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**STANDING COMMITTEE ON
COAL AND STEEL (2020-2021)
SEVENTEENTH LOK SABHA**

MINISTRY OF STEEL

**"Development of Leased Out Iron Ore Mines
and Optimum Capacity Utilization"**

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



TWENTY-SIXTH REPORT

**LOK SABHA SECRETARIAT
NEW DELHI
AUGUST, 2021/SRAVANA, 1943(Saka)**

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Presented to Lok Sabha on 06.08.2021

Laid in Rajya Sabha on 06.08.2021



**LOK SABHA SECRETARIAT
NEW DELHI
AUGUST, 2021/SRAVANA, 1943(Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON
COAL AND STEEL(2020-2021)**

Chairperson - Shri Rakesh Singh

Lok Sabha

2. Shri Balubhau Dhanorkar *alias* Suresh Narayan
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Chandra Prakash Joshi
6. Shri Saumitra Khan
7. Shri C. Lalrosanga
8. Shri S. Muniswamy
9. Shri Ajay Nishad
10. Shri Basanta Kumar Panda
11. Smt. Riti Pathak
12. Dr. Lorho S. Pfoze
13. Shri S.R. Parthiban
14. Shri Komati Reddy Venkat Reddy
15. Shri Chunni Lal Sahu
16. Shri Arun Sao
17. Shri Pashupati Nath Singh
18. Shri Sunil Kumar Singh
19. Shri Sushil Kumar Singh
20. Dr. Beesetti Venkata Satyavathi
21. Dr. Thirumaavalavan Thol

Rajya Sabha

22. Shri Anil Desai
23. Dr. Vikas Mahatme
24. Shri Venkataramana Rao Mopidevi
25. Shri Prashanta Nanda
26. Shri Ram Vichar Netam
27. Shri Samir Oraon
28. Shri Dhiraj Prasad Sahu
29. Shri Shibu Soren
30. Shri Prabhakar Reddy Vemireddy
31. Shri B. Lingaiah Yadav

SECRETARIAT

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

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 Twenty-Sixth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Eighteenth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel on "Development of Leased Out Iron Ore Mines and optimum capacity utilization" relating to the Ministry of Steel.

2. The Twentieth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 16.03.2021. Replies of the Government to all the observations/recommendations contained in the Report were received on 09.07.2021.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 04.08.2021.

4. An analysis on the Action Taken by the Government on the observations/recommendations contained in the Twentieth Report (Seventeenth Lok Sabha) of the Committee is given at **Annexure-II**.

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;
04 August, 2021
13 Sravana, 1943(Saka)

RAKESH SINGH
Chairperson
Standing Committee on Coal and Steel

REPORT

CHAPTER I

This Report of the Standing Committee deals with Action Taken by the Government on the observations/recommendations contained in the Twentieth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel on "Development of Leased Out Iron Ore Mines and Optimum Capacity Utilization" relating to the Ministry of Steel which was presented to Lok Sabha and laid in Rajya Sabha on 16.03.2021.

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 09.07.2021. These have been categorised as follows:-

- (i) Observations/Recommendations which have been accepted by Government:
Serial Nos. 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 15 and 16
Total : 12
Chapter-II
- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies:
Serial Nos. 12 and 14
Total : 02
Chapter-III
- (iii) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee:
Serial No. 8
Total : 01
Chapter-IV
- (iv) Observations/Recommendations in respect of which final replies of Government are still awaited:
Serial No. 13
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 recommendations 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 Twentieth Report.

Recommendation Sl. No. 2

5. The Committee had been informed that mining is a time consuming exercise as development of iron ore mines consists of 3 phases viz. (i) Planning phase which includes Conceptual Study, Pre-feasibility Study and Feasibility Study; (ii) Implementation phase which includes Design and construction and commissioning; and (iii) Production phase which includes Operational or short-term production planning and Long-term production planning. The Committee were in complete agreement with the submission of the Ministry and felt it imperative that steel/mining industry gets a continuous support of the Government/State Governments and other related agencies to ensure timely clearance of the Environment, Forest and consent to operate so that these industries do not encounter any problem on this account. Therefore, the Committee had desired that the Government should take the urgent required measures for early clearances on procedural, administrative, legal and environmental fronts for the uninterrupted development of the iron mines in the country.

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

"In order to expedite pending forest clearance and environment clearances issues of Steel CPSEs including SAIL with MoEFCC, Secretary, Steel vide letter dated 02.11.2020 requested for the intervention of Secretary, MoEFCC and also requested for convening an early meeting to discuss these issues.

Consequently, a meeting through video conference, to discuss the pending Forest and Environment Clearance issues of SAIL, NMDC, KIOCL and MOIL was chaired by Secretary, MoEFCC and Co-chaired by Secretary, Steel on 19.11.2020 wherein pending FC issues of SAIL mines viz. Chiria, Gua and Kiriburu-Meghahatuburu and EC issues related to violation cases and EC matter of Kalwar-Nagur lease of BSP were discussed in detail.

Thereafter, MoEFCC vide order dated 07.12.2020 granted Stage-II FC for diversion of 361.295 ha of unbroken forest land, in addition to 274.691 ha of broken up forest area for mining of iron ore in Duargaiburu lease of Gua Iron Ore Mine of SAIL. The Stage-II FC was pending with MoEFCC since September, 2015. Further, MoEFCC also vide order dated 07.12.2020 issued the EC for development of 1 MTPA iron ore mine at Kalwar-Nagur lease of BSP of SAIL. With this long pending issues of delay in grant of EC for Kalwar-Nagur lease of BSP has been resolved. The matter was pending with MoEFCC since April, 2016.

A separate D.O. letter dated 04.02.2021 was also written for pending EC/FC of Private Sectors to MoEFCC for early resolution of pending matter.

Further, M/o EF&CC has taken number of steps to streamline all green clearances. As regards Environmental Clearance (EC), the Expert Appraisal Committee meets twice a month which has significantly reduced the time taken in Appraisal process. Further, the Ministry has developed a single window portal PARIVESH, due to which the entire process of submitting proposals and tracking the status of proposals at every stage of processing has been automated.

M/O EF&CC has also issued an advisory dated 30th August, 2019 for mandatory submission of proposals through PARIVESH seeking Environmental Clearance.

The proposals received only through PARIVESH are scrutinized and placed before the Expert Appraisal Committee for its recommendations. The Ministry after rigorous examination communicates its decision to the project proponents through online PARIVESH."

7. The Committee in their original Report while agreeing to the submission of the Ministry that mining is a time consuming exercise as development of iron ore mines consists of various phases emphasised that the Government should take the urgent required measures for early clearances on procedural, administrative, legal and environmental fronts for the uninterrupted development of the iron mines in the country. From action taken replies, the Committee find that a meeting chaired by Secretary, MoEFCC and co-chaired by Secretary, Steel was held on 19.11.2020, to discuss the pending Forest and Environment Clearance(EC) issues of SAIL, NMDC, KIOCL and MOIL. In pursuance to this meeting, MoEFCC has granted Stage-II FC for mining of iron ore in Duargaiburu lease of Gua Iron Ore Mine of SAIL which had been pending with MoEFCC since September, 2015. Also, EC was issued for development of 1 MTPA iron ore mine at Kalwar-Nagur lease of BSP of SAIL which was pending with MoEFCC since April, 2016. The Committee appreciate that pursuant to the efforts being made by the Ministry of Steel/ MoEFCC, certain EC/FC issues which were pending for long have been resolved. The Committee also note with satisfaction that M/o EF&CC has taken a number of steps to streamline all green clearances. The Expert Appraisal Committee for EC issues meets twice a month and has significantly reduced the time taken in Appraisal process. Further, the Ministry has developed a single window portal PARIVESH, due to which the entire process of submitting proposals and tracking the status of proposals at every stage of processing has been automated. The Committee are hopeful that Ministry of Steel/ MoEFCC would continue to make sincere efforts to get early EC/FC clearance for pending mining projects and play an effective role in the development of the iron mines in the country.

Recommendation Sl. No. 3

8. Steel industry has proven to be an important and crucial element in country's blueprint to achieve a USD 5 trillion economy. The Committee were, however, of the considered opinion that to realise the targets steps should be taken to enhance steel consumption in the country and more steel plants should be set up as per the requirement of iron ore to an estimated 437 MT emerge by the end of 2030-31. Hence, the Committee had desired the Ministry of Steel to take initiatives accordingly. The Government/Steel Companies should have consultations/deliberations with all the stakeholders/user industries across major sectors such as construction, infrastructure, automotive, defence, rail, etc. to create the demand of Steel for their projects. The Committee had also desired to be apprised of the steps taken in this direction and also concrete outcomes, if any.

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

"The creation of steel demand in the country was considered as one of the major task in the National Steel Policy 2017 to reach 300 million Tons Production capacity in the country by 2030. The Ministry had identified construction and manufacturing sectors like rural development, Urban Infrastructure, Roads & Highways, Railways automotive, Hydrocarbon etc. as the key focus areas and accordingly planned several stakeholder consultations covering almost all the sectors. The details of the Stakeholder consultations had through Physical meeting, Expo, Seminars, Webinars are given below: -

DETAILS OF STAKEHOLDER CONSULTATIONS HELD BY THE MINISTRY OF STEEL FOR FOSTERING STEEL USAGE			
SI NO	Title of the Program	Date	Place
1	Capital goods in Steel sector: Manufacture in India	23 rd October 2018	Bhubaneshwar
2	India Steel-Expo	January 22- 24, 2019	Mumbai

3	India-Japan Steel Seminar program on Use of steel structure in buildings and in Infrastructure.	12th-13 th Mar 2019	IIT Mumbai
4	CHINTAN SHIVIR Towards A Vibrant, Efficient and Globally Competitive Indian Steel Sector	September 23, 2019	New Delhi
5	Launch of Purvodaya	11 th Jan 2020	Kolkata
6	Fostering steel usage in Railways and Defence sectors	17 th Feb 2020	New Delhi
7	India-Japan Workshops :Enabling Procedures for Increase of Steel Usage for the Growth of Economy	24 th Feb, 26 th Feb & 28 th Feb 2020	New Delhi, Bhubaneshwar & Mumbai
8	Atmanirbhar Bharat: Fostering Domestic Steel Usage in Oil & Gas Sector :Challenges and Way Forward	16 th June 2020	Webinar
9	IspatiRada Conference for enhancing Steel Consumption in infrastructure and Construction	30 th June 2020	Webinar
10	Atmanirbhar Bharat: Fostering Steel Usage in Housing & Construction and Aviation Sector	18 th August 2020	Webinar
11	Atmanirbhar Bharat: Fostering Steel Usage in Agriculture Rural Development Dairying Food Processing	20 th October 2020	Webinar

Based on the feedback received during above stakeholder consultations, dedicated task forces were created to prepare standard designs, resolve issues related with BIS, measures to develop new high strength steel, strengthening capital equipment manufacturing besides making country Atmanirbhar and meeting requirement of different grades of steels."

10. To realise the aim of taking the crude steel capacity of the country to reach 300 MT by 2030-31, the Committee in their original Report had stressed upon the need to create steel demand across major sectors in the country. From the action taken reply of the Ministry, the Committee are convinced to observe that the Ministry has identified key focus areas like construction and manufacturing which include rural development, Urban Infrastructure, Roads & Highways, Railways, automotive, Hydrocarbon etc. and accordingly held several stakeholder consultations through Physical meetings, Expositions, Seminars and Webinars covering all these sectors. Further, dedicated special task forces have been created, to meet various requirements of the stakeholders, which were collated after receiving their feedback from the above deliberations, to look into areas like preparation of standard designs, resolving issues related with BIS, measures to develop new high strength steel, strengthening capital equipment manufacturing besides making the country Atmanirbhar by meeting requirement of different grades of steels. The Committee urge the Ministry to take all concerted efforts to achieve the target of 300 MT crude steel capacity in the country by 2030-31 as envisaged in the National Steel Policy, 2017.

11. The Committee have also learnt that in order to promote manufacturing of speciality steel in the country, Government has recently announced a Production Linked Incentive (PLI) scheme from 2023-24 for a period of 5 years with a financial outlay of Rs. 6322 crore, which is expected to bring an investment of 40,000 crore and a capacity addition of 25 Million Tonnes for speciality Steel. While appreciating this step taken by the government which will help in manufacturing of quality and special steel in the country, the Committee are

hopeful that implementation of this scheme would reduce dependence on import of steel. The Committee would like to be apprised of the target of quality and special steel to be produced with the incentive scheme of Rs. 6322/- crore.

Recommendation Sl. No. 8

12. The Committee had noted that many iron ore mines of SAIL were facing issues relating to Environmental Clearances and Forest clearances (EC&FC) which were pending either with Ministry of Environment, Forest and Climate Change (MoEFCC) or respective State Governments. South-Central Blocks of Kiriburu-Meghahatuburu; Duargaiburu lease of Gua; and Chiria mines operating in Saranda forest division in Jharkhand falling under Management Plan for Sustainable Mining (MPSM) are awaiting FCs. Similarly, ECs with regard to Kalwar-Nagur and Pandridalli & RajharaPahar iron ore mining leases of Bhilai Steel Plant (BSP) mines were also pending. Further, EC for extension of lease period of iron ore leases including *sub-judice* lease as per the provisions of Mineral (Mining by Government Company) Rules, 2015 are pending with the Government of Jharkhand. Besides, extension of lease period of ML-227, Lease of Barsua-Kalta mine is pending with the Odisha Government. As regards grant of Prospecting Licence (PL) for Thakurani Block-A, the grant of Stage-II FC for SAIL mines operating in Saranda forest in Jharkhand got delayed initially on account of finalisation of Management Plan for Sustainable Mining (MPSM) and finally got approved by MoEFCC in June,2018 after more than one and half years of deliberations. As per the approved MPSM, Gua and Kiriburu-Meghahatuburu mines are part of Mining Zone and FC may be granted after further deliberations at the level of State Govt. However, Chiria leases of SAIL which holds about 54% of SAIL's iron ore resource base were part of 'No Mining Zone' and should be kept in abeyance till the MoEFCC takes a final view on the environmental sustainability of mining in the region. The Committee had noted that except Manoharpur Iron Ore Mine (Chiria),

all mines of SAIL would be depleted during the period 2026 to 2045 and in order to bridge the gap between the iron ore production capacity and its requirement, SAIL had planned expansion in six iron ore leases of Chiria from 7 MTPA to 45 MTPA in phased manner upto 2040.

Taking in view the strategic importance of Chiria Mines which are critical for capacity expansion of SAIL, the Committee had observed that pending clearances at MOEFCC level or at the level of the State Governments had resulted as a major deterrent for capacity expansion by SAIL. The Committee, had therefore, advised the Ministry of Steel/SAIL to take up the pending EC and FC issues with respective State Government and MoEFCC at the highest level and keep them informed of the progress made in the matter.

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

"Ministry of Steel vide D.O. letter dated 02.02.2021 has requested to MoEFCC for early finalization of the Reassessment Study Report for MPSMs modification and also to provide clarification to Jharkhand Government regarding extension of the lease period of Chiria leases.

M/o EF&CC has informed that Environmental Clearance was granted on 07.12.2020 for the project of Kalwar-Nagur Iron Ore Mine of M/s Steel Authority of India Ltd. over an area of 17 Ha of 938.059 Ha with capacity 1.0 MTPA located at village Kalwar&Nagur, Taluk Bhanupratappur, Kanker District of Chhattisgarh State.

The Environmental Clearance (EC) for proposal of Pandridalli and Rajhara Pahar Lease of Bhilai Steel Plant of M/s Steel Authority of India Limited (SAIL) for mining of Iron Ore with enhancement of production capacity from 2.0 MTPA to 3.5 MTPA (ROM) in the MLA of 220.42 ha, located at Iron Ore Complex (IOC) Dalli Rajhara, Tehsil Dondi Distt Balod, Chhattisgarh was considered in the Expert Appraisal Committee (EAC) in its meeting held on 28th Meeting held during February 26-27, 2018, wherein M/s SAIL has informed the Committee that they had never taken EC neither under EIA Notification, 1994 nor EIA Notification, 2006 and mine is operating since 1958. In view of above, EAC mentioned that this is a case of violation, as M/s SAIL had not taken EC under the provisions of

the EIA Notification 1994/2006 and the instant proposal may be rejected and appraised as per the provisions of the violation Notification issued by the MoEF&CC vide S.O. 804 (E) dated 14th March 2017. M/s SAIL did not apply the proposal under violation. Citing the report of Regional Office, MoEFCC, issued in October 2018, wherein it was found that no violation has been done by SAIL, vide letter dated 03.04.2021 a request has been made by SAIL to MoEFCC to reconsider the pending EC proposal and grant EC.

Status of Iron Ore Mines as provided by Forest Clearance Division, M/o EF&CC is given below:-

Sl. No.	Name of Proposal	Status
1.	Topailore iron ore Mining Lease of Gua lease of M/s SAIL	Stage-II approval granted on 4.10.2019.
2.	Kiriburu Meghataburu Mines of M/s SAIL	Stage-I I approval for fresh area of 247.50 ha was accorded on 18.10.2010. Compliance submitted by the State on 4.02.2014 which was found incomplete detail of areas surrendered back to Forest Department, CA land, etc were not submitted Additional information was sought from the State vide letters dated 18.09.2015, 3.05.2017, 26.06.2018 and 18.03.2019. Reply is awaited from the State.
3.	Durguiburu mining Lease	Stage-II approval for 274.691 ha of broken up forest area accorded on 22.08.2014 Stage -II approval for additional area of 361.295 ha accorded on 7.12.2020.
4.	Jhilingburu-II	Stage-I granted for area of 30.43 ha on 29.01.2013. Incomplete compliance of Stage -I approval was submitted by the State Government and accordingly, complete compliance vis-à-vis Management Plan for Sustainable mining was requested from the State Government on 27.02.2019 Reply is awaited form the State Government.

5.	<p>Stage-II Forest Clearance (FC) for diversion of 595.075 Ha of Forest land under Ajitaburu, Budhaburu, Dhobil&Sukri-Latur Mining lease of Manoharpur Iron Ore Mine (Chiria)</p>	<p>Stage-I approval was granted on 7.03.2011. State Government has submitted the compliance report which was incomplete as detail of setting up calamity fund and surrendering of equivalent area. duly reclaimed were not complied with by the User Agency. Chiria Group of Mines of M/s SAIL is located in Saranda Forest Division of West Singhbhum District. Area contains pristingsai forests with rich biodiversity. It is part of Singhbhum Elephant Reserve and serves as an important habitat of elephants.</p>
6.	<p>Grant of Stage-I FC for construction of conveyor belt for evacuation of iron ore from Chiria mine.</p>	<p>On the meantime, MoEF&CC, based on the carrying capacity study formulated management Plan for Sustainable Mining (MPSM). As per MPSM, the Chiria group of mines, except Dhobil mine, falls into the Conservation Zone (No Mining Zone). MPSM and decision taken in the meeting held on 4.02.2019. however, mentioned that decision on mining in the Chiria Group of mines will be taken after re-assessment study.</p> <p>Reassessment study has been assigned to the ICFRE, Dehradun. After receipt of the recommendation of the Re-assessment Study decision on allowing mining in Conservation Zone, will be taken by the Ministry.</p>
7.	<p>Bolani Mine of SAIL in Odisha</p>	<p>Bolani Iron Ore Mines (87.09 ha) was accorded Stage-I approval on 12.09.2017. Compliance submitted and additional information sought from the State Government on 7.03.2019. Reply is awaited.</p>
8.	<p>Donimalai mining lease of M/s NMDC</p>	<p>Proposal seeking prior approval of the Central Government under the Forest (Conservation) Act 1980 has been recommended by the State government for approval of MoEFCC on 21st June 2021.</p>

14. Taking cognisance of the strategic importance of SAIL Mines having major role in SAIL's capacity expansion, the Committee in their original Report had urged the Ministry of Steel/SAIL to take up the pending EC and FC issues with respective State Government and MoEFCC at the highest level. From the action taken reply, the Committee note that the matter of Environmental Clearance(EC) for proposal of Pandridalli and Rajhara Pahar Lease of Bhilai Steel Plant of SAIL for iron ore mining and enhancement of production capacity located at Iron Ore Complex (IOC), Dalli Rajhara have been delayed. As has been informed, the matter was considered during Expert Appraisal Committee meeting held on 26-27 February, 2006 wherein M/s SAIL informed that they had never taken EC either under EIA Notification 1994 or under EIA Notification, 2006. EAC, therefore considered it to be a case of violation and recommended for rejection of the proposal. Later, SAIL cited the report of Regional Office, MOEFCC issued in October, 2018 wherein it was found that no violation was done by SAIL. However, the Committee find that SAIL after almost three years *vide* letter dated 03.04.2021, has requested MoEFCC to reconsider the pending proposal. The Committee would like to be apprised of the reasons for delays on the part of SAIL for obtaining ECs for their mining lease .

15. The Committee further find from the status of iron ore mines as provided by Forest Clearance(FC) Division that out of 10 proposals , 8 FC proposals are either pending at the level of State Governments or MOEFCC. The Committee, therefore, again recommend that the Ministry of Steel/SAIL should take up more vigorously the matter of Forest Clearances of their mining leases with the concerned State Government or MOEFCC and apprise them of the progress made in this regard.

CHAPTER –II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation Sl. No.1

Introductory

The Committee observe that iron ore, an important and the most essential raw material for iron and steel industry is at the heart of the mining activities undertaken in India. Iron ore reserves are mostly found in the form of Haematite (Fe_2O_3) and Magnetite (Fe_3O_4) and India is amongst the leading producers of iron ore in the world with a total resources of over 33.276 billion tonnes of Haematite and Magnetite. Further, as on 1.4.2015 a total reserves of Haematite, which is considered to be superior because of its higher grade have been estimated at 22,487 MT of which 5,422 MT (24%) are under 'Reserves' category and the balance 17,065 MT (76%) under 'Remaining Resources' category. Hence, India is endowed with fairly abundant resources of iron ore besides the fact that grade of Indian iron ore is the best in the World. The Committee also note that as envisaged in the National Steel Policy, 2017 the country's crude steel capacity is targeted to reach 300 MT by 2030-31 for which the requirement of iron ore will increase substantially and would be 437 MT at the end of the same period. Keeping this in view, the Committee expect the Government to vigorously concentrate on development of all the leased out iron ore mines, as the core sectors of economy largely depend on output from the mining sector. Focused attention, therefore, required to identify and study the actual operation of mining leases especially in context of those mines which are lying dormant for various reasons. The Committee would like to be apprised of the Action Plan of the Ministry of Steel to ensure development of these mines.

Action Taken

As per Government of India (Allocation of Business) Rules, 1961, Development of iron ore mines comes under the purview of Ministry of Mines. However, the iron ore mines which are with CPSEs are under the administrative control of Ministry of Steel. Further, Ministry of Mines has informed that they take up the issues with concerned Ministry/State Government time to time. Provisions have also been made in the MMDR Act, 1957 through the MMDR (Amendment) Act, 2021 to maximize the production and operations of mines by including appropriate provisions in the law. The MMDR (Amendment) Act, 2021 has been notified w.e.f. 28.03.2021. Section 17A(4) has been inserted which, inter alia, provides that the reservation granted to Govt. PSEs whether Central or State under section 17A shall lapse, if no mining is started within a period of 5

years. Further, Section 4A of the Act has been amended to replace 'mining operation' with 'production and dispatch' as well as strict timelines to enforce production.

The production in the mines allotted to Steel CPSEs is as under:

(in million tonnes)

Steel CPSEs	EC Capacity	Production Capacity	Production in 2019-20	Production in 2020-21
SAIL*	64	39	29.28	30.06
NMDC	51.8	41	31.49	34.11
KIOCL	--	2.0	Production not started	
OMDC	--	9.96	Production not started	

**[SAIL has 64 MT EC Capacity (ROM) in which 48 MT product may be obtained. Further, at present SAIL having installed production capacity of 41 MT]*

Ministry of Steel has directed its CPSEs to enhance the production upto their EC level.

Government has made the provision in MMDR Amendment Act, 2021 to permit the sale of 50% of mineral of annual production from captive mines after meeting their self-requirement. This will increase the supply of iron ore to Secondary Steel Sector. SAIL has also set a plan to sell 13.719 MT of fresh iron ore and dumps/tailings in FY 2021-22 in the open market.

Mining operations have resumed in Donimalai iron ore mine (7.0 MTPA capacity) of NMDC Ltd. in the State of Karnataka from 18th Feb, 2021. Hence the NMDC has revised its Production Plan in its mines upto 42 MT in 2021-22. SAIL has also set a target to enhance the production level upto 40 MT in 2021-22.

This Ministry is regularly taking up the pending EC/FC matter of Steel CPSEs as well as Private Companies also with M/o EF&CC.

M/o EF&CC also vide order dated 07.12.2020 issued the EC for development of 1 MTPA iron ore mine at Kalwar-Nagur lease of SAIL. With this long pending issue of grant of EC for Kalwar-Nagur lease has been resolved. M/o EF&CC has also cleared stage I FC of Devadari Mines of KIOCL in the State of Karnataka.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.2

The Committee have been informed that mining is a time consuming exercise as development of iron ore mines consists of 3 phases viz. (i) Planning phase which includes Conceptual Study, Pre-feasibility Study and Feasibility Study; (ii) Implementation phase which includes Design and construction and commissioning; and (iii) Production phase which includes Operational or short-term production planning and Long-term production planning. The Committee are in complete agreement with the submission of the Ministry. It is therefore imperative that steel/mining industry gets a continuous support of the Government/State Governments and other related agencies to ensure timely clearance of the Environment, Forest and consent to operate so that these industries do not encounter any problem on this account. Hence, the Government ought to take the urgent required measures for early clearances on procedural, administrative, legal and environmental fronts for the uninterrupted development of the iron mines in the country.

Action Taken

In order to expedite pending forest clearance and environment clearances issues of Steel CPSEs including SAIL with MoEFCC, Secretary, Steel vide letter dated 02.11.2020 requested for the intervention of Secretary, MoEFCC and also requested for convening an early meeting to discuss these issues.

Consequently, a meeting through video conference, to discuss the pending Forest and Environment Clearance issues of SAIL, NMDC, KIOCL and MOIL was chaired by Secretary, MoEFCC and Co-chaired by Secretary, Steel on 19.11.2020 wherein pending FC issues of SAIL mines viz. Chiria, Gua and Kiriburu-Meghahatuburu and EC issues related to violation cases and EC matter of Kalwar-Nagur lease of BSP were discussed in detail.

Thereafter, MoEFCC vide order dated 07.12.2020 granted Stage-II FC for diversion of 361.295 ha of unbroken forest land, in addition to 274.691 ha of broken up forest area for mining of iron ore in Duargaiburu lease of Gua Iron Ore Mine of SAIL. The Stage-II FC was pending with MoEFCC since September, 2015. Further, MoEFCC also vide order dated 07.12.2020 issued the EC for development of 1 MTPA iron ore mine at Kalwar-Nagur lease of BSP of SAIL. With this long pending issues of delay in grant of EC for Kalwar-Nagur lease of BSP has been resolved. The matter was pending with MoEFCC since April, 2016.

A separate D.O. letter dated 04.02.2021 was also written for pending EC/FC of Private Sectors to MoEFCC for early resolution of pending matter.

Further, M/o EF&CC has taken number of steps to streamline all green clearances. As regards Environmental Clearance (EC), the Expert Appraisal Committee meets twice a month which has significantly reduced the time taken in Appraisal process. Further, the Ministry has developed a single window portal PARIVESH, due to which the entire process of submitting proposals and tracking the status of proposals at every stage of processing has been automated.

M/O EF&CC has also issued an advisory dated 30th August, 2019 for mandatory submission of proposals through PARIVESH seeking Environmental Clearance.

The proposals received only through PARIVESH are scrutinized and placed before the Expert Appraisal Committee for its recommendations. The Ministry after rigorous examination communicates its decision to the project proponents through online PARIVESH.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Comments of the Committee

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

Recommendation Sl. No.3

There is no denying the fact that the steel industry has proven to be an important and crucial element in India's blueprint to achieve a USD 5 trillion economy. However, the Committee are of the considered opinion that to realise the country's crude steel capacity to reach 300 MT by 2030-31 as envisaged in the National Steel Policy, 2017, steps need to be taken to enhance steel consumption in the country and more steel plants are needed to be set up so that requirement of iron ore to an estimated 437 MT emerge by the end of 2030-31. Hence, the Committee desire the Ministry of Steel to take initiatives accordingly. The Government/Steel Companies should have consultations/deliberations with all the stakeholders/user industries across major sectors such as construction, infrastructure, automotive, defence, rail, etc. to create the demand of Steel for their projects. The Committee would like to be apprised of the steps taken in this direction and also concrete outcomes, if any.

Action Taken

The creation of steel demand in the country was considered as one of the major task in the National Steel Policy 2017 to reach 300 million Tons Production capacity in the country by 2030. The Ministry had identified construction and manufacturing sectors like rural development, Urban Infrastructure, Roads & Highways, Railways automotive, Hydrocarbon etc. as the key focus areas and accordingly

planned several stakeholder consultations covering almost all the sectors. The details of the Stakeholder consultations had through Physical meeting, Expo, Seminars, Webinars are given below: -

DETAILS OF STAKEHOLDER CONSULTATIONS HELD BY THE MINISTRY OF STEEL FOR FOSTERING STEEL USAGE			
Sl NO	Title of the Program	Date	Place
1	Capital goods in Steel sector: Manufacture in India	23 rd October 2018	Bhubaneshwar
2	India Steel-Expo	January 22-24, 2019	Mumbai
3	India-Japan Steel Seminar program on Use of steel structure in buildings and in Infrastructure.	12 th -13 th Mar 2019	IIT Mumbai
4	CHINTAN SHIVIR Towards A Vibrant, Efficient and Globally Competitive Indian Steel Sector	September 23, 2019	New Delhi
5	Launch of Purvodaya	11 th Jan 2020	Kolkata
6	Fostering steel usage in Railways and Defence sectors	17 th Feb 2020	New Delhi
7	India-Japan Workshops :Enabling Procedures for Increase of Steel Usage for the Growth of Economy	24 th Feb, 26 th Feb, 28 th Feb 2020	New Delhi, Bhubaneshwar & Mumbai
8	Atmanirbhar Bharat: Fostering Domestic Steel Usage in Oil & Gas Sector :Challenges and Way Forward	16 th June 2020	Webinar
9	IspatiRada Conference for enhancing Steel Consumption in Infrastructure and Construction	30 th June 2020	Webinar
10	Atmanirbhar Bharat: Fostering Steel Usage in Housing & Construction and Aviation Sector	18 th August 2020	Webinar
11	Atmanirbhar Bharat: Fostering Steel Usage in Agriculture Rural Development Dairying Food Processing	20 th October 2020	Webinar

Based on the feedback received during above stakeholder consultations, dedicated task forces were created to prepare standard

designs, resolve issues related with BIS, measures to develop new high strength steel, strengthening capital equipment manufacturing besides making country Atmanirbhar and meeting requirement of different grades of steels.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Comments of the Committee

(Please see para 10 and 11 of Chapter I of the Report)

Recommendation Sl. No.4

Import of Iron Ore

The Committee note that during 2017-18 and 2018-19, though the domestic consumption of iron ore was less than the total production in the country, import of iron ore increased during these years. During 2017-18 and 2018-19, iron ore to the tune of 200.96 MT and 207.67 MT, respectively were produced in the country and the domestic consumption remained only 164 MT and 170 MT, respectively. However, import of iron ore was done to the tune of 8.70 MT and 12.80 MT, respectively. The Ministry has clarified that iron ore is a freely importable item and no import licence is required for its import. The Committee further find that the logistics cost for iron ore, it being a bulk item, at times equals the basic price of the ore. This is also stated to be a reason for the consumers who are situated closer to the sea ports, import the ore, especially when the international ore prices are depressed, as they find it economical.

The Committee note with satisfaction that the Ministry of Steel has taken various steps in order to decrease the logistics cost of raw materials, viz. (i) Ministry of Steel being the nodal Ministry for mineral pipelines is working closely with public and private sector steel producers for expeditious processing of statutory approvals required for laying of slurry pipelines which may reduce the cost of transporting iron ore significantly; (ii) Ministry is working closely with Inland Waterways Authority of India (IWAI) and the steel industry for helping to promote the use of inland waterways for transporting raw materials and finished steel as its operating cost is less than half of road transport; (iii) Ministry has also been engaging *vide* letter dated January 2020 with Department of Revenue (DoR) for reduction of import duties on raw materials that are used by the Steel sector; and (iv) Ministry is continuously engaging with Ministry of Railways (MoR) for laying of new railway lines, doubling/tripling of existing lines, reduction of freight class of iron ore from 165 to 145 similar to Coal, Coke and Limestone, removal of busy season surcharge, removal of premium on Kothavalasa-Kirandul line, removal of route rationalization charges and inclusion of iron ore in Long Term Contract policy by Ministry of Railways, etc. Additionally, Ministry of Railways *vide* DO letter dated 9th July 2020, has been requested for taking a

policy decision for granting Right of Way for laying of slurry pipelines along the Railway tracks. The Committee note that it has been quite some time when the Ministry of Steel took up these issues with the concerned Ministries and therefore desire that the matters should be pursued more vigorously to bring them to some logical end to ensure adequate supply of raw material at competitive rates to steel, sponge iron or pellet manufacturers. The Committee would desire to be informed of the latest developments in these matters.

Action Taken

As regards logistics in the steel sector, it is highly dependent on Railways, which is an operator as well as regulator. The steel industry has several grievances with the Railways over charging of differential freight for different class of goods, imposition of busy season surcharge or export surcharge etc. These issues are regularly taken up with Indian railways by the Ministry of Steel as well as the steel industry. It is a known fact that railway freight in the country is among the highest in the world on account of cross subsidization of passenger fare and overall high operational cost. As a result of this, logistics cost of the Indian steel sector is as high as 16%. There is, therefore, a need to reduce the freight and other charges of Indian Railways.

Obtaining regulatory clearances for laying of slurry pipelines is another issue which the Indian steel industry is grappling with. The process of obtaining RoU under PMP Act, obtaining FC, EC, Wildlife clearance etc. are extremely long drawn and take several years before the actual work of laying slurry pipelines can begin. While laying such pipelines along the shoulder of highways and parallel to railway tracks can considerably reduce the time taken for acquiring RoU and FC, EC etc., Railways has taken a policy decision not to grant RoW for parallel pipeline projects. There is, therefore, need for easing the regulatory requirements for laying slurry pipelines.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.5

Export of Iron Ore

The Committee note that export of iron ore has considerably increased to 36.52 MT in 2019-20 from 16.15 MT in 2018-19. Further, during 2020-21(up to August, 2020) 25.11 MT of iron ore has been exported. As informed, the Government has imposed export duty of 30% on iron ore having Fe (iron) content above 58% and it has been ensured that the export of iron ore with Fe content above 64% is canalized through MMTC. NMDC Ltd. has been exporting high grade iron ore from Balladila mine in Chhattisgarh to Japan and South Korea only through MMTC, it being the canalizing agency for high grade iron

ore export under a long-term agreement (LTA) and these exports are undertaken based on the approval of Union Cabinet from time to time. The Committee further note an increase in export of iron ore by NMDC Ltd. in the year 2019-20 from the previous year. NMDC Ltd. has exported 9.59 Lakh Tonne of Lump and 14.81 Lakh Tonne of Fine in 2019-20 as compared to 4.41 Lakh Tonne of Lump and 7.37 Lakh Tonne of Fine in 2018-19. The Committee would like to be apprised of the reasons for increase in export of Lump and Fine during 2019-20 and would like to be apprised of the figures for export during 2020-21(as on date). While endorsing the view that mineral wealth of the country be used judiciously, the Committee desire that increase in export of finished steel goods should be promoted under the Hon'ble Prime Minister's vision of 'Atmanirbhar Bharat'.

Action Taken

Data on export of iron ore (excluding pellets), iron ore pellets and total iron ore is given below for 2019-20 and 2020-21.

India's Iron Ore Export (million tonnes)		
Item	2019-20	2020-21
Iron Ore (excl. Pellets)	24.01	43.26
Iron Ore Pellets	12.62	14.46
Total	36.63	57.72
Source: DGFT		

The export of iron ore increased to 43.26 MT in FY 2020-21 compared to 24.01 MT in F.Y 2019-20. The main reasons behind the increase in export is:

- i. Higher global prices due to Covid-19
- ii. Odisha miners liquidated their stock.
- iii. Old stocks of low-grade iron ore exports from Goa.

NMDC Ltd.: - NMDC exports high grade Iron ore Lump & Fines to Japan and South Korea on the basis of Long-Term Agreement, made once in 3 years with approval of Union Cabinet through MMTC, a canalizing agency for export of high-grade iron ore. NMDC's export agreement with JSM/POSCO got lapsed on 31st Mar'21 and renewal has not been done for the FY 21-22. During the FY 2018-19, NMDC renewed LTA with JSM/POSCO for 3 years in the month of Sep'18. Due to delay in finalization of quantity between JSM/POSCO and Indian Delegation, there were no shipments during first half (H1) of the FY 2018-19 and export shipments commenced in the month of Oct'18 and hence only 11.78 lakh T material could be exported (Lump:4.41 lakh & Fines: 7.37 lakh T) against finalized agreement quantity of 14.5 lakh T. During the FY 2019-20, NMDC exported 24.40 lakh T

(Lump:9.59 lakh T and Fines:14.81 lakh T) against finalized agreement quantity of 29 lakh T and in the FY 2020-21, NMDC exported 22.92 lakh T of iron ore, (Lump :7.41 lakh T and Fines:15.51 lakh T), against finalized agreement quantity of 29 lakh T, which is also less compared to quantity exported during FY 2019-20.

NMDC export supplies were only about 6-7% of total sales during FY 19-20 and FY 20-21 and special preference is given to the domestic customer base so as to cater to Indian steel companies for sustainable growth in Automobiles, Infrastructure etc. Moreover, the Inter-governmental Agreement with Japan and Korea has not been extended beyond 31.03.2021.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.6

Current Status of Iron Ore Mining

The Committee are glad to note the timely measures taken by the Ministry of Steel in tandem with Ministry of Mines to avert expected disruption in supply of 45-50 MT iron ore across the country owing to expiry of 37 working merchant mines on 31st March, 2020. In order to revive these mining leases, Section 8B has been added in the MMDR Amendment Act, 2015 *vide* Ordinance dated 10 January 2020, for extending all statutory clearances for a period of 2 years to the new lessees, in respect of Section 8A(6) mines which were expiring on 31st March, 2020. Most of these mines are in Odisha, Jharkhand and Karnataka. Subsequently, the Mineral Laws (Amendment) Bill, 2020 which amended the MMDR Act, 1957 was passed by Parliament during March, 2020. Further, to help the Steel CPSEs to get their mines renewed with certainty, an Amendment was also made in 'Minerals (Mining by Government Company Rules) 2015' by Ministry of Mines wherein 'shall for reasons to be recorded' has been substituted in place of 'may for reasons to be recorded' in Rule 3(2) and Rule 4(3) *vide* Gazette Notification No. GSR695(E) on 27.09.2019.

Appreciating the required measures taken by Ministry of Steel and Ministry of Mines for uninterrupted mining operations, the Committee hope that the working mines in the States of Odisha, Jharkhand, Karnataka, Chhattisgarh and Maharashtra would continue to *provide* the raw material to the steel industries in the country as per their requirement.

Action Taken

Seventeen mines with production capacity of approximately 57 MT were auctioned on 31st March 2020 in Odisha. Of these, captive mines and merchant mines owned by steel makers have started

production which have production capacity of approximately 30 MT. Apart from these, 2 of these auctioned mines have been operationalized through OMC having production capacity of 11.15 MT. Balance 4 mines with a production capacity of approximately 16-17 MT are yet to be operationalized resulting in reduced availability of iron ore. Several mines namely EsselKasiya, Mala Roy, Mesco with a capacity of approximately 12.66 MT should be auctioned at the earliest.

As regards other important provisions in the MMDR Act, it is submitted that Section 8B has been substituted and it has been prescribed that all valid rights/approvals/clearances and the likes granted to a lessee in respect of a mines (other than those that granted under Atomic Energy Act) shall continue to be valid even after expiry or termination of the lease so as to ensure that the new lessee continue with the production of mineral without any disruption.

Further, in Section 10B, a proviso has been added providing that the Central Government may require State Government to conduct the auction or re-auction process within a period to be fixed in consultation with State Government and where such auction/re-auction not completed within such period, the Central Government may conduct auction.

ATR on SAIL, NMDC and OMDC/RINL mines are given below:-

ATR on SAIL mines:

- After receiving necessary approvals to enter upon in the handed over forest area of Anjrel Block of Rowghat from Government of Chhattisgarh on 27.01.2021, interim mining at Anjrel Block started on 05.02.2021.
- Government of Odisha Vide order dated 02.12.2020, accorded its approval for amalgamation of two mining leases of SAIL i.e. ML-130, Barsua-Taldih-Kalta over 2486.383 ha and ML-162 infrastructure lease over 77.94 ha subject to the conditions. Validity of the amalgamated lease is upto 05.01.2030. Amalgamation of the leases will facilitate wet processing facilities installed in the ML-162 and would also facilitate in development and smooth operation of captive mines.
- Government of Odisha vide order dated 24.02.2021 granted Prospecting License (PL) over an iron ore area of 268.221 ha for Thakurani Iron Ore Block A (as per DGPS)/277.683 ha (as per RoR) to SAIL under Section 17A(2A) of MMDR Amendment Act, 1957 read with Section 7(1) of the MMDR Act for a period of 3 years with conditions.

ATR on NMDC Mines:

- All the iron ore mining leases allotted to NMDC in Chhattisgarh and Karnataka are under operations. The following are the Iron Ore Mineral Concessions / Mining Leases held by NMDC.
- However, the Iron Ore Mineral Concession granted to NMDC and subsequently transferred to NMDC-CMDC Limited (NCL) in respect of Bailadila Deposit-13, Kirandul, South Bastar Dantewada district, Chhattisgarh could not commence mining operations due to following reasons:-
- State Government of Chhattisgarh, vide its order No. F3-84/05/12 dated: 07/01/2017, granted the Mining lease of Bailadila Iron Ore Dep-13 for Iron Ore for 50 years in favor of NMDC Ltd. and Lease deed for the same has been executed on 10/01/2017.
- As per JV agreement dated 27th March 2007 by and between CMDC and NMDC Ltd., mining lease for Bailadila Iron Ore Deposit No.13, had to be transferred in the name of NMDC - CMDC Limited (NCL) and then NCL would undertake all the required steps for development and operations of the Mine.
- Further, Mining lease Grant Order No. F3-84/95/12 dated 07/01/2017, in respect of Deposit No.13 issued by State Government of Chhattisgarh, stipulate that "after the execution of the lease deed, NMDC will transfer the Mining Lease to the JV Company "NMDC-CMDC Ltd."
- Mineral Resource Department, Government of Chhattisgarh, has issued an order No. F 3-84/1995/12, dated: 06/11/2017 for transferring the mining Lease of Bailadila Iron Ore Deposit-13 in favor of NMDC-CMDC Ltd. Mining Lease of Deposit-13 has been transferred in favor of NMDC-CMDC Ltd. on 04.12.2017.
- On 02.07.2018 M/s. Adani Enterprises Limited had been declared as successful bidder for appointment as MDO for Bailadila Iron Ore Deposit-13.
- A strike commenced on 07.06.2019 (ended on 12.06.2019) by nearby villagers, protesting against MDO and demanding enquiry against FRA certificate issued by Gram Sabha. District Collector, Dantewada vide Order No.300/Reader/2019 dt.11.06.2019 issued orders to stop all project activities of Dep-13.
- Forest Department, GOCG, Raipur vide letter No. F 5-21/2004/10-2 dt. 06.03.2020 has issued show cause notice to NMDC for cancelling the Stage-II Forest clearance of Deposit-13.

- Bailadila Iron Ore Deposit-13 could not be developed because of above mentioned Order of Collector –Dantewada and enquiry constituted by the Forest Deptt.

ATR on OMDC Mines:

As regards 3 (three) Iron Ore and Manganese mines of OMDC, a subsidiary of RINL, significant progress has been obtained as below: -

1. Extension of Mining Lease:
 Bagiaburu: Extension up to 10.10.2021 received on 06.02.2020
 Belkundi: Extension up to 15.08.2026 received on 03.02.2020
 Bhadrasahi: Extension up to 30.09.2030 received on 06.02.2020.
2. Mining Plan:
 Bagiaburu: Approved by IBM on 14.07.2020 up to 10.10.2021
 Belkundi: Approved by IBM on 29.01.2021 up to 31.03.2026
 Bhadrasahi: Approved by IBM on 17.03.2020 up to 31.03.2025.
3. Clearance from Hon'ble Supreme Court for resumption:
 Bagiaburu: Order for resumption on 29.01.2020
 Belkundi: Order for resumption on 29.01.2020
 Bhadrasahi: Order for resumption on 11.08.2020
4. Environmental Clearance:
 Bagiaburu: ToR issued by MoEF&CC on 09.03.2020. OMDC submitted ToR along with EIA & EMP report to the State Pollution Control Board (SPCB), Odisha on 16.03.2020. Public Hearing was scheduled to be held on 04/05/2021. But, it has been cancelled until further orders due to surge in COVID-19 cases.
 Belkundi: ToR issued by MoEF&CC on 29.05.2020. OMDC submitted ToR along with EIA & EMP report to the State Pollution Control Board (SPCB), Odisha on 13.07.2020. Public Hearing is to be scheduled by Collector, Koenjhar.
 Bhadrasahi: ToR issued by MoEF&CC on 23.11.2020. OMDC submitted ToR along with EIA & EMP report to the State Pollution Control Board (SPCB), Odisha on 01.03.2021. Public Hearing is to be scheduled by Collector, Koenjhar.
5. Forest Clearance:
 Renewal of Forest Clearances:
 Bagiaburu: Stage-I FC compliance of Bagiaburu mines has been forwarded from PCCF, Bhubaneswar to Regional MoEF, Bhubaneswar on 29.05.2020 for obtaining Stage-II forest clearance. DIGF (Central), MoEF, Bhubaneswar inspected the mines on 10.06.2020 and asked to submit certificate under FRA

vide letter dated 18.06.2020. Accordingly, Ward Sabha has been conducted on 08.02.2021.

Belkundi: OMDC applied for Stage-I Forest Clearance on 31.08.2005. The proposal was returned by DFO, Keonjhar on 07.12.2009 suggesting for online submission of Forest Diversion proposals including Sabik Forest Land and modified DGPS map. Accordingly, the DGPS map is under finalisation.

Bhadrasahi: OMDC applied for Stage-I Forest Clearance on 07.12.2009. The proposal was returned by DFO, Keonjhar in Dec'19 suggesting for online submission of Forest Diversion proposals including Sabik Forest Land and modified DGPS map. Accordingly, the DGPS map is under finalisation.

Extension of previous Forest Clearances, co-terminus with mining lease:

OMDC has submitted a request on 04.12.2020 to Asst. Inspector General of Forest, MOEF&CC, New Delhi for extension of the previous Forest Clearances, co-terminus with the extension of the lease period, as done in case of NMDC and OMC.

Request letters were sent by Joint Secretary, Ministry of Steel to DG (Forest) & Special Secretary, MoEF& CC, New Delhi on 04.12.2020 and Addl. Chief Secretary, Department of Forest & Environment, Govt. of Odisha on 09.12.2020 for consideration of the proposal.

On 14.12.2020 request letter sent by Asst. Inspector General of Forest, MoEF&CC, New Delhi to Addl. Chief Secretary(Forests), Govt. of Odisha to furnish para-wise comments on extension of Forest Clearance co-terminus with the lease period. The matter is under process.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.7

Sale of Iron Ore Fines

The Committee are informed that the Government *vide* an order dated 16.09.2019 has allowed SAIL to sell 25 percent of its total mineral production in the previous year and also dispose of the old stock of 70 MT of low-grade iron fines and ores (including slimes/tailings) lying dumped across its different captive mines. This order was later amended On 4th January, 2020 to include all grades of iron ore fines. Accordingly, SAIL will have to get clearance from the State Governments and had, therefore, submitted applications to the State Governments of Jharkhand, Odisha and Chhattisgarh. However, the

Committee note with concern that that approval of Government of Jharkhand for selling of fresh iron ore from SAIL is still awaited. Also, with regard to sale of dump fines/tailings, approval of State Governments of Jharkhand and Chhattisgarh is also awaited, despite continuous efforts of SAIL in this regard. Besides, Dispatch of slimes from Tailing Pond of Barsua Mine in Odisha will commence only after grant of Consent to Operate by Odisha State Pollution Control Board (OSPCB). Likewise, dispatches of dump fine from Bolani will commence after approval of Government of Odisha and Consent To Establish (CTE) and Consent To Operate (CTO) by OSPCB. To add to this situation, EC & FC approval of many mines of SAIL are also awaited. Keeping in view the above, the Committee desire that Ministry of Steel/SAIL should continue its efforts to get the desired approvals from the concerned State Governments and Ministry of MoEFCC at the earliest so that SAIL could fulfill its own requirements and expected shortfall in domestic iron ore market are also met.

Action Taken

Auction of Iron Ore Fines by SAIL

Plan for Sale of Iron Ore during FY: 2021-22:

Action Plan	Timeline	Plan Quantity (in MT)	Intervention needed
Odisha	FY: 2021-22	6.797	<p>Common for Odisha / Jharkhand / Chhattisgarh *</p> <ul style="list-style-type: none"> Clarification on applicable additional amounts payable as per the recent MMDR Amendment Act 2021 notified on 28.3.2021 from Ministry of Mines, Govt. of India and respective State Governments.
Jharkahand	FY: 2021-22	4.05	<ul style="list-style-type: none"> Grant of Consent to Establish(GCE) and Consent to Operate (CTO) for sale of Dump Fines from Duargaiburu lease of Gua from JSPCB, Ranchi. Permission for release of forest land post grant of Stage _ II FC for Topilore lease of Gue from State Forest Deptt.

			<ul style="list-style-type: none"> Necessary permission from Distt. Mining Officer (i.e. sampling and quality assessment, issuance of transit permits) for dispatch of auctioned ore.
Chhattisgarh	FY: 2021-22	2.872	<ul style="list-style-type: none"> Permission from State Government for auction of Tailings lying outside the Mining Lease.

*In this connection, Ministry of Mines vide letter dated 25.05.2021 to Govt of Odisha has sent a clarification on sale of low-grade/sub-grade dump fines and slimes by SAIL from their mines located in Odisha in the light of New MMDR Amendment Act 2021.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.9

Donimalai Iron Ore Mine Lease

The Committee note that mining activities in Donimalai Iron Ore Mine in which NMDC Ltd. had commissioned exploration of iron ore activity way back in 1977 had been stopped since November, 2018. Since then, NMDC Ltd. had been constantly trying to revive the mines which was contributing about 7 MT to the total capacity of 43 MT of NMDC Ltd. The Committee note that NMDC Ltd. is planning an investment of about Rs. 400 crore for construction of additional new Screening and Beneficiation Plant with a capacity of 10 MTPA and Rs. 400 crore for creating additional Loading Plant capacity. NMDC Ltd. has also installed a Pellet Plant, at a cost of about Rs. 570 crore for utilization of slimes and lean grade Iron Ore. The Committee note that though Government of Karnataka vide order dated 01.12.2020 had permitted NMDC Ltd. to commence mining operations in Donimalai Mines but the lease extension had been granted for four years and NMDC Ltd. was insisting on a lease period of 20 years. Therefore, a representation in this regard was made to Government of Karnataka by NMDC Ltd. on 23.12.2020. In a recent development, the Committee are happy to note that mining operations in Donimalai Iron Ore Mines (MI No. 2306) which had stopped w.e.f. 04.11.2018 have resumed since 18.02.2021. The Committee feel that undoubtedly, the operationalisation of the mine would bring along a sense of security for the employees of various Small and Medium Enterprises (SMEs) which are operating near Donimalai area and are directly or indirectly dependent on NMDC Ltd. for supply of raw material. Further, the local community which was dependent on CSR activities of NMDC Ltd. will also get benefited from the lease revival. While observing that mining activities had been closed in Donimalai for last 3 years due to which production of iron ore was seriously hampered, the Committee desire

that in future action should be taken for renewal of such leases well in advance so that companies should not suffer due to stoppage of work. The Committee are also hopeful that mine operationalisation will help the company to stabilize its production targets and would like to be apprised of period of lease extension by the State Government.

Action Taken

The status of operating Mining Leases of the NMDC Ltd. is as follows: -

Sl.No.	Name of the Mine	State	Period of validity of the Mining Lease
1	Bailadila Iron Ore Deposit -5	Chhattisgarh	11.09.15 - 10.09.35
2	Bailadila Iron Ore Deposit -10		11.09.15 - 10.09.35
3	Bailadila Iron Ore Deposit -11		11.09.17 - 10.09.37
4	Bailadila Iron Ore Deposit -14		11.09.15 - 10.09.35
5	Bailadila Iron Ore Deposit -14 NMZ		06.12.15 - 05.12.35
6	Donimalai Iron Ore Mine	Karnataka	04.11.18 - 03.11.38
7	Kumaraswamy Iron Ore Mine		18.10.72 - 17.10.22
8	Diamond Mining Project Panna - Main Mining Lease	Madhya Pradesh	15.07.05 - 14.07.25
9	Diamond Mining Project Panna - Supplementary Mining Lease		01.07.20 - 30.6.40

- Application is already submitted for extension of Main Mining Lease of Diamond Mining Project Panna upto 14.07.2035 as per provisions of the Mineral (Mining by Government Company) Rules-2015.

Application for extension of Mining Lease of Kumaraswamy Iron Ore Mine has been submitted on 23.02.2021 to the Addl. Chief Secretary, Deptt. of Commerce & Industries, Govt. of Karnataka and Director - Deptt.

Further, M/O EF&CC has submitted that as per the records available on PARIVESH ToR to NMDC at Donimalai Iron Ore lease area for setting up of Beneficiation plant - 10 MTPA was accorded by IA-NCM on 30/10/2014. Further, PP applied for grant of EC in the Ministry the same has been considered in the 19th EAC meeting (Industry-I) held during 8th - 9th June 2017 wherein after detailed deliberations,

the committee recommended for grant of environmental clearance after receipt of stage - I clearance of Forest land involved in the project from M/s NMDC. The application for stage-I clearance has been recommended by the State government on 21st June 2021 for approval of MoEFCC.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.10

Need for Additional Land Adjacent to Mining Lease

The Committee observe that over the years phenomenal changes have occurred in the mining sector in terms of scale of operations, mining methods, deeper mining and increased exploration. Also, there has been a substantial decrease in the threshold value of iron ore prescribed by Indian Bureau of Mines (IBM) i.e. from 58% to 45%. Besides, the advent of world class technologies have led to larger mineable mineral production. As extensive exploration requires increase in depth of mine thereby increasing the pit area in lateral direction and increase in the quantum of waste mining, a need is felt for additional area adjacent to an existing mining lease so that waste generated by additional reserves are accommodated. The Committee have been told that the MMDR (Amendment) Act, 2016, gives a very detailed & comprehensive definition of 'leased area' and also includes the 'non mineralized area' required and approved for activities falling under the definition of mine. However, when the exploring agencies approached the State Governments(SGs) for grant of additional area/ supplementary mining lease adjacent to the existing mining leases, State Governments were not willing to grant any area adjacent to the existing mining leases in the absence of evidence of presence of mineral content in that area according to Section 5(2) of MMDR Act-1957. Further, the State Governments are of the view that these areas deserved to be auctioned. The Committee, however, find that at present the waste dump yards in mining areas are nearly filled and unable to accommodate more waste, which according to exploring agencies, is a major hindrance in increasing production from existing mines. Though, the Committee very strongly feel that proper disposal of waste generated from mining should be the topmost priority of the exploration agencies, requirement for additional area adjacent to mining leases which also seems to be a necessity especially in wake of requirement for increased production is also a need of the hour. It is evident that the purpose of defining the term "Leased Area" has not been achieved in the absence of clarity / guidelines on the matter and absence of provisions in the MMDR Act-1957 for expansion of the area of the existing Mining Leases. The Committee, therefore, recommend that Ministry of Steel should take up the matter with the Ministry of Mines and ensure proper clarity/guidelines on "leased area" or

prescribe new provisions in the MMDR Act - 1957 for facilitating expansion of the area of the existing mining leases.

Action Taken

Ministry of Steel vide O.M. 5(4)/2019-RM-I dated 16.08.2019 and D.O. letter dated 24.07.2019 to Ministry of Mines had sent proposal for increasing the size of Mining lease area prescribed under Section 6(i) (b) of MMDR Act. Ministry of Steel had proposed that the limit of 10 sq.kms. may be enhanced with a view to promote use of technology, productivity, digitalization of mining operations and for carrying out sustainable mining.

The details of approval granted by the Ministry of Mines for relaxation of area limit under Section 6 (1) (a) and (b) of the MMDR Act, 1957 (As on 25.03.2021)

Iron Ore

State	Area limit after relaxation (Sq. Kms.)		Remarks
	PL	ML	
Jharkhand	-	75	Approval of the Central Govt. was conveyed to the State Government on 26.02.2018
Chattisgarh	100	50	Approval of the Central Govt. was conveyed to the State Government on 27.10.2016
Odisha	-	58	Approval of the Central Govt. was conveyed to the State Government on 20.09.2019 (Iron ore and associated minerals)
Karnataka	50	25	Approval of the Central Govt. was conveyed to the State Government on 17.10.2019

As regard definition of "Leased Area", it is submitted that the leased area has been defined in the MMDR Act which states that the lease area means the area specified in the mining lease within which the mining operation can be undertaken and includes the non-mineralization area required and approved for the activities taking under the definition of 'mine'.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.11

Adaptation of Environment Friendly Technologies in Mining

While observing that minerals play a vital role in evolution of civilization and are essential for economy of any country, the Committee feel that there is need to use them intelligently and judiciously. The Committee are also aware of the associated effects from mining activities that have negative impact on the ecosystem and the surrounding environment. The solid wastes and effluents of mining pollute the nearby land, water bodies and air considerably and therefore these wastes have to be properly managed with sustainable mining. The Committee, therefore desire that an endeavour should be made to adopt environment friendly technologies in mining of all grades of minerals with necessary provision for beneficiation/pelletization at the mining site itself. Rest of the waste accumulated can be diverted for use as construction material, etc. The Committee feel that the matter merits wider consultations among all the stakeholders to evolve a consensus to jointly evolve the concept of a zero waste model mining project and for this a working model incorporating all environment friendly technologies be experimented.

Action Taken

India is having large deposits of Hematite and Magnetite grade of Iron Ore but the major mining operations are of Hematite grade only. In the past, there was not much focus on Beneficiation of low grade ore as most of the mining were having +60-62% grade Iron Ore. Since, use of lower grades results into excess generation of slag as well as higher coke consumption, low grade ore even 55-60% were dumped on the pit head only. Although Beneficiation Plants of 116 million Tons capacity are operating in the country, there was a lack of focus on beneficiating low grade ore. Now IBM has revised the threshold limit of Hematite Ore vide Notification No. C-284/3/CMG/2017 dated 25th April 2018 as follows: -

1. Hematitic Siliceous Ore (For ore of Goa Origin): 35% (Min)
2. Hematitic iron ore : 45% (Min)
3. Magnetite Iron Ore : 15% (Min)

In view of the above and looking into the facts that overall grade in the country of Hematite ore is decreasing continuously, companies are considering to set up Beneficiation Plants as well as Pelletization Plants both at consumer point as well as Pit Head depending upon the utilities and infrastructure availability. SAIL is planning to install beneficiation plants in most of the major mines and also Pelletization Plants, both at Mines and Plant depending upon the feasibility and

infrastructure availability. Since Pelletization Plants require gaseous / liquid fuel and transportation of the same in mining area pose lot of logistic issues, their installations are guided by availability of utilities and logistic infrastructure.

In some areas, water availability is also a constraint, hence, efforts are being made to establish beneficiation plants with Zero Discharge facility so that the need of tailing ponds as well as environmental risk to the surrounding community can be avoided. Thus, Dry Stacking method of tailing is being encouraged so that all the tailing can be utilized for backfilling of the mined out areas.

Horizontal belt filters and Pressure Filters are envisaged in the Screening Plant-III under construction at Kirandul Complex of NMDC which will reduce the discharge to tailing dam during wet screening. The cakes formed in above filters will be mixed with Iron ore fines.

RashtriyaIspat Nigam Ltd. (RINL) has started an initiative of utilizing Iron Ore Slimes accumulated at NMDC Bailadila mines since 2019-20. The utilisation has been increased to a level of 24% in 2020-21 from a level of 9% in 2019-20. This is doubling as a cost reduction initiative as well as an environmentally friendly initiative.

Insofar as OMDC is concerned, it is currently in the process of operationalization of Iron Ore and Manganese Ore mines. The company is in favour of incorporating environmentally friendly technologies, in future.

The ultimate objective is to achieve Zero waste operations in Mines as well as in Plants by adopting Best Available Technologies.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.15

Pelletization

The Committee note that to further the process of utilization of waste generated during mining, the additional concentrate generated from beneficiation of low grade is done to make pellets. Pellets are the principal raw material for blast furnaces and have the ability to enhance the productivity of a Blast Furnace manifold. Major Steel Plants are setting up beneficiation and pellets plants in order to reduce the cost of raw materials. Taking into account the economics, the Committee also note that captive pellet plants of the Integrated Steel Plants (ISPs) are more feasible as the produced pellets can be consumed internally and such plants are in a better position to absorb variations in the raw material cost. However, in case of merchant

pellet plants, the feasibility depends on many factors like the cost of iron ore, transportation cost, the pellet prices prevailing in the domestic and international markets as well as EXIM policy prevailing at that time. Further, a large pellet capacity addition is being planned by ISPs in the coming years. JSW & Tata Steel are planning to use pellets in their Blast Furnaces after commissioning of their respective Pellet Plants. While observing that pellets are consumed not only by ISPs but also by sponge iron producers and they are a natural replacement for lump ore and Directly Reduced Calibrated Lump Ore (DRCLO), the Committee desire that the pellet plants should be encouraged to use beneficiated ore, enhance their capacity utilization and achieve economy of scale for manufacture of pellets. Benefits that pelletized iron ore can offer to the steel making process, have given pellets an increasingly strong hold in the steel market, with the pelletizing of iron ore looking to be an especially important factor in meeting future steel needs as producers look to maximize efficiency and reduce their environmental impact. Hence, the Committee would recommend to the Ministry to take required steps accordingly and they be apprised of the action taken in this regard.

Action Taken

As per National Infrastructure Pipeline (NIP) projects, around 25 MT Pellet capacity will be added in future besides 85 MT present pellet capacity of the country. Further, some private companies have also signed MoU with the Govt of Odisha which may add 10-15 MT pellet capacity more in the country in coming years.

In F.Y. 2020-21, out of total stock at mine-head i.e., 120.90 MT, there is 66.78 MT iron ore fines of low grade below 58% Fe. Ministry of Steel has taken up this matter with Ministry of Mines to put in place strategy interventions to beneficiate and pelletize iron ore fines.

Further, SAIL has set a target to sell around 9 MT iron ore dumps/tailings (lying at different mine pit head of captive mines of SAIL) in open market.

KIOCL is operating 3.5 million tons per annum capacity pellet plant at Mangalore. On closure of Kudremukh Iron Ore Mine w.e.f. 01.01.2006, Company is sourcing the iron ore fines from NMDC's Chhattisgarh mines. Company also procuring small quantity from other sources. Subject to pending statutory clearances, the Company plans for commencement of iron ore mining at Devadari. The Company is expected to produce around 2 million tons per annum iron ore from this mine and also set up 2 million ton per annum crushing, conveying and beneficiation facility at Mine site. This iron ore fines/concentrate will be utilized in pellet making in pellet plant at Mangalore.

NMDC Ltd.: - As far as Pellet utilization in 3.0 MTPA Integrated Steel Plant of NMDC, which is under construction, is concerned, provision to utilize 20% Pellet in Blast Furnace Burden is envisaged.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.16

The Committee further note that India has emerged as a strong supplier of pellets to China and Middle East especially Oman. About 12 MTPA pellets were exported during 2019-20. However, at present there is no export duty on pellets. The Committee, therefore desire that coal based DRI (Direct Used Iron) or Sponge Iron units should be encouraged to use pellets, for minimizing the use of high grade lumps and Ministry of Steel should encourage Steel PSUs for pellet capacity addition in their plants and provide them necessary support /guidance in this regard.

Action Taken

The closing stock of iron is decreasing from 145.47 MT in FY 2019-20 to 120.90 MT in FY 2020-21. Further, the closing stock of iron ore fines below 58% Fe is also decreasing from 77.05 MT in FY 2019-20 to 66.78 MT in F.Y. 2020-21.

The production of Pellet was around 69.38 MT in FY 2020-21 out of 85 MT Production Capacity. Hence, the capacity utilisation of Pellet is 81.62%.

NMDC is operating 1.2 MTPA Pellet plant at Donimalai which is using slimes with less than 58 % Fe content. Presently the issues in pressure filleters in Ore Beneficiation Plant are being rectified to ensure optimum production from the plant. Further, NMDC is also constructing a slurry Pipeline Project which includes 2.0 MTPA Ore Processing Plant at Bacheli, slurry Pipeline from Bacheli to Nagarnar and 2.0 MTPA Pellet Plant at Nagarnar near to 3.0 MTPA Integrated Steel Plant of NMDC. The project is scheduled to be completed by June, 2023."

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

CHAPTER-III

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

Recommendation Sl. No.12

As has been informed that the steel industry is required to use advanced technologies to increase production yield rates for optimal use of minerals, the Committee are happy to note that the Ministry of Steel is trying to promote scrap generation, collection and processing within the country in order to reduce the use of iron ore and also reduce import of scrap. The Committee learn that recycling of one ton of scrap saves 1.1 T of iron ore, 06-0.7 T of coking coal and around 0.2-0.3 T of fluxes and specific energy consumption for production of steel through primary and secondary routes is 14 MJ/Kg and 11.7 MJ/Kg, respectively. Hence, it leads to savings in energy by 16-17%. This also reduces the water consumption and Green House Gases(GHG) emission by 40% and 58%, respectively. In this background, the Committee are pleased to note that the Ministry of Steel has notified Steel Scrap policy on 07.11.2019 which provides a framework to facilitate and promote establishment of metal scraping centres in the country for scientific processing and recycling of ferrous scrap generated from various sources and a variety of products. The Committee are hopeful that the Steel Scrap Policy would help meet the desired objective to achieve the goal for sustainable development with emphasis on minimizing environmental damage. The Committee have been informed that National Steel Policy, 2017 envisages that requirement of iron ore in the country will increase substantially by 2030-31. While emphasising on achieving these goals for sustainable development by conserving and optimally utilizing our iron ore resources, the Committee would also like to impress upon the Government to avoid import of unprocessed scrap for minimizing the environmental damage.

Action Taken

The availability of scrap in the country is currently around 22-25 MT. It is used both by primary and secondary producers. To meet the current demand of scrap, currently around 7 MT is imported.

The Foreign Trade Policy (2015-20) lays down the import policy for metallic waste and scrap. Para 2.32 of the Foreign Trade Policy(FTP) lays down that import of any form of metallic waste, scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste/scrap containing radioactive material, any types of arms, ammunition, mines, shells, live or used

cartridge or any other explosive material in any form either used or otherwise. The types of metallic waste and scrap which can be imported freely and the procedure of import in the shredded form; unshredded compressed and loose form, is laid down in para 2.54 of the Handbook of Procedures of FTP (2015-20).

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Recommendation Sl. No.14

The Committee also note that with the change in physical and chemical properties of iron ore like reduction in Fe percentage, increase of Silica & alumina, increase of hardness etc., the mineral beneficiation technology has become more efficient and cost effective. However, though the enhanced technology has led to make beneficiation of ultra fines or slimes below 0.15 mm possible, it is a fact that most of the iron ore mines of PSUs under Ministry of Steel are in dire need of facilities like Jigging and Magnetic separation to enrich iron content of the beneficiated ore as it is being practised in private sector. The Committee note that a pilot scale iron ore beneficiation plant which was planned to be set up by NMDC Ltd. at Donimalai, to beneficiate the Banded Hematite Quartzite (BHQ) & Banded Hematite Jasper (BHJ) low grade iron ore material could not be taken up due to non-availability of land by the State Forest Department. The Committee recommend that Ministry of Steel/NMDC Ltd. to vigorously pursue the matter with the State Government of Karnataka for enabling early setting up of beneficiation plant at Donimalai, Karnataka.

Action Taken

Earlier NMDC had planned for setting up of 1.8 MTPA BHJ/BHQ Beneficiation Plant at Donimalai. Accordingly, Environmental Clearance (EC) was obtained vide letter no. J-11015/1512008-IA.II(M) dated 7.8.2009 from Ministry of Environment, Forests and Climate Change (MOEFCC) for the composite proposal w.r.t. production enhancement of Donimalai Iron Ore Mine from 4 MTPA to 7 MTPA and setting up of 1.2 MTPA Pellet Plant and setting up of 1.8 MTPA of BHJ/BHQ Beneficiation Plant.

Out of above proposals, the production enhancement from 4 to 7 MTPA and setting up of 1.2 MTPA Pellet Plant were completed. The Beneficiation Plant of BHJ/BHQ (1.8 MTPA) was proposed in the ML Area of Donimalai Iron Ore Mine of 608 Ha under Donimalai Reserved Forest of Sandur South Forest Range. The proposal has been submitted to Karnataka Forest Department and the same was not accepted by Karnataka State Forest Dept with the reason that BHJ/BHQ plant would change the land use and land cover of the forest land. Further, it is worthwhile to mention here that at the time of

proposal for setting up of 1.8 MTPA BHJ/BHQ beneficiation plant, BHJ/BHQ was in high demand and subsequently the products became less demand due to its low grade of iron content i.e Fe <40%. Hence the proposal seemed economically not viable. Therefore, BHJ/BHQ proposed plant was withdrawn at Donimalai.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

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

Recommendation Sl. No.8

Pending Environmental and Forest Clearances of Iron Ore Mines of SAIL

The Committee note that many iron ore mines of SAIL are facing issues relating to Environmental Clearances and Forest clearances (EC&FC) which are pending either with Ministry of Environment, Forest and Climate Change (MoEFCC) or respective State Governments. South-Central Blocks of Kiriburu-Meghahatuburu; Duargaiburu lease of Gua; and Chiria mines operating in Saranda forest division in Jharkhand falling under Management Plan for Sustainable Mining (MPSM) are awaiting FCs. Similarly, ECs with regard to Kalwar-Nagur and Pandridalli&RajharaPahar iron ore mining leases of Bhilai Steel Plant (BSP) mines are also pending. Further, Environment Clearances (EC) for extension of lease period of iron ore leases including *sub-judice* lease as per the provisions of Mineral (Mining by Government Company) Rules, 2015 are pending with the Government of Jharkhand. Besides, extension of lease period of ML-227, Lease of Barsua-Kalta mine is pending with the Odisha Government. As regards grant of Prospecting Licence (PL) for Thakurani Block-A, the grant of Stage-II FC for SAIL mines operating in Saranda forest in Jharkhand got delayed initially on account of finalisation of Management Plan for Sustainable Mining (MPSM) and finally got approved by MoEFCC in June,2018 after more than one and half years of deliberations. As per the approved MPSM, Gua and Kiriburu-Meghahatuburu mines are part of Mining Zone and FC may be granted after further deliberations at the level of State Govt. However, Chiria leases of SAIL which holds about 54% of SAIL's iron ore resource base are part of 'No Mining Zone' and shall be kept in abeyance till the MoEFCC takes a final view on the environmental sustainability of mining in the region. The Committee note that except Manoharpur Iron Ore Mine (Chiria), all mines of SAIL will be depleted during the period 2026 to 2045 and in order to bridge the gap between the iron ore production capacity and its requirement, SAIL has planned expansion in six iron ore leases of Chiria from 7 MTPA to 45 MTPA in phased manner upto 2040.

The Committee are well aware of the strategic importance of Chiria Mines which are critical for capacity expansion of SAIL. Taking note of the delays and considering the pending clearances at MOEFCC level or at the level of the State Governments, the Committee observe that it has resulted in a major deterrent for capacity expansion by

SAIL. The Committee, would therefore, advise the Ministry of Steel/SAIL to take up the pending EC and FC issues with respective State Government and MoEFCC at the highest level and keep them informed of the progress made in the matter.

Action Taken

Ministry of Steel vide D.O. letter dated 02.02.2021 has requested to MoEFCC for early finalization of the Reassessment Study Report for MPSMs modification and also to provide clarification to Jharkhand Government regarding extension of the lease period of Chiria leases.

M/o EF&CC has informed that Environmental Clearance was granted on 07.12.2020 for the project of Kalwar-Nagur Iron Ore Mine of M/s Steel Authority of India Ltd. over an area of 17 Ha of 938.059 Ha with capacity 1.0 MTPA located at village Kalwar&Nagur, Taluk Bhanupratappur, Kanker District of Chhattisgarh State.

The Environmental Clearance (EC) for proposal of Pandridalli and RajharaPahar Lease of Bhilai Steel Plant of M/s Steel Authority of India Limited (SAIL) for mining of Iron Ore with enhancement of production capacity from 2.0 MTPA to 3.5 MTPA (ROM) in the MLA of 220.42 ha, located at Iron Ore Complex (IOC) Dalli Rajhara, Tehsil Dondi Distt Balod, Chhattisgarh was considered in the Expert Appraisal Committee (EAC) in its meeting held on 28th Meeting held during February 26-27, 2018, wherein M/s SAIL has informed the Committee that they had never taken EC neither under EIA Notification, 1994 nor EIA Notification, 2006 and mine is operating since 1958. In view of above, EAC mentioned that this is a case of violation, as M/s SAIL had not taken EC under the provisions of the EIA Notification 1994/2006 and the instant proposal may be rejected and appraised as per the provisions of the violation Notification issued by the MoEF&CC vide S.O. 804 (E) dated 14th March 2017. M/s SAIL did not apply the proposal under violation. Citing the report of Regional Office, MoEFCC, issued in October 2018, wherein it was found that no violation has been done by SAIL, vide letter dated 03.04.2021 a request has been made by SAIL to MoEFCC to reconsider the pending EC proposal and grant EC.

Status of Iron Ore Mines as provided by Forest Clearance Division, M/o EF&CC is given below:-

S. No.	Name of Proposal	Status
1.	Topailore iron ore Mining Lease of Gual lease of M/s SAIL	Stage-II approval granted on 4.10.2019.
2.	Kiriburu Meghataburu Mines of M/s SAIL	Stage-I I approval for fresh area of 247.50 ha was accorded on 18.10.2010. Compliance submitted by the State on 4.02.2014 which was found incomplete detail of areas surrendered back to Forest Department, CA land, etc were not submitted Additional information was sought from the State vide letters dated 18.09.2015, 3.05.2017, 26.06.2018 and 18.03.2019. Reply is awaited from the State.
3.	Durguiburu mining Lease	Stage-II approval for 274.691 ha of broken up forest area accorded on 22.08.2014 Stage -II approval for additional area of 361.295 ha accorded on 7.12.2020.
4.	Dhilingburu-II	Stage-I granted for area of 30.43 ha on 29.01.2013. Incomplete compliance of Stage -I approval was submitted by the State Government and accordingly, complete compliance vis-à-vis Management Plan for Sustainable mining was requested from the State Government on 27.02.2019 Reply is awaited form the State Government.
5.	Stage-II Forest Clearance (FC) for diversion of 595.075 Ha of Forest land under Ajitaburu, Budhaburu, Dhobil & Sukri-Latur Mining lease of Manoharpur Iron Ore Mine (Chiria)	Stage-I approval was granted on 7.03.2011. State Government submitted the compliance report which was incomplete as detail of setting up calamity fund and surrendering of equivalent area. duly reclaimed were not complied with by the User Agency. Chiria Group of Mines of M/s SAIL is located in Saranda Forest Division of West Singhbhum District. Area contains pristingsai forests with rich biodiversity. It is part of Singhbhum Elephant Reserve and serves as an important habitat of elephants.

6.	Grant of Stage-I FC for construction of conveyor belt for evacuation of iron ore from Chiria mine.	On the meantime, MoEF&CC, based on the carrying capacity study formulated management Plan for Sustainable Mining (MPSM). As per MPSM, the Chiria group of mines, except Dhobil mine, falls into the Conservation Zone (No Mining Zone). MPSM and decision taken in the meeting held on 4.02.2019. however, mentioned that decision on mining in the Chiria Group of mines will be taken after re-assessment study. Reassessment study has been assigned to the ICFRE, Dehradun. After receipt of the recommendation of the Re-assessment Study decision on allowing mining in Conservation Zone, will be taken by the Ministry.
7.	Bolani Mine of SAIL in Odisha	Bolani Iron Ore Mines (87.09 ha) was accorded Stage-I approval on 12.09.2017. Compliance submitted and additional information sought from the State Government on 7.03.2019. Reply is awaited.
8.	Donimalai mining lease of M/s NMDC	Proposal seeking prior approval of the Central Government under the Forest (Conservation) Act 1980 has been recommended by the State government for approval of MoEF&CC on 21 st June 2021.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

Comments of the Committee

(Please see para 14 and 15 of Chapter I of the Report)

CHAPTER-V
OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF
WHICH FINAL REPLIES OF GOVERNMENT
ARE STILL AWAITED

Recommendation Sl. No.13

Beneficiation

The Committee are given to understand that with the continuous depletion of high-grade iron ore in India and the low cut off (45% Fe of Haematite) fixed by Indian Bureau of Mines (IBM), it is necessary to beneficiate low grade iron ore into commercial grade to fulfil the demand of raw material for steel making. Presently, iron ore with Fe content equal to or greater than 60% is directly fed to the steel plants without beneficiation. Only the low-grade iron ore (+45% Fe to - 60% Fe content) needs to be beneficiated. The Committee further note that beneficiation plants for iron ore with iron content (Fe) between 45-55 % are very rare in India because of poor economics and the cost of beneficiation is directly linked to power cost. However, it is required to be seen whether beneficiation of 45% ore to 60% or more would be economical or not. In view of the above and taking note of significance of beneficiation, the Ministry of Mines has been requested to frame a policy for providing incentives to the beneficiation and agglomeration industries in terms of Excise duty exemption for import of machinery, tax holidays, mineral royalty waiver, preferential policy of land allotment for setting up of beneficiation plants, concession in rail/road transport fare, power subsidy, etc. The Committee believe that process of beneficiation followed by agglomeration will not only conserve the limited high grade ore but also make it possible for optimum utilisation of the available valuables from mine/process rejects which will also reduce the burden of stacking of trails/rejects kept for disposal and avoid environmental degradation being caused on account of it. The Committee, therefore, recommend that the Ministry of Steel should pursue the matter with the Ministry of Mines for early framing of the policy for providing incentives to the beneficiation and agglomeration industries.

Action Taken

The closing stock of iron is decreasing from 145.47 MT in FY 2019-20 to 120.90 MT in FY 2020-21. Further, the closing stock of iron ore fines below 58% Fe is also decreasing from 77.05 MT in FY 2019-20 to 66.78 MT in F.Y. 2020-21.

Ministry of Steel has taken up this matter with Ministry of Mines to put in place strategy interventions to beneficiate and pelletize iron ore fines (lying at mine-head) more in future in the light of recent data of closing stock.

[Ministry of Steel O.M. No. 11013(8)/2021-Parl. dated 09.07.2021]

NEW DELHI;

04 August, 2021

13 Sravana, 1943(Saka) Standing Committee on Coal and Steel

RAKESH SINGH

Chairperson

ANNEXURE-I

**MINUTES OF THE TWELFTH SITTING OF THE STANDING COMMITTEE
ON COAL AND STEEL (2020-2021) HELD ON WEDNESDAY, THE 4TH
AUGUST, 2021 FROM 1530 HRS. TO 1630 HRS. IN HON'BLE
CHAIRPERSON'S CHAMBER, ROOM NO. '210', B-BLOCK, PHA
EXTENSION BUILDING, NEW DELHI.**

PRESENT

Shri Rakesh Singh - Chairperson

Lok Sabha

2. Shri Balubhau Dhanorkar *alias* Suresh Narayan
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Chandra Prakash Joshi
6. Shri Saumitra Khan
7. Shri S. Muniswamy
8. Shri Ajay Nishad
9. Shri Basanta Kumar Panda
10. Smt. Riti Pathak
11. Shri S.R. Parthiban
12. Shri Komati Reddy Venkat Reddy
13. Shri Chunni Lal Sahu
14. Shri Arun Sao
15. Shri Pashupati Nath Singh
16. Shri Sunil Kumar Singh
17. Shri Sushil Kumar Singh
18. Dr. Beesetti Venkata Satyavathi

Rajya Sabha

19. Shri Anil Desai
20. Dr. Vikas Mahatme
21. Shri Venkataramana Rao Mopidevi
22. Shri Ram Vichar Netam
23. Shri Prabhakar Reddy Vemireddy
24. Shri B. Lingaiah Yadav

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Arvind Sharma - Director
3. Shri Uttam Chand Bharadwaj - Additional Director
4. Smt. Geeta Parmar - Additional Director

At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee thereafter considered and adopted the following Reports without any amendments:-

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

(vi) Draft Report on Action Taken by the Government on the Observations/ Recommendations contained in the 20th Report (Seventeenth Lok Sabha) on "Development of Leased Out Iron Ore Mines and Optimum Capacity Utilization" relating to the Ministry of Steel.

2. The Committee then authorized the Chairperson to finalise the Reports and present/lay the same in both the Houses of Parliament.

3. * ** ** **

The Committee, then, adjourned.

ANNEXURE-II

(Vide Para IV of Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE TWENTIETH 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, 2, 3, 4, 5, 6, 7, 9, 10, 11, 15 and 16):	12
	Percentage of total	75%
III.	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies (<i>vide</i> Recommendation at Nos. 12 and 14):	02
	Percentage of total	12.50%
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. 8):	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. 13):	01
	Percentage of total	6.25%