have filed a WP in High Court against Govt. of AP, DMG, APMDC and RINL.
<b>IV</b>	<b>Rajasthan</b>					
11	Village Pur-Benera, Tahasil Bhilwada, Dist Bhilwara	Iron Ore	2303.8	522	A Mining Lease application was filed on 02.09.2009 by CSM Department	The proposal is pending for allotment with Govt. of Rajasthan.
12	25 Villages in Banera & Bhilwara Tahasils of Bhilwara	Iron Ore	2948.5	700	A Mining Lease application was filed on 29.01.2010 by Mines Department	The proposal is pending for allotment with Govt. of Rajasthan.
13	25 Villages in Banera & Bhilwara Tahasils of Bhilwara	Iron Ore	2948.5	700	A Mining Lease application was filed on 28.04.2010 by Mines Department	The proposal is pending for allotment with Govt. of Rajasthan.

**ANNEXURE- III**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND  
STEEL (2010-11) HELD ON 05.08.2011 IN COMMITTEE ROOM B,  
PARLIAMENT HOUSE ANNEXE, NEW DELHI**

The Committee sat from 1500 hrs. to 1515 hrs.

**PRESENT**

Shri Kalyan Banerjee- **Chairman**

**MEMBERS**

**LOK SABHA**

2. Shri Hansraj G. Ahir
3. Shri Sanjay Bhoi
4. Shri Ismail Hussain
5. Shri Yashbant N.S. Laguri
6. Shri Govind Prasad Mishra
7. Shri Rakesh Sachan
8. Sardar Sukhdev Singh Libra

**RAJYA SABHA**

9. Shri Kishore Kumar Mohanty
10. Shri Nand Kumar Sai
11. Shri R.C. Singh

**SECRETARIAT**

- |    |                 |   |                  |
|----|-----------------|---|------------------|
| 1. | Shri Shiv Singh | - | Director         |
| 2. | Md. Aftab Alam  | - | Deputy Secretary |

2. At the outset, Chairman, welcomed the Members to the sitting of the Committee.

3. The Committee thereafter took up for consideration the following Draft Action Taken Reports:-

- |      |    |    |    |    |
|------|----|----|----|----|
| (i)  | ** | ** | ** | ** |
| (ii) | ** | ** | ** | ** |

- (iii) Action Taken Report on observations/recommendations contained in the 6<sup>th</sup> Report on Demands for Grants (2010-11) of the Ministry of Steel.

4. The Committee adopted the draft reports without any changes/modifications and authorized the Chairman to present these Reports to both the Houses of Parliament.

**The Committee then adjourned.**

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\*\*Do not pertain to this Report.

**ANNEXURE- IV**  
**(Vide Para IV of Introduction)**

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE SIXTH REPORT  
OF THE STANDING COMMITTEE ON COAL AND STEEL**

I.	Total No. of Recommendations made	18
II.	Recommendations that have been accepted by the Government ( <i>vide</i> recommendation at S1. Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13, 14,16,17 and 18)	17
	Percentage of total	94.44%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies	00
	Percentage of total	Nil
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee	00
	Percentage of total	Nil
V.	Recommendations in respect of which final replies of the Government are still awaited ( <i>vide</i> recommendation at S1. No. 15)	01
	Percentage of total	5.55%

