

**15**

STANDING COMMITTEE ON  
COAL AND STEEL (2019-2020)  
SEVENTEENTH LOK SABHA

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**MINISTRY OF STEEL**

**"DEMANDS FOR GRANTS(2020-2021)"**

**[Action Taken by the Government on the Observations/  
Recommendations contained in the Eighth Report of the  
Standing Committee on Coal and Steel (Seventeenth Lok Sabha)]**



**FIFTEENTH REPORT**

**LOK SABHA SECRETARIAT  
NEW DELHI  
SEPTEMBER, 2020/BHADRAPADA, 1942(Saka)**

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**[Action Taken by the Government on the Observations/  
Recommendations contained in the Eighth Report of the  
Standing Committee on Coal and Steel (Seventeenth Lok Sabha)]**

**Presented to Hon'ble Speaker on 9.09.2020**

**Presented to Lok Sabha on \_\_.09.2020**

**Laid in Rajya Sabha on \_\_.09.2020**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI  
SEPTEMBER, 2020/BHADRAPADA, 1942(Saka)**

## CONTENTS

	<b>Page</b>
Composition of the Committee	(ii)
Introduction	(iv)
Chapter – I Report.....	1
Chapter – II Observations/Recommendations which have been accepted by Government.....	13
Chapter – III Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies.....	33
Chapter – IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee.....	34
Chapter – V Observations/Recommendations in respect of which final replies of the Government are still awaited.....	36

## ANNEXURES

I	Details of the Projects of NMDC Ltd. ....	37
II	Details of New Area Development Scheme of MOIL.....	40
III	Minutes of the sitting of the Standing Committee on Coal and Steel (2019-20) held on 02.09.2020 .....	43
IV	Analysis of Action Taken by the Government on the Recommendations contained in the Eighth Report of the Standing Committee on Coal and Steel (Seventeenth Lok Sabha) .....	45

**COMPOSITION OF THE STANDING COMMITTEE ON  
COAL AND STEEL (2019-20)**

**Chairperson - Shri Rakesh Singh**

**Lok Sabha**

2. Shri Balubhau Dhanorkar alias Suresh Narayan
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Raghurama Krishnaraju Kanumuru
6. Shri C. Lalrosanga
7. Shri S. Muniswamy
8. Shri Ajay Nishad
9. Shri Basanta Kumar Panda
10. Smt. Riti Pathak
11. Shri Komati Reddy Venkat Reddy
12. Shri Chunni Lal Sahu
13. Shri Arun Sao
14. Dr. Beesetti Venkata Satyavathi
15. Shri Sushil Kumar Singh
16. Shri Pashupati Nath Singh
17. Shri Sunil Kumar Singh
18. Dr. Alok Kumar Suman
19. Dr. Thirumaavalavan Thol
20. Shri Shyam Singh Yadav
21. Shri Tokheho Yephthomi

**Rajya Sabha**

22. Dr. Vikas Mahatme
23. Shri Prashanta Nanda
24. Shri Ram Vichar Netam
25. Shri Samir Oraon
26. Shri Dhiraj Prasad Sahu
27. Shri Prabhakar Reddy Vemireddy
28. Shri B. Lingaiah Yadav\*
29. Shri Anil Desai<sup>#</sup>
30. Shri Venkataramana Rao Mopidevi<sup>^</sup>
31. Vacant

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\*Nominated w.e.f. 3<sup>rd</sup> December, 2019

<sup>#</sup> Nominated w.e.f. 21<sup>st</sup> December, 2019

<sup>^</sup> Nominated w.e.f. 23<sup>rd</sup> July, 2020

## SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Arvind Sharma - Director
3. Smt. Geeta Parmar - Additional Director
4. Smt. Vandana Pathania Guleria - Executive Officer

## INTRODUCTION

I, the Chairperson, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Fifteenth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Eighth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel on "Demands for Grants(2020-2021)" relating to the Ministry of Steel.

2. The Eighth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 12.03.2020. Replies of the Government to all the observations/recommendations contained in the Report were received on 20.05.2020

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 02.09.2020.

4. An analysis on the Action Taken by the Government on the observations/ recommendations contained in the Eighth Report (Seventeenth 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;**

**02 September, 2020**

**॥ Bhadrapada, 1942(Saka) Standing Committee on Coal and Steel**

**RAKESH SINGH**

**Chairperson**

**REPORT**  
**CHAPTER I**

This Report of the Committee deals with Action Taken by the Government on the observations/recommendations contained in the Eighth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel on "Demands for Grants (2020-21)" relating to the Ministry of Steel which was presented to Lok Sabha and laid in Rajya Sabha on 12.03.2020.

2. The Report contained 16 Observations/Recommendations. The Action Taken Replies have been received from the Ministry of Steel in respect of all the 16 observations/recommendations contained in the Report on 20.05.2020. These have been categorised as follows:-

- (i) Observations/Recommendations which have been accepted by the Government:  
Serial Nos. 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16  
Total : 14  
Chapter-II
- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:  
Serial No. NIL  
Total: NIL  
Chapter-III
- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:  
Serial No. 4  
Total : 01  
Chapter-IV
- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:  
Serial No. 2  
Total: 01  
Chapter-V

**3. The Committee trust that utmost importance would be given to implementation of the Observations/**

**Recommendations accepted by the Government. In case, where it is not possible for the Ministry to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that Action Taken Replies on the Observations/Recommendations contained in Chapter-I and final Action Taken Notes to the recommendation(s) contained in Chapter-V of this Report be furnished to them within three months.**

4. The Committee will now deal with the Action Taken by the Government on some of their observations/recommendations made in the Eighth Report.

#### **RECOMMENDATION (SI. No. 2)**

##### **SHARING OF R&D**

5. The Committee had observed in their earlier Report that in India, substantive R&D is carried out by leading steel companies like SAIL, Tata Steel, JSW Steel & Essar Steel from their own funds, however, the same is not being shared. R&D in the steel sector is also being pursued by the Council of Scientific and Industrial Research (CSIR) laboratories like National Metallurgical Laboratory (NML) Jamshedpur and Institute of Minerals and Materials Technology (IMMT) Bhubaneswar, and academic institutions like Indian Institutes of Technology (IITs) & National Institutes of Technology (NITs). Further, besides its in-House R&D, Ministry of Steel is also supplementing R&D efforts of the industry, R&D labs and academia. R&D Proposals are invited from reputed Academic Institutions/ Research Laboratories and Indian Steel Companies for pursuing R&D projects for the benefit of the Iron & Steel Sector in the country. The Committee had desired

that all engaged in R&D, whether private companies or PSUs or Ministry should share their technologies to pursue the common goal of betterment and growth of the Indian Steel Industry.

6. The Ministry in its Action Taken Reply has submitted as under:-

"The research work being pursued and the results obtained under the R&D scheme of Ministry of Steel is being shared with the stakeholders. As directed by the Standing Committee, the stakeholders shall also be urged to share their processes / technologies developed through R&D for the benefit of the steel sector."

**7. The Committee while observing that R&D works in Steel Sector carried out in the country by leading companies are not being shared had desired that all engaged in R&D, whether private companies or PSUs or Ministry should share their technologies to pursue the common goal of betterment and growth of the Indian Steel Industry. From the Action Taken Replies of the Ministry of Steel, the Committee find that though the Ministry agrees with the recommendation of the Committee, no information has been provided with regard to steps, if any, taken by it in this regard. The Committee trust that the Ministry has given a serious consideration to their recommendation and would like to be apprised of immediate measures taken by it to get favourable support from all the stakeholders in sharing their processes/technologies developed through R&D in larger interest of the Indian Steel Sector.**

#### **RECOMMENDATION (SI. No.4)**

#### **STEEL RESEARCH & TECHNOLOGY MISSION OF INDIA (SRTMI)**

8. The Committee had noted that Ministry of Steel had facilitated setting up of the Steel Research & Technology Mission of India

(SRTMI) in October, 2015 which aimed to pursue collaborative R&D, with the leading steel producers, both in public & private sectors as members of society, to address technological issues of national importance faced in the iron and steel sector. The 7 founder members in SRTMI viz. SAIL, RINL, NMDC, MECON, TATA, JSW and JSPL which were required to pay an initial entry fee to contribute in the corpus for SRTMI and they have made a payment of Rs. 1 crore each except, JSPL who has contributed Rs. 54 lakh only as token contribution. It was later decided to transfer the entire balance corpus of around Rs 240 crore to SRTMI. The Ministry of Steel which was supposed to contribute Rs. 100 crore from the Steel Development Fund (SDF) had been facing some constraints in this regard. While observing that SRTMI has been assisting the Ministry in evaluation and selection of R&D projects for financial support under its R&D Scheme and that SRTMI would work as a society having all the leading steel producers of India for pursuing collaborative R & D in steel and iron sector, the Committee had desired to be apprised of the constraints being faced by the Ministry in transferring Rs. 100 crore from SDF to SRTMI.

9. The Ministry in its Action Taken Reply has submitted as under:-

"SRTMI has been formed as a society driven by all major Iron and Steel players from Private and PSUs wherein Ministry of Steel is a facilitator. SRTMI will be governed and administered by a Governing Body comprising of the CEOs of its member Steel Companies, domain Experts and a representative of Ministry of Steel. The main objective of SRTMI is to focus on Technologies suitable to meet India's perspective of maximizing use of domestic resources and minimizing import of raw materials and products. Besides, it will help Industry in adoption of energy efficient and environmental friendly technologies to become globally competitive and sustainable in operations.

Rs 100 Cr was to be transferred from Steel Development Fund (SDF) as a corpus fund and equivalent amount was to be

contributed by the Industry. However, Ministry of Finance has advised for transferring all the funds of SDF to the Consolidated Fund of India and the process to transfer SDF fund has been initiated and opinion has been sought from Ministry of Law & Justice, Department of Legal Affairs in this regard."

**10. The Committee had noted in their earlier report that Ministry of Steel had facilitated setting up of the Steel Research & Technology Mission of India (SRTMI) in October, 2015 for pursuing collaborative R&D, with the leading steel producers, both in public & private sectors as members of society, to address technological issues of national importance faced in the iron and steel sector. Further, though 7 founder members in SRTMI viz. SAIL, RINL, NMDC, MECON, TATA, JSW and JSPL had contributed initial entry fee of Rs. 1 crore in SRTMI corpus, except, JSPL who contributed Rs. 54 lakh only as token contribution. Further, the Ministry was supposed to transfer Rs. 100 crore from Steel Development Fund (SDF) as a corpus fund and equivalent amount was to be contributed by the Industry. From the Action Taken Replies furnished, the Committee observe that Ministry of Finance has advised for transferring all the funds of SDF to the Consolidated Fund of India and the process to transfer SDF fund has been initiated. Opinion of the Ministry of Law & Justice, Department of Legal Affairs in this regard has been sought. Since SRTMI's main objective is to focus on Technologies suitable to meet India's perspective of maximizing use of domestic resources and minimizing import of raw materials and products, besides helping Steel Industry in adoption of energy efficient and environmental friendly technologies to become globally competitive and sustainable in operations, the Committee feel that the required funds be infused in SRTMI. The Committee**

accordingly recommend that Ministry of Steel should take up the matter of Steel Development Fund with Ministry of Finance so that it be adjudged in the right perspective at the highest level. The Committee would like to be apprised of the latest development in the matter.

#### **RECOMMENDATION (SI. No.8)**

##### **SAIL MINES**

11. The Committee had observed that Chiria mine leases (except already broken up area in Dhobil lease) was proposed as "No Mining Zone" in Management Plan for Sustainable Mining (MPSM), approved by MoEF&CC in June, 2018. Out of the total available iron ore resources of about 3.5 billion tonnes with SAIL, about 42% i.e. 1.5 billion tonnes is available at the Chiria mines in Jharkhand. Therefore, early development of Chiria mines is required not only to meet the demand of steel plants but also for expansion projects of SAIL planned as per National Steel Policy 2017 & SAIL Vision 2030. It was further learnt that Indian Council of Forestry Research and Education (ICFRE) has constituted a Reassessment Committee comprising of the members of ICFRE, Forest Survey of India, MoEF&CC, IIT(ISM) Dhanbad, IIT Kharagpur, Ministry of Mines, Ministry of Coal, Ministry of Steel and the Government of Jharkhand, which would submit its report on the matter in a time bound manner. Reportedly, the Jharkhand Government was not considering extension of lease period of Chiria leases beyond 31.03.2020 on account of being part of No Mining Zone. The Committee had, however desired that keeping in view the strategic advantage of Chiria Mines, which is critical for future expansion in view of depleting resources at SAIL's Operating Mines, the Ministry of Steel should urgently take up the matter with Ministry of EF & CC, so that the Reassessment Committee submit its report at the earliest and further necessary action be initiated to extend the

lease period of Chiria leases (except Dhobil lease which has already been extended upto 2038) beyond 31.03.2020.

12. The Ministry in its Action Taken Reply has submitted as under:-

"In order to expedite various pending issues of SAIL mines related to delay in grant of environment and forest clearances, Chairman, SAIL met Secretary, MoEFCC on 12.02.2020. During the meeting, besides pending Environment Clearance (EC) and Forest Clearance (FC) issues, Chairman, SAIL also brought to the notice of Secretary, MoEFCC that Jharkhand Government is not considering extension of lease period of Chiria leases beyond 31.03.2020 on account of being part of "No Mining Zone" declared under MPSM approved by MoEFCC. Chairman, SAIL has emphasized that out of the available iron ore resource of about 3.5 Billion Tonnes with SAIL, about 42 % i.e. 1.5 Billion Tonnes is available at a single location viz. the Chiria mine in Saranda forest in Jharkhand which is not only critical for future expansion but will also take care of existing expansion in view of depleting resources at SAIL's operating mines.

Since process of modification of MPSM is under progress, Chairman, SAIL vide letter dated 24.02.2020, requested the intervention of Chief Secretary, Jharkhand to extend the lease period of Chiria leases without linking it to "No Mining Zone" issue and if a clarification in this regard needs to be sought by the Jharkhand Government from MoEFCC, it may please be sought at the earliest.

Further, the issue of delay in extension of lease period of Chiria and Gua leases was discussed during the meeting of Chairman, SAIL and Hon'ble CM, Jharkhand on 03.03.2020 and thereafter SAIL officials also raised this issue during Project Monitoring Group (PMG) meeting of Department of Industry and Internal Trade(DPIIT), Ministry of Commerce, GoI held under Chairmanship of Chief Secretary, Jharkhand on 05.03.2020 wherein it was informed that before resolution of these issues, State Government would like to settle the issues of various pending dues on SAIL mines through the reconciliation process and in this regard a meeting of State officials with SAIL is going to be scheduled at the earliest.

In order to amicably settle the issues of demands raised by State Government, Chairman, SAIL, vide letter dated 12.03.2020

requested the intervention of Chief Secretary, Jharkhand to convene a meeting to review the demand raised by State Government in Common Cause matter in line with the procedure adopted by the Central Empowered Committee (CEC) of Supreme Court in respect of Odisha Mines.

In this regard, SAIL officials also met Secretary (Mines & Geology), Govt. of Jharkhand on 12.03.2020 and informed that the demands raised in Common Cause matter are not in line with the procedure adopted by CEC in respect of Odisha Mines.

Subsequently, as directed by the Secretary (Mines & Geology), SAIL officials met Deputy Director (Geology) and DMO, Chaibasa on 14.03.2020 and discussed the salient features of procedure adopted by CEC for calculation of mining without EC or excess of EC permitted capacities in detail and discrepancies in the demands issued by DMO, Chaibasa to SAIL Mines were also informed to them. As desired by Deputy Director (Geology), few Annexure of CEC Report containing details of calculations made by CEC for mining without EC or excess of EC permitted capacities for mining leases in Odisha have been submitted on 16.03.2020.

For extension of lease period of Chiria leases prior to 31.03.2020, Additional Secretary, Ministry of Steel, *vide* letter dated 20.03.2020, requested for the intervention of Chief Secretary, Jharkhand.

In the meantime, 1st meeting of the Reassessment Committee for suggesting amendments/modification on MPSM was held on 16.01.2020. *Vide* letter dated 04.02.2020, ICFRE had circulated the draft ToR, for reassessment study. Ministry of Steel shared the draft ToR with SAIL and asked to provide its comments on draft ToR. From the draft ToR it appeared that the Reassessment Committee is mandating a fresh study which will be time consuming. Therefore, while submission of its comments on draft ToR to Ministry of Steel, SAIL made a request that since the issue of sustainable mining in Saranda is under deliberations for more than five years, the present study should be completed expeditiously in the time bound manner preferably within period of six months."

**13. Considering the strategic importance of Chiria mines in Saranda forest to meet the demand of steel plants and also for**

expansion projects of SAIL planned as per National Steel Policy 2017 & SAIL Vision 2030, the Committee had urged for expediting the extension of the lease period of these mines. However, from Action Taken reply furnished by the Ministry, the Committee observe that the extension of lease period of Chiria leases beyond 31.03.2020 has not yet been obtained in spite of the matter being raised by SAIL and the Ministry of Steel from time to time at various levels of the Government of Jharkhand and Ministry of Environment, Forest & Climate Change etc. The Committee further learn that 1st meeting of the Reassessment Committee constituted by Indian Council of Forestry Research and Education (ICFRE) for suggesting amendments/modification on Management Plan for Sustainable Mining (MPSM) was held on 16.01.2020. ICFRE *vide* letter dated 04.02.2020, had circulated the draft Term of Reference (ToR), for reassessment study. Further, Ministry of Steel has shared the draft ToR with SAIL for its comments. The Committee are in complete agreement with SAIL's point of view that since the issue of sustainable mining in Saranda is under deliberations for more than five years, the present study should be completed within a period of next six months. The Committee would like to be informed of the concrete steps taken by the Ministry to pursue the matter and the progress made therein.

#### **RECOMMENDATION (Sl. No.9)**

##### **RASHTRIYA ISPAT NIGAM LTD. (RINL)**

14 The Committee had noted in their earlier report that RINL suffered losses of Rs. -1369.01 crore during 2017-18. Though, the Company recovered briefly during 2018-19 and made a profit of

Rs.96.71 crore, it again suffered huge losses during 2019-20 and the Profit After Tax (PAT) upto the 3rd quarter was Rs. -3990.33 crore. Despite many efforts made by RINL, it was unable to tide over this financial crises. The Committee had learnt that RINL engaged a technical consultant to suggest ways to contain its losses. The Committee had desired the RINL to take appropriate measures to remove all the bottlenecks in order to contain its losses and they be apprised of the steps taken in this regard.

15. The Ministry in its Action Taken Reply has submitted as under:-

"RINL has been taking consistent steps for reducing the losses. Depression in global steel prices and slowdown in construction and automobile sectors of country adversely impacted the domestic price and demand of steel. The Net Sales Realization (NSR) of the company in Oct'19 was Rs.10,194/t lower than that in Oct'18. Due to accumulation of inventory and low contribution margins, the company adopted optimum production model of operating 2 Blast Furnaces during the period Sep'19-Jan'20.

Though the market conditions improved since Nov'19, the average NSR for the year 2019-20 was Rs.5,099/t lower than the average NSR of 2018-19. Due to such steep reduction in NSR, the company incurred Gross Margin loss of (-) Rs.1,747 Cr during the period Apr-Jan'20.

Considering the improvement in market conditions and liquidation of inventory, the company reverted back to 3 Blast Furnaces operation in Feb'20 to increase the production rate. The company could achieve a production of 4.45 MTPA for the year 2019-20 as it was adversely impacted due to poor market condition and low NSR. The company incurred loss in the year despite marked improvement in techno-economic factors. With efforts, the Gross Margin loss for the year could be reduced to (-) Rs.1,526 Cr, against the positive Gross Margin of Rs.1,809 Cr in the previous year. The Profit After Tax for the year was (-) Rs.3,974 Cr against Rs.97 Cr in the previous year.

Though the performance of the company has been adversely impacted by market conditions, RINL has been continuing its efforts to face the challenge through improvement in productivity

and efficiency parameters. RINL achieved improvement in the year 2019-20, as per details below, with the implementation of suggestions of the consultant, M/s McKinsey & Co.: -

Sl. No.	Parameter	Unit	14-15	15-16	16-17	17-18	18-19	19-20
1	Fuel Rate	kg/tHM	567.5	560.9	537.2	537.6	541.6	538.9
2	Pulverised Coal Injection Rate	Kg/tHM	0.0	5.1	23.4	53.6	59.2	97.2
3	Labour Productivity	tCS/man-year	318	345	375	451	489	437*
4	Sp. Water Consumption	Cum/tCS	2.78	2.63	2.50	2.40	2.32	2.27
5	Sp. Energy Consumption	Gcal/tCS	6.37	6.40	6.39	6.05	5.98	6.02*

\* The average Labour Productivity and Specific Energy Consumption for the year was lower due to the optimum production model adopted during the period Sep'19-Jan'20. However, in Feb'20 & Mar'20, they improved to 515 tCS/man-year and 5.85 GCal/tCS respectively.

It is relevant to mention that RINL is the only Public Sector Steel Plant in the country which does not have captive mines for Iron Ore. Hence, it is dependent on external sources for procurement at market prices. Because of this, RINL is subjected to market price fluctuations and cost disadvantage of about Rs.5,000/t of saleable steel, which translates to an adverse impact of about Rs.3,000 Cr per year. The company has been participating in the auctions for allotment of Iron Ore mines. Further, the company has been putting its best efforts to operationalize the Iron Ore mines under its subsidiary, M/s Orissa Minerals Development Company Limited."

**16. While observing that RINL had suffered losses during the last three years except during 2018-19 when the Company made a profit of Rs.96.71 crore, the Committee had desired that the RINL should take appropriate measures to remove all the bottlenecks in order to contain its losses. From the Action Taken Reply, the Committee note that RINL has been regularly participating in auctions for allotment of Iron Ore Mines. As has**

been informed that RINL is the only Public Sector Steel Plant without captive mines for iron ore and therefore it is subjected to market price fluctuations and along with cost disadvantage of Rs. 5000 per tonne of saleable steel, which translates to an adverse impact of about Rs.3,000 crore per year. In this regard, the Committee would like to recall that they have emphasised time and again that RINL should participate in e-auction of Iron Ore Mines, Thermal and Coking Coal Blocks and impress upon the concerned State Governments to allocate iron ore mine through reservation route under Section 17A(2A) of the Mines and Minerals (Development and Regulation) Amendment Act, 2015. The Committee learn that RINL has recently been allotted Rabodih OCP Coal Mines in Jharkhand for production of Iron and Steel by having assured supply of coking coal. Further, the company has been putting its best efforts to operationalize the Iron Ore mines under its subsidiary, M/s Orissa Minerals Development Company (OMDC)Limited. In this background, the Committee trust that RINL would continue making efforts for captive mines for Iron Ore to enable itself to register profits in the coming years.

## **CHAPTER –II**

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

#### **RECOMMENDATION (Sl. No.1)**

##### **SCHEME FOR PROMOTION OF R&D IN IRON AND STEEL SECTOR**

The Committee note that 'Scheme for Promotion of Research and Development (R&D) in Iron and Steel Sector' was included in the 11th Five Year Plan with an objective to promote and accelerate R&D activities in development of innovative/path breaking technologies, utilizing Indian iron ore fines and non-coking coal, improvement of quality of steel produced through induction furnace route and beneficiation of raw materials like iron ore, coal etc. and agglomeration (e.g. pelletization). The scheme was approved on 23.01.2009 for implementation from financial year 2009-10 (w.e.f. 01.04.2009). It was then continued in the 12th Five Year Plan and extended for the remaining period of 14th Finance Commission with the approval of Steel Fabricator Certification (SFC) on the advice of Ministry of Finance. During the years 2016-17, 2017-18 and 2018-19, Rs. 15.00 crore, Rs. 14.00 crore and Rs. 15.00 crore were expended by the Ministry of Steel on R&D Scheme. Against the fund allocation of Rs. 15.00 crore during 2019-20, Rs. 11.79 crore were expended till December, 2019. The Committee note that the Gross Budgetary Support for the Scheme in BE, 2020-21 is Rs. 15 crore only though the Ministry of Steel had proposed a funding of Rs.100 crore. The Ministry had plans to fund their ongoing projects and some new environment friendly projects during the year. Due to reduced allocation, only the R&D projects in laboratory and on pilot scale would be undertaken as has been stated by the Ministry. The Committee also note that private companies are investing in their own R&D which is not being shared by them as it remains private and other players in the market are not benefitted at all. Keeping this in view, the Committee are of the considered opinion that it would be worth for the Government to provide sufficient budgetary support to the Ministry of Steel to invest in its scheme for promotion of R&D in Iron and Steel Sector to enrich the research activities for the benefit of all the players in the field.

#### **ACTION TAKEN**

Ministry of Steel has utilised the entire allocation of Rs. 15 crore for the year 2019-20 on R&D. Ministry of Steel shall continue to encourage R&D by the stakeholders through financial support. Ministry of Steel welcomes the support of the Standing Committee in providing sufficient budgetary support to Ministry of Steel for its R&D Scheme "Promotion of Research & Development in Iron & Steel Sector".

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

**RECOMMENDATION (SI. No.3)**  
**ADVERTISEMENT AND PUBLICITY(IEC)**

The Committee note that the Ministry of Steel are not getting adequate funds it requires for the Head 'Advertisement and Publicity' (IEC). During 2020-21, against the projected funds to the tune of Rs. 9.50 crore, the actual allocation has been restricted to Rs. 1.23 crore only. In the year 2019-20 also, when Ministry proposed funds of Rs. 15 crore, only Rs. 1.00 crore was earmarked under this Head. As regards the utilization of the allocated funds during 2020-21, the Committee have been informed that these would be utilized for engaging an agency for managing the social media activities of Hon'ble Minister of Steel, Hon'ble Minister of State for Steel and Ministry of Steel and also to promote usage of steel; popularizing Quality Control Order and enforcement; encouragement and recognition to secondary steel sector for product development and innovation, etc. As India has risen to be the second largest crude steel producer in the world, the Committee feel that the Government's vision to achieve a \$5 trillion economy entails investments inter-alia in advertisement and publicity to increase domestic steel consumption along with enhancement of the steel production in the country. The Committee are of the view that less allocation of funds on advertisement and publicity to the Ministry of Steel will not bring the desired impact on increasing the per capita steel consumption and therefore, strongly recommend that the sufficient allocation of funds of the level proposed by the Ministry be made under this head for undertaking vigorous campaigns in this regard.

**ACTION TAKEN**

The observations/recommendations of the Committee have been noted for compliance. Ministry of Steel will seek Additional Budget allocation, as required, at the R.E. 2020-21/B.E.2021-22 stage.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

**RECOMMENDATION (SI. No.5)**  
**IMPORTANT POLICY INITIATIVES.**

The Committee note that the Government of India has decided not to join the Regional Comprehensive Economic Partnership (RCEP). The Committee also that the steel industry had expressed serious concern on the Government's planning to sign RCEP. The Committee further observe that the Government has taken a slew of policy initiatives/measures to give a boost to the steel sector., viz. (i) A framework Policy for Development of Steel Clusters to create a model eco-system for development of secondary steel and steel ancillary units, (ii) Notification of the Steel Scrap Recycling Policy on 8th November 2019 to develop a globally competitive steel industry by

adopting state of the art environment friendly technologies, (iii) The Policy on preference to Domestically Manufactured Iron & Steel Products (DMI&SP) was revised on 27.05.2019 which mandates domestic made steel with 15-50% domestic value addition for procurement by Government Agencies, where worth of steel required exceeds INR 25 crore with certain exemptions, (iv) The Steel and Steel Products (QC) Order, 2019 which prohibits production, sale and import of sub-standard steel products and ensure better steel quality for end-users, (v) Formulation of draft safety guidelines with the assistance of Safety Department of IIT Kharagpur after extensive deliberations and taking inputs from several steel plants, for ensuring safety based on specific activities/hazards to the workers/ employees engaged in the sector, (vi) Steel Importing Monitoring System (SIMS) instituted by the Ministry of Commerce and Industry & Ministry of Steel to provide advance information about steel imports like granular data on technical specifications of steel grades, their origin, price etc. both to the Government as well as relevant stakeholders, (vii) Trade remedial measures such as Anti-Dumping duty on imports of "High Speed Steel of Non-Cobalt Grade" against Brazil, China and Germany till September, 2024; Countervailing Duty on imports of "Welded Stainless Steel Pipes and Tubes" on China and Vietnam till September, 2024 and Anti-Dumping duty on imports of "Aluminum and Zinc coated flat products (galvalume) on China, Vietnam and Korea, (viii) Amendments in the Mineral Rules, 2015 making it mandatory for the State Governments to extend the Mining leases of Government companies; (ix) Allowed SAIL to sell 25% of total production of iron ore, etc. While appreciating these policy initiatives/measures taken by the Government, the Committee trust that these measures would go a long way in not only maintaining the momentum in the domestic steel industry but also help India to retain its position as the second largest producer of steel in the world.

### **ACTION TAKEN**

The observations of the Committee have been noted. Ministry of Steel always endeavours to support domestic steel industry by initiating and enforcing various policy measures like trade measures, technical barriers and other enabling provisions from time to time keeping in view the opinion and interests of the stakeholders of Indian Steel Sector.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

### **RECOMMENDATION (SI. No.6)**

The Committee are given to understand that the current statutory clearances required for mining operations like environment clearance and forest clearance take a very long time. Major projects of various PSUs remain pending for the same reasons. One out of many

such cases is of KIOCL, whose several mining operations are awaiting either one or both of environment and forest clearances. In this regard, the Committee would earnestly desire the Ministry of Steel to take up the matter with the Ministry of Environment, Forest and Climate Change (MoEF&CC) at the highest level to address concern of the steel companies. The Committee also urge that MoEF&CC should be convinced to expedite other pending clearances for mining operations in a balanced way so as to enable the companies to resume their operations barring ensuring minimum environmental impact.

#### **ACTION TAKEN**

Ministry of Steel timely take up the matter with Ministry of Environment and Forest for smooth operations of the project.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

#### **RECOMMENDATION (SI. No. 7)**

##### **STEEL AUTHORITY OF INDIA LTD. (SAIL)**

The Committee note with concern that SAIL suffered losses during 2017-18. Though, during 2018-19, the Company, could earn a profit of Rs. 2179.00 crore, in 2019-20, SAIL has again incurred losses of Rs. -704 crore up to December, 2019. The Committee note that SAIL has 7-8 major projects in the pipeline costing about Rs. 5000 crore which are proposed to be undertaken in the ensuing years. Also, SAIL has been involved in development of new products for different segments through its steel Plants. As has been stated, SAIL would now focus to realize the full potential of the Modernization and Expansion plan, which has been completed at different plants/units. Taking this into account, the Committee also note increased supply by SAIL to Railways to the tune of 10.46 lakh tonnes during April, 2019 to January, 2020, a growth of 37% over Corresponding Period Last Year (CPLY). Similarly, SAIL has export sales of 1.02 MT from April, 2019 to January, 2020 which is best ever export sale by the Company. The Committee expect that SAIL would vigorously concentrate on improving its efficiency and production at various levels and lay emphasis on making profit by quality enhancement of its products. The Committee also desire that SAIL should take some immediate short term measures to curb losses to the minimum by inter-alia going for cost cutting measures.

#### **ACTION TAKEN**

SAIL has continuously been laying thrust on improving its efficiency, production and productivity at various levels.

Under its Modernisation and Expansion Plan (MEP), SAIL has installed various new facilities including new state-of-the-art rolling

mills which have the capability to produce various value - added products:

- o Plates/ pipes to meet up to API X-80 grade specifications.
- o Universal beams / heavy beams of size upto 750 mm.
- o Rails for Metro Railways and dedicated freight corridor, with facility to weld up to 520 m long rails.
- o Wider plates upto 4300 mm
- o Auto grade CR products, galvanised coils/sheets

These facilities are under operation, ramp up and stabilization. During FY2019-20, SAIL produced 17.438 MT of Hot Metal, 16.155 MT of Crude Steel and 15.147 MT of Saleable Steel. Production of Saleable Steel was the best ever annual production.

With the continuous thrust on improving efficiency, SAIL has also improved its techno economic parameters during FY 2019-20 as under: -

- Blast Furnace productivity at 1.80T/m<sup>3</sup>/day (1.65 T/m<sup>3</sup>/day for CPLY),
- Specific energy consumption at 6.47Gcal/TCS (6.50Gcal/TCS for CPLY).

Moreover, SAIL also recorded best ever annual production of 14.607 MT of Steel through the energy efficient Concast route during FY 2019-20.

As regards production of Rails, SAIL had a target to produce 13.5 lakh tonnes of Rails in FY 2019-20. Actual production during FY 2019-20 was 12.85 lakh tonnes, which is a growth of approx. 30.5 % over CPLY. The total production includes 6.37 lakh tonnes of 260m long rail welded panels, which is an improvement of approx. 44.4 % over CPLY. The production would have been better but for production of 26 M Rails at the insistence of Indian Railways and loss of production due to lockdown during last week of March 2020.

For the first time LHB wheels have been supplied to Indian Railways and 479 nos. have been supplied in FY2019-20. LHB coaches are run on LHB wheels, which are safer, light weight and also enables high speed movement on broad gauge.

Export of steel products by SAIL during FY2019-20 was 11.78 lakh tonnes, registering a growth of 54% over CPLY. This is the highest ever annual export surpassing the previous best of 11.4 lakh tonne achieved in 2003-04.

In order to further improve the performance the following steps are being taken by SAIL:

- Production rationalization and maximizing of sales to reduce inventory.

- Increasing production from new facilities and reduction in production through inefficient processes.
- Aggressive Cost control measures: -
  - Reduction in specific consumption levels of raw materials like Coal, Iron Ore, Fluxes etc through process improvement.
  - Improvement in major techno-economic parameters.
  - Identification of shop-wise technical levers and taking actions for resolution of issues associated with these.
  - Identification and closure of uneconomic activities.
  - Focus on increasing production of value-added steel.
  - Waste management.
  - Strict control on demurrage expenses.
  - Reduction in administrative expenses.
  - Reduce handling and transit losses in imported coal through strict monitoring and improvement measures.
  - Reduction in cost of borrowings.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

#### **RECOMMENDATION (Sl. No. 8)**

The Committee observe that Chiria mine leases (except already broken up area in Dhobil lease) have been proposed as "No Mining Zone" in Management Plan for Sustainable Mining (MPSM), approved by MoEF&CC in June 2018. The Committee have been informed that out of the total available iron ore resources of about 3.5 billion tonnes with SAIL, about 42% i.e. 1.5 billion tonnes is available at a single location viz. the Chiria mines in Jharkhand. The Committee further note that early development of Chiria mines is required not only to meet the demand of steel plants for which expansions have already been made but also for expansion projects of SAIL planned as per National Steel Policy 2017 & SAIL Vision 2030. The Committee learn that in this regard, Indian Council of Forestry Research and Education (ICFRE) has constituted a Reassessment Committee comprising of the members of ICFRE, Forest Survey of India, MoEF&CC, IIT(ISM) Dhanbad, IIT Kharagpur, Ministry of Mines, Ministry of Coal, Ministry of Steel and the Government of Jharkhand, which will submit its report on the matter in a time bound manner. In the meanwhile, the Jharkhand Government is reportedly not considering extension of lease period of Chiria leases beyond 31.03.2020 on account of being part of No Mining Zone. The Committee desire that keeping in view the strategic advantage of Chiria Mines, which are critical for future expansion in view of depleting resources at SAIL's Operating Mines, the Ministry of Steel should urgently take up the matter with Ministry of EF & CC, so that the Reassessment Committee submit its report at the earliest and further necessary action be initiated to extend the

lease period of Chiria leases except Dhobil lease which has already been extended upto 2038 beyond 31.03.2020.

### **ACTION TAKEN**

In order to expedite various pending issues of SAIL mines related to delay in grant of environment and forest clearances, Chairman, SAIL met Secretary, MoEFCC on 12.02.2020. During the meeting, besides pending Environment Clearance (EC) and Forest Clearance (FC) issues, Chairman, SAIL also brought to the notice of Secretary, MoEFCC that Jharkhand Government is not considering extension of lease period of Chiria leases beyond 31.03.2020 on account of being part of "No Mining Zone" declared under MPSM approved by MoEFCC. Chairman, SAIL has emphasized that out of the available iron ore resource of about 3.5 Billion Tonnes with SAIL, about 42 % i.e. 1.5 Billion Tonnes is available at a single location viz. the Chiria mine in Saranda forest in Jharkhand which is not only critical for future expansion but will also take care of existing expansion in view of depleting resources at SAIL's operating mines.

Since process of modification of MPSM is under progress, Chairman, SAIL vide letter dated 24.02.2020, requested the intervention of Chief Secretary, Jharkhand to extend the lease period of Chiria leases without linking it to "No Mining Zone" issue and if a clarification in this regard needs to be sought by the Jharkhand Government from MoEFCC, it may please be sought at the earliest.

Further, the issue of delay in extension of lease period of Chiria and Gua leases was discussed during the meeting of Chairman, SAIL and Hon'ble CM, Jharkhand on 03.03.2020 and thereafter SAIL officials also raised this issue during Project Monitoring Group (PMG) meeting of Department of Industry and Internal Trade(DPIIT), Ministry of Commerce, GoI held under Chairmanship of Chief Secretary, Jharkhand on 05.03.2020 wherein it was informed that before resolution of these issues, State Government would like to settle the issues of various pending dues on SAIL mines through the reconciliation process and in this regard a meeting of State officials with SAIL is going to be scheduled at the earliest.

In order to amicably settle the issues of demands raised by State Government, Chairman, SAIL, vide letter dated 12.03.2020 requested the intervention of Chief Secretary, Jharkhand to convene a meeting to review the demand raised by State Government in Common Cause matter in line with the procedure adopted by the Central Empowered Committee (CEC) of Supreme Court in respect of Odisha Mines.

In this regard, SAIL officials also met Secretary (Mines & Geology), Govt. of Jharkhand on 12.03.2020 and informed that the

demands raised in Common Cause matter are not in line with the procedure adopted by CEC in respect of Odisha Mines.

Subsequently, as directed by the Secretary (Mines & Geology), SAIL officials met Deputy Director (Geology) and DMO, Chaibasa on 14.03.2020 and discussed the salient features of procedure adopted by CEC for calculation of mining without EC or excess of EC permitted capacities in detail and discrepancies in the demands issued by DMO, Chaibasa to SAIL Mines were also informed to them. As desired by Deputy Director (Geology), few Annexure of CEC Report containing details of calculations made by CEC for mining without EC or excess of EC permitted capacities for mining leases in Odisha have been submitted on 16.03.2020.

For extension of lease period of Chiria leases prior to 31.03.2020, Additional Secretary, Ministry of Steel, vide letter dated 20.03.2020, requested for the intervention of Chief Secretary, Jharkhand.

In the meantime, 1st meeting of the Reassessment Committee for suggesting amendments/modification on MPSM was held on 16.01.2020. Vide letter dated 04.02.2020, ICFRE had circulated the draft ToR, for reassessment study. Ministry of Steel shared the draft ToR with SAIL and asked to provide its comments on draft ToR. From the draft ToR it appeared that the Reassessment Committee is mandating a fresh study which will be time consuming. Therefore, while submission of its comments on draft ToR to Ministry of Steel, SAIL made a request that since the issue of sustainable mining in Saranda is under deliberations for more than five years, the present study should be completed expeditiously in the time bound manner preferably within period of six months.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

**Comments of the Committee**

(Please see para 13 of Chapter I of the Report)

**RECOMMENDATION (Sl. No. 9)**

**RASHRTRIYA ISPAT NIGAM LTD. (RINL)**

As regards, financial performance of RINL, the Committee note that the company suffered losses of Rs. -1369.01 crore during 2017-18. The Company was able to recover briefly during 2018-19 and made a profit of Rs.96.71 crore, but again during 2019-20, RINL suffered huge losses and the Profit After Tax (PAT) upto the 3rd quarter was Rs. -3990.33 crore. The Committee note that despite many efforts made by RINL, it is unable to tide over this financial crises. The Committee have been informed that RINL has also engaged a technical consultant to suggest ways to contain its losses.

The Committee desire the RINL to take appropriate measures to remove all the bottlenecks in order to contain its losses and they be apprised of the steps taken in this regard.

### ACTION TAKEN

RINL has been taking consistent steps for reducing the losses. Depression in global steel prices and slowdown in construction and automobile sectors of country adversely impacted the domestic price and demand of steel. The Net Sales Realization (NSR) of the company in Oct'19 was Rs.10,194/t lower than that in Oct'18. Due to accumulation of inventory and low contribution margins, the company adopted optimum production model of operating 2 Blast Furnaces during the period Sep'19-Jan'20.

Though the market conditions improved since Nov'19, the average NSR for the year 2019-20 was Rs.5,099/t lower than the average NSR of 2018-19. Due to such steep reduction in NSR, the company incurred Gross Margin loss of (-) Rs.1,747 Cr during the period Apr-Jan'20.

Considering the improvement in market conditions and liquidation of inventory, the company reverted back to 3 Blast Furnaces operation in Feb'20 to increase the production rate. The company could achieve a production of 4.45 MTPA for the year 2019-20 as it was adversely impacted due to poor market condition and low NSR. The company incurred loss in the year despite marked improvement in techno-economic factors. With efforts, the Gross Margin loss for the year could be reduced to (-) Rs.1,526 Cr, against the positive Gross Margin of Rs.1,809 Cr in the previous year. The Profit After Tax for the year was (-) Rs.3,974 Cr against Rs.97 Cr in the previous year.

Though the performance of the company has been adversely impacted by market conditions, RINL has been continuing its efforts to face the challenge through improvement in productivity and efficiency parameters. RINL achieved improvement in the year 2019-20, as per details below, with the implementation of suggestions of the consultant, M/s McKinsey & Co.: -

Sl. No.	Parameter	Unit	14-15	15-16	16-17	17-18	18-19	19-20
1	Fuel Rate	kg/tHM	567.5	560.9	537.2	537.6	541.6	538.9
2	Pulverised Coal Injection Rate	Kg/tHM	0.0	5.1	23.4	53.6	59.2	97.2
3	Labour	tCS/man-	318	345	375	451	489	437*

	Productivity	year							
4	Sp. Water Consumption	Cum/tCS	2.78	2.63	2.50	2.40	2.32	2.27	
5	Sp. Energy Consumption	Gcal/tCS	6.37	6.40	6.39	6.05	5.98	6.02*	

\* The average Labour Productivity and Specific Energy Consumption for the year was lower due to the optimum production model adopted during the period Sep'19-Jan'20. However, in Feb'20 & Mar'20, they improved to 515 tCS/man-year and 5.85 GCal/tCS respectively.

It is relevant to mention that RINL is the only Public Sector Steel Plant in the country which does not have captive mines for Iron Ore. Hence, it is dependent on external sources for procurement at market prices. Because of this, RINL is subjected to market price fluctuations and cost disadvantage of about Rs.5,000/t of saleable steel, which translates to an adverse impact of about Rs.3,000 Cr per year. The company has been participating in the auctions for allotment of Iron Ore mines. Further, the company has been putting its best efforts to operationalize the Iron Ore mines under its subsidiary, M/s Orissa Minerals Development Company Limited.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

**Comments of the Committee**

(Please see para 16 of Chapter I of the Report)

**RECOMMENDATION (Sl. No. 10)**

The Committee also note that some of the major projects of RINL are facing huge delays in completion. The Coke Oven Battery-5 Project which was supposed to be commissioned in December, 2017, is yet to be completed due to delays in completion of engineering and manpower mobilization, delay in order placement, executing agencies facing financial problems, heavy rains etc. The revised date of completion of Coke Oven Battery-5 is March, 2020. Similarly, the Forged Wheel Plant and Central Dispatch Yard which were supposed to be completed by September, 2018 and August, 2018, respectively are yet to be commissioned. The reasons for delay in Forged Wheel Plant include delay in grant of sub-lease by railways, delay in contractual payments, delay in supply of refractories etc. whereas Central Dispatch Yard faced delay in jungle clearance, approval of Engineering Scale Plan, inadequate resource mobilization etc. The Committee are of the view that RINL should seriously review the progress with regard to these projects and identify the factors responsible for delays. Accordingly, RINL should take immediate corrective measures and complete the projects within the revised timelines.

## **ACTION TAKEN**

The progress of Coke Oven Battery-5, Forged Wheel Plant and Central Dispatch Yard are continuously monitored and also reviewed at the level of ED(Projects)-I/c/ Director (Projects)/CMD regularly. The status of the projects are also reviewed by the Board in all its meetings.

The sustained focus for expeditious completion of these projects despite various constraints have helped in these projects reach near completion. The present status of these projects is furnished below: -

### **Central Dispatch Yard: -**

- Road dispatches commenced in March, 2019.
- Rail dispatches commenced on 12th Oct'2019 and first rake dispatched successfully on 12.10.2019.
- The project is almost completed except for signaling which has been now entrusted to Railways as the performance of the agency executing signaling work was very poor. The rail dispatches are presently done in manual mode without railway signaling for which all facilities are in place.
- The plan for commencement of regular rail dispatches got impacted due to COVID-19. Railways are being closely followed up for issue of commercial notification, for commencing regular rail dispatches.

### **Forged Wheel Plant (FWP): -**

- Hot trials in forging line started on 08.02.2020 and under stabilization.
- Production is around 60 wheels per day in forging line presently.
- Heat treatment area and machining & testing line are under hot trials.
- Efforts were on for commencing the commercial operations by the end of March, 2020. However, availability of certain technical experts of OEM has been affected due to travel restrictions because of COVID-19. This shall hamper the progress of the project as these works will resume only after the situation eases. All efforts shall be made to commence the operations at the earliest.

### **Coke Oven Battery No.5: -**

The progress of the project was impacted due to poor resource mobilization, delay in supply of critical items and financial constraints by the main executing agencies. Considering the urgency of the project, interest bearing advance was extended to these agencies by RINL. Currently, the project is in advanced stage of completion. The progress got hampered by restrictions due to COVID-19. Foreign technical experts from OEMs could not come for commissioning of PLC

and Exhauster due to travel restrictions. All efforts are being made to resume the site activities and commission the project at the earliest.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

### **RECOMMENDATION (Sl. No. 11)**

#### **NMDC Ltd.**

The Committee while examining the project-wise expenditure of NMDC Ltd. for last 3 years note that against the plan outlays of Rs. 3697.00 crore in 2017-18 and Rs. 3778.00 crore in 2018-19, a sum of Rs. 2345.68 crore and Rs. 2090.17 crore, respectively could be utilized. During 2019-20, the Plan Outlays of Rs. 3010.00 crore was reduced to Rs. 1822 crore at RE stage and Actual Utilization up to January, 2020 was Rs. 1965.34 crore. The Committee find huge gap in Plan Outlays and Expenditure by NMDC Ltd. during the last 2 years and 2019-20 indicating non-completion/slow progress of projects in hand like commissioning of 3.0 MTPA Plant at Nagarnar which was supposed to be completed by May, 2015. The Committee have been informed that the major parameters like concreting, structural and equipment supply for Nagarnar project are about 96-97% complete whereas structural erection is 94% complete. The Committee desire that all precautionary measures be taken to complete it by July, 2020 which is the revised date of commissioning.

### **ACTION TAKEN**

Commissioning of the Nagarnar Steel Plant is planned in 3 phases.

#### **Progress of Major Technological packages under phase#1**

(Major Technological packages under phase#1 are RMHS, Coke Oven, BPP and Oxygen Plant)

<b>Activity</b>	<b>Unit</b>	<b>% Progress</b>
RCC	CuM	96.4
Structural Supply	MT	99.4
Structure Erection	MT	96.0
Equipment Supply	MT	97.2
Equipment Erection	MT	85.7
Refractory Supply	MT	99.1
Refractory Erection	MT	96.3

Raw Material Handling System (RMHS) for Phase#1 commissioning is ready and partially operated. Equipment erection is the last activity in RMHS and as per rate of progress it is supposed to be completed by July-20.

In By-Product Plant (BPP), contractors had given commitment for finishing the construction activities in line with the Phase#1 commissioning schedule.

Coke oven (Battery#1), Oxygen Plant are ready and waiting for start of hot trials.

**Progress of Major Technological packages under phase#2**  
(Major Technological packages under phase#2 are Sinter Plant and Blast Furnace in addition to phase#1 packages)

Activity	Unit	% Progress
RCC	CuM	100
Structural Supply	MT	100
Structure Erection	MT	100
Equipment Supply	MT	100
Equipment Erection	MT	99.8
Refractory Supply	MT	98.8
Refractory Erection	MT	97.2

Sinter Plant and Blast Furnace have completed individual cold trials and the packages are ready and waiting for hot trial.

**Progress of Major Technological packages under phase#3**  
(Major Technological packages under phase#3 are Steel Melting Shop (SMS), Thin Slab Caster- Hot Strip Mill (TSC-HSM), and Lime & Dolomite Plant (LDCP).

Activity	Unit	% achieved
RCC	CuM	99.2
Structural Supply	MT	96.7
Structure Erection	MT	95.3
Equipment Supply	MT	98.0
Equipment Erection	MT	86.5
Refractory Supply *	MT	8.0
Refractory Erection*	MT	0.0

(\*Note- Since SMS refractory is a perishable item, supply & erection of remaining refractory will be done prior to hot trial)

SMS is ready and TSC-HSM will be completed as per the target dates and special care are being taken to complete these packages as per the target dates.

In Lime and dolomite package, due to poor performance by executing agency M/s Sinocalci, China, notice of negligence and risk

purchase issued to M/s Sinocalci & EOI has been floated for balance works and is applicable till 11.05.2020. However, for initial period of operation, calcined lime may be purchased from outside.

Auxiliary packages like Compressed air station, Water package, Main receiving Sub-station and Plant Power distribution system are already completed and in operational stage and PAC has been issued.

However due to lockdown because of Covid-19 Pandemic which started in March-20, resource mobilization at site has been severely affected owing to various constraints like shortage of labour, social distancing, working hours. Availability of contractor's foreign experts for testing and commissioning has become uncertain. Supply of balance construction materials, indigenous as well as imported items has also been hampered due to lockdown.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

### **RECOMMENDATION (Sl. No. 12)**

The Committee also note that there are another 5 projects of NMDC Ltd. in pipeline, namely, Slurry Pipeline Project- Part-1, Phase-2 & Part-2 with proposed investment of Rs 7000 crore (approx.), New Crushing Plant and downhill conveyor system at Bailadila Iron Ore Mine, Deposit 14, Dantewada Dist, Chhattisgarh (cost estimates - Rs.560 crore), New Crushing Plant and downhill conveyor system at Bailadila Iron Ore Mine, Deposit 11C, Dantewada Dist, Chhattisgarh (cost estimates - Rs.434 crore), Construction of New Railway yard and additional Stacking & Loading facilities at Ranjitpura Railway Yard (cost estimates - Rs.350 crore), Setting up of Cold Rolling Mill (CRM) complex and Electric Resistance Welding (ERW) Pipe Plant, Paloncha, Telangana (cost estimates - Rs.7000 crore) for which NMDC Ltd has made huge investments plan during next five years. The Committee recommend that the work on these projects should be initiated soon and these be completed within the targeted timelines. The Committee would like to be apprised of the action plan of the company to complete these projects.

### **ACTION TAKEN**

The updated details of the projects of NMDC which are in pipeline are **Annexure - I**. However, the investment decision for these projects are yet to be taken by NMDC. The project "*Setting up of Cold Rolling Mill (CRM) complex and Electric Resistance Welding (ERW) Pipe Plant, Paloncha, Telangana*" which was indicated in the list of future projects of NMDC in the earlier reports given to MoS has been dropped by NMDC.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

## RECOMMENDATION (Sl. No. 13)

### KIOCL Ltd.

The Committee note with concern that during 2017-18 and 2018- 19, the actual capacity utilization of KIOCL Ltd. remained at 66% and 64%, respectively of their installed capacity of 3.5 million tonnes of Iron Oxide Pellets. During 2019-20 (up to January, 2020), KIOCL has been able to utilise about 55% of its total installed capacity. The Committee also observe that many of the projects of KIOCL Ltd. are pending for clearance at various levels. Mining Plan for Devadari Mines which was approved on 08.03.2018, is pending for environment and forest clearances. With regard to setting up of Coke Oven Plant in Mangalore, KIOCL has obtained the environment clearance only on 18.12.2019 and has now floated a Global Tender. Keeping in view that KIOCL Ltd. has prepared a perspective plan for investment costing upto Rs. 3709.70 crore for the next 5 years in projects like Setting up of Coke Oven Plant and Ductile Iron Spun Pipe Plant at Blast Furnace Unit, Mangalore, Commencement and development of Devadari Iron Ore Mine, Setting up of Beneficiation Plant at Mine Site, Installation of Vertical Pressure Filter at Pellet Plant, Mangalore, Setting up of 2 MTPA Pellet Plant at RINL premises, Vishakhapatnam, a Joint Venture Project of KIOCL and RINL, Modification in Pellet Plant, Mangalore, Infrastructure facilities at Devadari Iron Ore Mine and Setting up of 2 MTPA Pellet Plant at Devadari Iron Ore Mine, it is imperative that the company get their clearances from various agencies for its projects very soon so that the projects can be executed at the earliest. The Committee are hopeful that KIOCL Ltd. would make concerted efforts and perform exceedingly well in the coming years.

### ACTION TAKEN

**Capacity Utilization:** The rated capacity of 3.5 million tonnes was fixed long back based on 95% plant availability, at the time of continuous availability and utilisation of raw material type of Magnetite Iron Ore from its captive mines and before modifications (viz. Integration of Ball Mills, Pressure Filters etc.) made to plant.

Further, the Pellet Plant had achieved its capacity of 3.5 million tons prior to closure of Kudremukh Mine when there was ensured supply of raw material and regular market for pellets, besides having manageable cost of production.

Post closure of Kudremukh Mine, the production is based on the market conditions and also availability of raw materials for economic operation. The inconsistency in supply of raw material and non-availability of firm sale order are tending to influence the running of plant and its capacity utilisation. There is also need to have suitable

material to process with the existing facilities at Plant. Due to these factors, there is a gap between capacity utilisation and total capacity.

**Status of various Projects: -**

- I. Development of Devadari Iron Ore Mine: - Govt. of Karnataka issued Gazette notification for reservation of an area of 470.40 ha in Devadari Range in Bellary District for iron ore and manganese ore mining lease under the provisions of Section 17A (2) of Mines and Minerals (Development and Regulation) Act, 1957 on 23.01.2017.

On 13.02.2017, Director, Mines & Geology, Government of Karnataka sought for statutory clearance viz. mining plan, environment clearance and forest clearance.

Mining Plan was approved by Regional Controller of Mines, Indian Bureau of Mines, Bangalore on 08.03.2018.

**a. Environmental Clearance:** - Presentation was made on 19.12.2019 before Expert Appraisal Committee, Ministry of Environment, Forest & Climate Change, Government of India for grant of Environment Clearance. EAC, on 07.02.2020 has issued summary records of meeting of environment appraisal. As per the minutes, the grant of EC for the project deferred and requested to submit additional information/documents including status of forest clearance of the project and approval for the allocation of water from Tungabhadra Dam to the project and same is being worked out.

**b. Forest Clearance:** - Company submitted Forest Clearance (Stage I) application in Form "A" through online portal of Ministry of Environment, Forest & Climate Change, Government of India.

KIOCL is following with Forest Department, GoK for recommending the FC proposal favorably to MoEF&CC, GoI.

On obtaining FC and EC from MoEF&CC, GoI, KIOCL will execute Mining lease deed with DMG, GoK for commencement of Mining activities and setting up of Beneficiation plant at Mine site.

**II. Forward & Backward integration of BFU:** - Coke oven project obtained the environmental clearance on 18.12.2019 and various activities related with project is under progress.

**III. Installation of Vertical Pressure Filter:** - Open tender enquiry has been floated and due date for submission of the bid was 03.01.2020. Two (02) offers were received on due date. It was

decided to go for re-tendering on scrutiny, since both the offers have taken deviation.

The Re-tendering for Design, Engineering, Manufacture, Supply and Supervision of Erection, Testing & Commissioning of Vertical Plate Pressure Filters was issued on 17.03.2020.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

#### **RECOMMENDATION (SI. No. 14)**

Further, commissioning of 2 MTPA pellet plant at RINL premises is deferred with the change of location of plant by RINL. The proposal for amendment in Terms of Reference (TOR) was sought from MoEF&CC, which is still awaited. The Expert Appraisal Committee (EAC) directed that RINL should make amendment in their environment clearance for existing Steel Plant for this project. The Committee desire that RINL and KIOCL Ltd. should resolve these procedural issues at the earliest.

#### **ACTION TAKEN**

In KIOCL presentation to MoEF on 16.01.2020, EAC recommended for RINL to make amendment in their EC for existing steel plant for this project.

The EC meeting of RINL was held on 24.02.2020 at MoEF, New Delhi. KIOCL is awaiting the Environmental Clearance (EC) of existing plant of RINL along with Layout drawing proposed for land area extent allotted to KIOCL Project from M/s. RINL. On receipt of the drawing and details from M/s. RINL, the same will be submitted to M/s. MoEF, New Delhi for obtaining revised Terms of Reference (TOR) for the project.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

#### **RECOMMENDATION (SI. No. 15)**

##### **MOIL Ltd.**

The Committee appreciate the fact that MOIL Ltd. has been achieving nearly 98-100% of its physical targets for last 2-3 years and having achieved 12.01 lakh MT, 13.01 lakh MT and 10.60 lakh MT (upto January, 2020) production targets of Manganese ore during 2017-18, 2018-19 and 2019-20 respectively. While examining the project-wise expenditure of MOIL Ltd. for the last 3 years, the Committee observe that MOIL has surpassed the Plan Outlays. The Actual Utilization for 2017-18 and 2018-19 have been Rs. 207.04 and Rs. 208.30 crore, respectively against Plan Outlays of Rs. 205.80 and Rs. 190.49 crore, respectively. During 2019-20, against Plan Outlays of Rs. 209.74 crore, Rs. 168.78 crore have been utilized up to

January, 2020. Further, for the ensuing 5 years MOIL Ltd. has lined up a number of projects for investment which include mining projects worth Rs. 1396.49 crore, Solar Plant of Rs. 348.76 crore, Joint Venture projects of Rs. 152.00 crore and New Area Development Scheme for Rs. 251.00 crore. In addition to these proposed investments, the company has also earmarked a sum of Rs. 500 crore for mine acquisitions abroad. Although, the Committee are hopeful that MOIL Ltd. would retain its performance in the coming years also but they would like to be apprised of the details of Joint Venture Projects and New Area Development Scheme of MOIL Ltd:

## **ACTION TAKEN**

### **Status of Joint Ventures Projects**

Manganese ore finds major application in steel making in the form of ferro alloys, i.e., ferro manganese and silico manganese. Taking into consideration growing requirement of ferro alloys of PSU steel producers – SAIL and RINL, it was planned to set up two projects in joint venture with these companies. Thus, two joint venture companies namely, SAIL & MOIL Ferro Alloys Private Limited (SMFAPL) and RINMOIL Ferro Alloys Private Limited (RINMOIL), were formed in 2006-07 and 2008-09 with 50:50 shareholding between SAIL, MOIL and RINL, MOIL respectively.

Plan was to set up the plants (a) of 1,06,000 MT capacity (31,000 MT Ferro Manganese and 75,000 MT Silico Manganese) at Nandini (near Bhilai in Chhattisgarh) with investment of about Rs. 363.28 crores to cater to ferro alloys requirement of SAIL and (b) of 57,500 MT capacity (20,000 MT Ferro Manganese and 37,500 MT Silico Manganese) at Bobbili (near Vizag in Andhra Pradesh) with investment of about Rs. 206.07 crores to cater to the requirement of RINL by using manganese ore produced by MOIL at its mines.

When these projects were conceptualized, power rates prevailing in Chhattisgarh and Andhra Pradesh were more favorable as compared to the power rates in Maharashtra and Madhya Pradesh. Hence, the decision was taken to set up the plants near the consuming locations.

However, during this period, requirement of ferro alloys changed and there was steep hike in power rates in both these States; thus, the advantage of transporting the ore from MOIL's mines to these locations due to lower power tariffs was lost affecting the feasibility of projects. Several possibilities, including supply of captive power by SAIL as well as RINL, sourcing power through IPPs, etc., were examined but it was ascertained that the projects would not be viable with power rates more than Rs. 4/KWH.

In the intervening period, SAIL has communicated its Board's decision not to go ahead with the joint venture with MOIL. Project planned with RINL is also not feasible and is, therefore, not taken up.

Hence, a request was made to SAIL to consider the JV for MOIL's proposed 50,000 MTPA ferro alloys project at Balaghat in Madhya Pradesh. Similar request was made to RINL to consider the JV for MOIL's proposed 25,000 MTPA ferro alloys project at Gumgaon mine in Maharashtra. MOIL's Board approved both the projects in Mar'18.

However, taking into consideration the then prevailing excess ferro alloys producing capacity in the country, MOIL's Board had advised to start activities on the project only after entering into JV or offtake agreement with steel producers to ensure market for the products. In view of the volatility in prices of manganese ore as well as ferro alloys, both the joint venture partners have advised to go ahead with long term offtake agreements (instead of JVs) so that the projects can be taken up independently by MOIL.

As a result of the above, a team of senior officers from the companies have prepared draft long term offtake agreements, which are under scrutiny. After finalizing the agreements, MOIL would commence project related activities of the plants, as per the terms of the Board approval.

For this purpose, purchase of land has already been done at Gumgaon mine and adjacent land has been identified for Balaghat project. Appointment of consultants for getting environmental clearances is also made.

The details of New Area Development Scheme is enclosed as **Annexure-II**.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

### **RECOMMENDATION (SI. No. 16)**

#### **MSTC Ltd.**

The Committee have been informed that the JV Company of MSTC Ltd. and Mahindra Inter trade Ltd., Mahindra MSTC Recycling Pvt. Ltd. (MMRPL) will set up the shredding plant once an efficacious End of Life Vehicle (ELV) Policy is in place for ensuring raw material security for the proposed ELV Policy. It has also been informed that MMRPL has setup two Collection & Dismantling Centres as feeder units for the proposed Shredding Plant and efforts are being made to make them Profit Centres. More such Centres across the country are also being planned. The Committee note that as per MOEF & CC and Central Pollution Control Board (CPCB) guidelines, MMRPL has become

the first authorised recycler for National Capital Region (NCR), certified by the Transport Department, Government of NCT of Delhi and has also entered into an agreement for the formal collection of such condemned/seized confiscated/impounded/abandoned/accidental vehicles to dismantle/ recycle them in environmentally sound manner. Regular advertisement drives are also being undertaken by MMRPL for popularizing this endeavor in NCR. Besides, another Collection & Dismantling centre is ready for operation at Chennai. The Committee feel that the Steel Scrap Recycling Policy notified by Ministry of Steel on 07.11.2019, provides a framework to facilitate and promote establishment of metal scrapping centres in India for scientific processing & recycling of ferrous scrap generated from various sources and a variety of products. The Committee hope that this policy would help in facilitating raw material security for the metal scrapping centres. The Committee also desire that MMRPL should continue its endeavours to popularize and also consider incentivizing the customers so that the venture makes a headway in the current financial year. The Committee would also like to be apprised of the present status of the proposed End of Life Vehicle (ELV) Policy for ensuring raw material security to shredding/metal scrapping centres being set up in the country.

#### **ACTION TAKEN**

Mahindra MSTC Recycling Pvt. Ltd. (MMRPL) is trying to make the scrapping centre as profit centre. Extensive campaign are being done at various levels to motivate the End of Life Vehicle owners to scrap their vehicle through authorized recycling centres so that the supply of vehicles for scrapping may increase, thereby making the venture profitable.

A policy for creation of an eco-system for voluntary and environmental friendly phasing out of unfit and older polluting vehicles is under consideration of the Ministry of Road Transport and Highways(MoRTH), Government of India.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

**CHAPTER-III**

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

**-NIL-**

## **CHAPTER-IV**

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

#### **RECOMMENDATION (Sl. No.4)**

##### **STEEL RESEARCH & TECHNOLOGY MISSION OF INDIA (SRTMI)**

The Committee note that Ministry of Steel had facilitated setting up of the Steel Research & Technology Mission of India (SRTMI) in October, 2015. It aimed to pursue collaborative R&D, with the leading steel producers, both in public & private sectors as members of society, to address technological issues of national importance faced in the iron and steel sector. As required, founding member steel companies were to pay an initial entry fee to contribute in the corpus for SRTMI. Presently, there are 7 founder members in SRTMI viz. SAIL, RINL, NMDC, MECON, TATA, JSW and JSPL. All the founder members have made a payment of Rs. 1 crore each except, JSPL who has contributed Rs. 54 lakh only as token contribution. A total of Rs. 6.54 crore have been collected so far. It was later decided to transfer the entire balance corpus of around Rs 240 crore to SRTMI. The Ministry of Steel was supposed to contribute Rs. 100 crore from the Steel Development Fund (SDF). However, transfer of the fund from SDF to SRTMI is stated to be a constraint. Currently, SRTMI is assisting Ministry of Steel in evaluation and selection of R&D projects for financial support under R&D Scheme of the Ministry. The Committee believes that SRTMI would work as a society having all the leading steel producers of India for pursuing collaborative R & D in steel and iron sector. This would provide ample opportunities to take up upcoming research projects entailing substantial investment, that would provide solutions to emerging technologies in iron and steel sector. The Committee would also like to be apprised of the constraints being faced by the Ministry in transferring Rs. 100 crore from SDF to SRTMI. The Committee feel that when the Ministry is battling for funds to invest in its R&D activities it would be worth if SRTMI is made functional at the earliest. The Committee trust that such combined efforts from the Government and the public & private sectors in the iron and steel sector would not only reduce imports of quality steel products but also help to achieve a \$5 trillion economy target.

#### **ACTION TAKEN**

SRTMI has been formed as a society driven by all major Iron and Steel players from Private and PSUs wherein Ministry of Steel is a facilitator. SRTMI will be governed and administered by a Governing Body comprising of the CEOs of its member Steel Companies, domain

Experts and a representative of Ministry of Steel. The main objective of SRTMI is to focus on Technologies suitable to meet India's perspective of maximizing use of domestic resources and minimizing import of raw materials and products. Besides, it will help Industry in adoption of energy efficient and environmental friendly technologies to become globally competitive and sustainable in operations.

Rs 100 Cr was to be transferred from Steel Development Fund (SDF) as a corpus fund and equivalent amount was to be contributed by the Industry. However, Ministry of Finance has advised for transferring all the funds of SDF to the Consolidated Fund of India and the process to transfer SDF fund has been initiated and opinion has been sought from Ministry of Law & Justice, Department of Legal Affairs in this regard.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

**Comments of the Committee**

(Please see para 10 of Chapter I of the Report)

## CHAPTER-V

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

#### RECOMMENDATION (Sl. No.2)

##### SHARING OF R&D

The Committee note that in India, substantive R&D is carried out by leading steel companies like SAIL, Tata Steel, JSW Steel & Essar Steel from their own funds and this is not being shared. R&D in the steel sector is also being pursued by the Council of Scientific and Industrial Research (CSIR) laboratories like National Metallurgical Laboratory (NML) Jamshedpur and Institute of Minerals and Materials Technology (IMMT) Bhubaneswar, and academic institutions like Indian Institutes of Technology (IITs) & National Institutes of Technology (NITs). The Committee have also been informed that besides its in House R&D, Ministry of Steel is also supplementing R&D efforts of the industry, R&D labs and academia. R&D Proposals are invited from reputed Academic Institutions/ Research Laboratories and Indian Steel Companies for pursuing R&D projects for the benefit of the Iron & Steel Sector in the country. The Committee desire that all engaged in R&D, whether private companies or PSUs or Ministry should share their technologies to pursue the common goal of betterment and growth of the Indian Steel Industry.

#### ACTION TAKEN

The research work being pursued and the results obtained under the R&D scheme of Ministry of Steel is being shared with the stakeholders. As directed by the Standing Committee, the stakeholders shall also be urged to share their processes / technologies developed through R&D for the benefit of the steel sector.

[Ministry of Steel O.M. No.11014(4)/2020-Parl. dated 20/05/2020]

#### Comments of the Committee

(Please see para 7 of Chapter I of the Report)

NEW DELHI;  
2 September, 2020

RAKESH SINGH  
Chairperson

11 Bhadrpada, 1942(Saka) Standing Committee on Coal and Steel

**Annexure - I**

**Details of the Projects of NMDC Ltd.**

Sl. No.	Name of Project	Description	Cost of Project (Approx.)	Remarks
1	Slurry Pipeline System between Nagarnar and Vizag along with Filtration facilities	To transport iron ore fines in slurry form after converting the fines into concentrate.	Rs 3600 Cr.(approx.)	Expression of Interest for selection of JV Partner for construction of Slurry Pipeline System along with associated filtration facilities is under finalization.
2	Slurry Pipeline System from Kirandul to Bacheli along with associated Ore processing facilities at Kirandul and Augmentation of Ore processing plant at Bacheli	Ore processing plant at Kirandul and Augmentation of capacity Ore processing plant at Bacheli (which are being constructed in phase-1 of Slurry pipeline project)	Rs 1069 crores	The construction of the facilities will be taken up based on the above EoI
3	New Crushing Plant and downhill conveyor system at Bailadila Iron Ore Mine, Deposit 14, Dantewada Dist, Chhattisgarh	To enhance existing capacity of mine from 5 MTPA to 10 MTPA (Million Tons per Annum).	Rs.560 Cr	<b>1. Subjected to -</b> i. Investment approval by NMDC board ii. Obtaining EC & FC. <b>2. Present Status:</b> i. In house DPR completed. ii. Due Diligence completed iii. EC & FC in Progress Work is likely to be taken up from FY 2021-22
4	New Crushing Plant and downhill conveyor system at Bailadila Iron Ore Mine, Deposit 11C, Dantewada	To enhance existing capacity of mine from 7 MTPA to 10 MTPA.	Rs.434 Cr	<b>1. Subjected to -</b> i. Investment approval by NMDC board ii. Obtaining EC & FC. <b>2. Present Status:</b> i. In house DPR completed. ii. Due Diligence completed.

	(CG)			iii. EC & FC in progress  Work is likely to be taken up from FY 2021-22
5	Construction of New Railway yard and additional Stacking & Loading facilities at Ranjitpura Railway Yard	Relaying of rail tracks for 7 MTPA new stacking & loading facilities for Kumaraswamy Iron Ore Mine (KIOM)	Rs.350 Cr	<ul style="list-style-type: none"> <li>• Consultant submitted final TEFR to South Western Railways (SWR) on 04.09.2018.</li> <li>• SWR accorded 'In principle approval' on 20.06.2019.</li> <li>• Consultant submitted DPR to SWR on 15.10.2019 seeking approval.</li> <li>• Discussions with SWR held on 15.11.2019, wherein NMDC production &amp; dispatch plans were apprised and related DPR scheme explained.</li> <li>• SWR is linking approval of DPR to Donimalai mine renewal issue &amp; consequent drop in rail freight from Donimalai.</li> </ul> <p>Likely to be taken up from FY 2021-22, if DPR is approved.</p>
6	Setting up of Cold Rolling Mill (CRM) complex and Electric Resistance Welding (ERW) Pipe Plant, Paloncha, Telangana	CRM complex capacity 1.9 MTPA. ERW pipe Plant capacity 0.3 MTPA	Rs.7000 Cr	<ul style="list-style-type: none"> <li>• Pre-Feasibility study was completed and report (PFR) was submitted by consultant.</li> <li>• Subsequently, NMDC, ECoD on 06.03.2020 after discussion &amp; deliberation decided not to proceed with setting up of CRM Complex &amp; ERW Pipe Plant at SIU.</li> <li>• Accordingly, the proposal of setting up of CRM complex is dropped.</li> </ul>

## Addendum to Annexure - I

### SLURRY PIPELINE PROJECT:

The implementation of the Slurry Pipeline Project has to be sync with the expansion plans of NMDC iron ore mining facilities and consequent increase in iron ore production. Therefore, the implementation is envisaged in phased manner as follows:

<b>Phase -1</b>
<u>By NMDC:</u> <ul style="list-style-type: none"><li>• 2 MTPA Iron Ore Processing Plant at Bacheli</li><li>• 15 MTPA Slurry Pipeline from Bacheli to Nagarnar</li><li>• 2 MTPA Pellet Plant at Nagarnar</li><li>• Associated Electrical and Water supply facilities</li><li>• <b>Capex - 2907. 21 crores</b></li></ul>
<b>Phase -2</b>
<u>By NMDC:</u> <ul style="list-style-type: none"><li>• Augmentation of Iron Ore Processing Plant at Bacheli from 2 MTPA to 4 MTPA</li><li>• 6 MTPA Iron ore processing Plant at Kirandul</li><li>• Slurry Pipeline from Kirandul to Bacheli</li><li>• <b>Capex - Rs 1069 crores</b></li></ul>
<u>Under Joint venture:</u> <ul style="list-style-type: none"><li>• 13 MTPA Slurry Pipeline system from Nagarnar to Vizag</li><li>• Return Water Pipeline system from Vizag to Nagarnar</li><li>• Filtration facilities</li><li>• 6 MTPA Pellet Plant at Vizag</li><li>• <b>Capex - 5982 crores</b></li></ul>

As explained above, the capex in the first phase is Rs 2907.21 crores and the capex in the second phase is Rs 7051 crores (Rs 5982 crores + Rs 1069 crores).

**An Expression of Interest (EoI)** will be published shortly inviting interested firms for forming a Joint Venture Company with NMDC and construct the facilities under Joint Venture part as explained above. A Joint Venture Company will be formed with the shortlisted firms.

**In the above EoI, Slurry Pipeline System, Water Pipeline System and Filtration facilities are envisaged whose Capex is around Rs 3600 crores.** The appropriate action for construction of Pellet Plant either simultaneously or at a later date will be taken by the JVC formed. Accordingly, the Capex information was furnished.

**Annexure-II**

**New Area Development Scheme of MOIL Ltd**

State	Area	Details
Gujarat	In village Pani, Chhota Udepur Dist.	<p>Detailed MoU has been signed between MOIL and Gujarat Mineral Development Corporation Limited (GMDC) on 1.10.2019 to explore possibility of manganese ore mining in the State of Gujarat. The area is already reserved in the name of GMDC by the State Government in 2007. The MoU also envisages setting up value addition plants for production of ferro alloys or Electrolytic Manganese Dioxide (EMD), depending upon quality of the ore. After completion of the exploration work and its analysis, a Techno Economic Feasibility Report (TEFR) will be prepared. Based on the TEFR, if project is viable, a JVC will be formed between GMDC and MOIL with shareholding of 49% for GMDC and 51% for MOIL. In this line, exploration in area of 300 ha of Pani village by core drilling through MECL has already commenced. Initial exploration results indicate good quality of manganese ore in this area.</p> <p>Expenditure of ₹200 Lakh has been done for the exploration in this area in FY 2019-20.</p>
Madhya Pradesh	Jabalpur, Balaghat, Chhindwara and Jhabua district.	<p>MOIL has signed a tripartite MoU on 27 Oct'16 with the Govt. of Madhya Pradesh and Madhya Pradesh State Mining Corporation Limited (MPSMCL) to explore the manganese bearing areas in four districts of Madhya Pradesh.</p> <p>As per the terms of MoU, manganese bearing areas will be reserved in favour of a joint venture company (JVC) to be formed between MOIL and MPSMCL with shareholding of 51% and 49% respectively.</p> <p>To identify manganese bearing areas, MOIL has signed MoU with National</p>

		<p>Remote Sensing Centre (NRSC) ISRO, Hyderabad for conducting remote sensing studies in September, 2017. Accordingly, NRSC has submitted report to MOIL in July 2019.</p> <p>On the basis of the report submitted by NRSC, MOIL has carried out detailed geological mapping and sampling in Chhindwara and Balaghat Districts of the demarcated area.</p> <p>On the basis of the above fieldwork and remote sensing study MOIL has submitted application for reservation for exploration under Rule (1) of Rule 67 of the Mineral (Other than Atomic and Hydrocarbon Energy Mineral Concession) Rules 2016 to Directorate Geology and Mining, Bhopal in favor of MOIL.</p> <p>Expenditure of ₹40 Lakhs has been incurred for remote sensing studies carried out by NRSC, Hyderabad in FY 2019-20.</p>
Rajasthan	Banswara district	<p>On the lines of initiatives in Gujarat, MOIL has requested to Chief Secretary, Rajasthan for reserving manganese-bearing areas in Banswara district. In this context, a joint meeting was held on 07.01.2020 with Govt. of Rajasthan. MoU on the lines of Gujarat is intended to be entered into. The matter is to be taken up further after site visits.</p>
Odisha	Bolangir district	<p>MOIL is exploring possibility of manganese mining in Odisha. In this line of future business development, a request has been made to Chief Secretary, Odisha for reserving manganese-bearing areas in Bolangir district, where MECL is carrying out exploration work to prove quantity and quality of manganese deposits. The said request is under consideration. It is to be mentioned that Odisha has the largest reserves of manganese ore in the</p>

		country and, hence, this action has been taken by MOIL.
Jharkhand		MOIL is also interested to explore the possibility of manganese bearing areas in the State of Jharkhand for exploration. Feasibility permitting MOIL will take the matter forward on the lines of Gujarat MoU.

The above areas are undertaken for Business Development for exploration and exploitation of the manganese ore in the country by MOIL. Expenditure incurred in FY 2019-20 and estimate of proposed expenditure in the above area is given below: -

State	Amount in Lakh					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Gujarat	200	300	100	50	50	
Madhya Pradesh	50	50	50	50		
Rajasthan	NIL	Proposals are in nascent stage; will be quantified on further developments and signing MoUs with the State Governments.				
Odisha	NIL					
Jharkhand	NIL					

The expenditure on new area development also includes purchase of land in existing mines areas. During FY 2019-20, Rs. 495 Lakh has been incurred on this account.

**MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON WEDNESDAY THE 02 SEPTEMBER, 2020 IN COMMITTEE ROOM NO. '1', BLOCK-A, FIRST FLOOR, PHA EXTENSION BUILDING, NEW DELHI.**

The Committee sat from 1130 hrs. to 1400 hrs.

**PRESENT**

**Shri Rakesh Singh- Chairperson**

**Lok Sabha**

2. Shri Balubhau Dhanorkar alias Suresh Narayan
3. Shri Raghurama Krishnaraju Kanumuru
4. Shri Ajay Nishad
5. Shri Arun Sao
6. Shri Sunil Kumar Singh
7. Shri Shyam Singh Yadav

**Rajya Sabha**

8. Dr. Vikas Mahatme
9. Shri Prashanta Nanda
10. Shri Samir Oraon
11. Shri Anil Desai

**Secretariat**

- |    |                    |   |                     |
|----|--------------------|---|---------------------|
| 1. | Shri Pawan Kumar   | - | Joint Secretary     |
| 2. | Shri Arvind Sharma | - | Director            |
| 3. | Smt. Geeta Parmar  | - | Additional Director |
| 4. | Smt. Savita Bhatia | - | Deputy Secretary    |

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2.    \*\*                      \*\*                      \*\*                      \*\*                      \*\*                      \*\*

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

- |       |    |    |    |    |    |    |
|-------|----|----|----|----|----|----|
| (i)   | ** | ** | ** | ** | ** | ** |
| (ii)  | ** | ** | ** | ** | ** | ** |
| (iii) | ** | ** | ** | ** | ** | ** |
| (iv)  | ** | ** | ** | ** | ** | ** |
| (v)   | ** | ** | ** | ** | ** | ** |

(vi) \*\* \*\* \*\* \*\* \*\* \*\* \*\* \*\* \*\*

(vii) Action Taken by the Government on the Observations/ Recommendations contained in the 8<sup>th</sup> Report (Seventeenth Lok Sabha) on Demands for Grants (2020-21) pertaining to the Ministry of Steel.

4. The Committee unanimously adopted all the above Reports without any modifications. The Committee then authorized the Chairperson to finalize the Reports and present the same to Hon'ble Speaker as the term of the Committee is expiring on 12<sup>th</sup> September, 2020.

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9. \*\* \*\* \*\*~\*\* \*\* \*\*

A copy of verbatim record of the sitting has been kept.

***The Committee then adjourned.***

## ANNEXURE-IV

(Vide Para IV of Introduction)

### ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE EIGHTH REPORT OF THE STANDING COMMITTEE ON COAL AND STEEL

I.	Total No. of Recommendations made:	16
II.	Observations/Recommendations that have been accepted by the Government ( <i>vide</i> recommendation at Sl. Nos. 1,3,5,6,7,8,9,10,11, 12,13, 14,15 and 16):	14
	Percentage of total	87.50%
III.	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies ( <i>vide</i> Recommendation at Sl. No. Nil):	00
	Percentage of total	0%
IV.	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee ( <i>vide</i> recommendation at Sl. No. 4):	01
	Percentage of total	6.25%
V.	Observations/Recommendations in respect of which final replies of the Government are still awaited ( <i>vide</i> recommendation at Sl. No. 2):	01
	Percentage of total	6.25%