

STANDING COMMITTEE ON  
COAL AND STEEL (2013-2014)  
FIFTEENTH LOK SABHA

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**MINISTRY OF STEEL**

**"REVIEW OF EXPORT OF IRON ORE POLICY"**

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



**FIFTY-THIRD REPORT**

**LOK SABHA SECRETARIAT  
NEW DELHI  
FEBRUARY, 2014/MAGHA, 1935(Saka)**

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**Presented to Lok Sabha on 18.02.2014**

**Laid in Rajya Sabha on 18.02.2014**



**LOK SABHA SECRETARIAT  
NEW DELHI  
FEBRUARY, 2014/MAGHA, 1935(Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2013-14)**

**Shri Kalyan Banerjee - Chairman**

**Name of the Member**

**Lok Sabha**

2. Shri Hansraj Gangaram Ahir
3. Shri Sanjay Bhoi
4. Shri Bansa Gopal Choudhary
5. Smt. Jyoti Dhurve
6. Shri Ganeshrao Nagorao Dudhgaonkar
7. Shri Sabbam Hari
8. Shri Vishwa Mohan Kumar
9. Shri Yashbant N.S. Laguri
10. Shri Pakauri Lal
11. Shri Babu Lal Marandi
12. Shri Govind Prasad Mishra
13. Shri Rajaram Pal
14. Kumari Saroj Pandey
15. Shri Gajendra Singh Rajukhedi
16. Shri K.R.G. Reddy
17. Shri Pashupati Nath Singh
18. Smt. Rajesh Nandini Singh
19. Shri K. Shivkumar alias J.K. Ritheesh
20. Shri Om Prakash Yadav
21. vacant

**Rajya Sabha**

22. Shri Ali Anwar Ansari
23. Dr. Pradeep Kumar Balmuchu
24. Shri Srinjoy Bose
25. Smt. Smriti Zubin Irani
26. Shri Jugul Kishore
27. Shri T. Rathinavel
28. Shri Sanjay Raut
29. Shri Dhiraj Prasad Sahu
30. Shri Nand Kumar Sai
31. Shri Dilip Kumar Tirkey

## SECRETARIAT

- |    |                    |   |                     |
|----|--------------------|---|---------------------|
| 1. | Shri Abhijit Kumar | - | Joint Secretary     |
| 2. | Shri Shiv Singh    | - | Director            |
| 3. | Shri Arvind Sharma | - | Additional Director |
| 4. | Shri Amrish Kumar  | - | Committee Officer   |

## **INTRODUCTION**

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Fifty-third Report (Fifteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Thirty-eighth Report of the Standing Committee on Coal and Steel (Fifteenth Lok Sabha) on "Review of Export of Iron Ore Policy" pertaining to the Ministry of Steel.

2. The Thirty-eighth Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 29<sup>th</sup> August, 2013. Replies of the Government to all the observations/recommendations contained in the Report were received on 27.11.2013.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 17.02.2014.

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

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;  
17 February, 2014  
28 Magha, 1935(Saka)**

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

## **REPORT**

### **CHAPTER – I**

This Report of the Standing Committee on Coal and Steel deals with Action Taken by the Government on the Observations/Recommendations contained in the Thirty-Eighth Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel on "Review of Export of Iron Ore Policy" relating to the Ministry of Steel which was presented to Lok Sabha on 29.08.2013 and laid in Rajya Sabha on 29.08.2013.

2. The Action Taken replies have been received from the Ministry of Steel in respect of all the 10 Observations/Recommendations contained in the Report on 27<sup>th</sup> November, 2013. These have been categorised as follows:-

- |       |  |                             |
|-------|--|-----------------------------|
| (i)   | Observations/Recommendations that have been accepted by the Government:<br>Sl. Nos.1 and 5   | Total – 2<br>(Chapter II)   |
| (ii)  | Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:<br>Sl. Nos. Nil                     | Total – 00<br>(Chapter III) |
| (iii) | Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:<br>Sl. Nos. 2, 3, 4, 7,8, 9 and 10 | Total – 07<br>(Chapter IV)  |
| (iv)  | Observations/Recommendations in respect of which final replies of the Government are still awaited:<br><br>Sl. No. 6                                   | Total – 01<br>(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 further Action Taken notes on the Observations/Recommendations contained in Chapter-I and final Action Taken Replies to the Recommendations contained in Chapter-V of this Report be furnished to them at an early date.**

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

#### **Recommendation Serial No.2 and 3**

5. The Committee observe that against the 28.526 billion tonnes (17.84 billion tonnes Haematite, 10.64 billion tonnes Magnetite) of iron ore resources in the country, most of the magnetite resources (about 37%) of the total iron reserves are not available for mining due to prohibition imposed by Hon'ble Supreme Court in Western Ghats and similar other sensitive environmental zones. The Committee have been further given to understand that only about 18 billion tonnes i.e. less than half of the proved reserves are economically exploitable. The Committee find that at present the production of steel in the country more or less commensurate with the demand, but at the same time, the Working Group on steel industry for the 12th Plan has projected the requirement of 206.2 million tonnes by the year 2016-17, against the total iron ore requirement from 135.7 million tonnes in 2012-13. Taking note of the fact that millions of tonnes of iron ore is still being exported and the iron ore in the country will not last more than 25 years and keeping in view the production, demand projections, compounded with annual growth rate of 7.8%, the Committee strongly recommend that there is an immediate need for reduction of export of iron ore for the purpose of serving of our steel Industries for future.

(Recommendation Serial No. 2)

6. The Committee are anguished to note that although the Planning Commission have observed that the present proven reserves of iron ore in the country may not be sufficient to meet the requirement of iron ore for the domestic iron and steel industry beyond next 25 years, 486.91 million tonnes of iron ore worth Rs. 1,85,139.91 crore were exported from the country during the 11th Plan Period. The Committee are further unhappy to note that the export of iron ore from the country was 117.37 million

tonnes and 97.66 million tonnes during 2009-10 and 2010-11 against 78.14 million tonnes during 2004-05. Although, the Committee find a declining trend in respect of export of iron ore which was reduced to 61.74 million tonnes during 2011-12 and during the first half of 2011-12, the export of iron ore was just 30.75 million tonnes. What still perturbs the Committee is the fact that more than one third (36.9%) of iron ore produced in the country was exported during 2011-12. The Committee further note that though the export duty has been hiked to 30% ad-valorem from 30.12.2011 on export of iron ore excluding pellets, 14.4 million tonnes out of a total 71.75 million tonnes iron ore produced in the country (20 percent of the production) were exported during April to September, 2012-13. In view of the huge export of iron ore from the country, the Committee disapprove the present iron ore export policy of the Government where it was decided that although conservation of iron ore resources is of the paramount importance, the same may not be achieved by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. Although, the Government have claimed that imposition of higher rate of export duty on iron ore has resulted in an effective measure to discourage iron ore export from the country, the Committee feel that this will not help for long term conservation of iron ore as required by steel industries in the country. The Committee therefore, strongly recommend that the Government should take appropriate measures either by further increasing the export duty beyond 30% or gradually reducing the export of iron ore to ensure that this scarcely available national asset is reserved for the growth of the country. If possible, the Committee recommend total banning of export of iron ore for the purpose of saving steel industries in future.

(Recommendation Serial No. 3)

7. The Ministry of Steel in their action taken reply to the above two recommendations have informed the Committee as follows:-

"Ministry of Steel is not in favour of banning export of iron ore. However, custom duty on export of iron ore has been increased to 30% to discourage export of iron ore and encourage domestic value addition and improve its availability to the domestic steel industry".

#### **NMDC Limited (NMDC)**

As informed by Department of Commerce requirement of iron ore for the domestic steel industry is a priority and should be met first. Only the surplus, if any, may be exported.

Further as informed by Department of Commerce increase in export duty needs to be seen in a macro context. The present export duty at 30% ad valorem is already a high rate. Any further increase affecting exports will also have adverse impact on the current account deficit. Further, the use of 'ban' as an instrument of trade policy is not WTO compatible. Article XI of GATT states that no prohibition or restriction other than duties, taxes or other charges shall be instituted or maintained in relation to the exportation of goods."

**8. The Committee do not concur with the view of the Ministry of Steel for not totally banning the export of iron ore. Though, the Ministry of Steel in the action taken reply have submitted that custom duty on export of iron ore has been increased to 30% to discourage export of iron and encourage domestic value addition, the Committee are dismayed to note the reply of the Ministry of Commerce that only the surplus, if any, is being exported. The Committee are of the firm view that the endeavour of the Ministry should be for utilizing the surplus iron ore, if any, for future instead of exporting it. The Committee, therefore, desire that the Ministry of Steel should take adequate steps to get the additional capacity installed for finished steel in the next 3 years so that surplus iron ore available is consumed by the domestic industries. The Government cannot ignore future demand of domestic industries.**

#### **Recommendation Serial No. 4**

9. The Ministry of Steel have apprised the Committee that Haematite and Magnetite were the two main varieties of iron ore. As per Indian Bureau of Mines (IBM), major resources of Haematite are located in the States of Odisha, Jharkhand, Chhattisgarh, Karnataka and Goa. The balance resources of Haematite were spread in Andhra Pradesh, Assam, Bihar, Maharashtra, Madhya Pradesh, Meghalaya, Rajasthan and Uttar Pradesh. India's 97% Magnetite resources are located in four States, namely, Karnataka, Andhra Pradesh, Rajasthan and Tamil Nadu. The Committee felt that exploration of ore with modern technology would further improve the qualitative availability of iron ore in the country. The Committee therefore, recommended that Ministry of Steel should prepare a time bound action plan for detailed exploration of untapped potential sources of iron ore for mining to enhance production. The encouragement for introducing state-of-art technology and scientific approach in the existing iron ore mines for enhancing the production was essentially required and therefore, the Committee strongly felt that funds may be

allocated towards expansion and exploration of new iron ore mines in this regard.

10. The Ministry of Steel in their action taken reply have furnished as follows:-

"Haematite and magnetite are the two important iron ores from which iron is extracted. Of these, haematite is considered to be superior owing to its high grade. Commercial deposits of hematite are mostly of bedded type confined to banded iron formation. Magnetite the other iron ore mineral is confined to metamorphosed sedimentary rock (banded iron formation) although magnetite occurs in igneous rocks also.

Total resources potentiality of hematite – magnetite iron ore is yet to be known in the country. Previously the resource and reserves were calculated based on 55% Fe as cut- off to produce mineable ore. After lowering of threshold value of iron ore by Indian Bureau of Mines (IBM), in lease free, non forest areas assessment of low grade iron ore (+45%Fe) is being undertaken by GSI to augment the iron ore resources. Evaluation of future exploration programmes on low grade iron ore in free hold areas for both fresh as well as reassessment has been initiated after assessing the data from the available mineral investigation reports and other relevant documents.

In the leasehold area, the job must rest with the lessee. IBM has to monitor and take active role in the leasehold area for proper inventory of iron ore. The areas where exploration was carried out earlier and the deposits are kept for stand alone or captive mining, exploration data have to be examined by the State Government. Once the leases are granted for those areas the lessee must do total assessment of the property considering Fe cut off both at 45% and 55%. If there is future plan of auctioning those deposits, the state Governments may consider for carrying out exploration in totality for proper valuation of the property.

#### **Status of exploration within identified potential domains**

The assessment of potential area for iron ore exploration indicates that the total potential area for iron ore in different geological domains so far evaluated in the country is around 7000 sq km. Out of the potential areas of 7000sq km, the area explored is around 5900 sq. km. As per the available information so far received the lease hold areas within the explored area is around 890 sq km. Therefore the explored free hold areas is around 5000 sq km and

the total unexplored areas is around 1100 sq km. Therefore the potential explored area warranting reassessment is around 4000 sq km.

### **New prospective areas for iron ore exploration**

Although economically viable deposits exist in different geological setups, bulk of the country's ore supplies are from deposits of BIF derivation (BHQ/BHJ/BMQ). GSI has initiated a new look in the green field areas to identify new potential areas for iron ore occurrence both in BIF derived ores and also in other non BIF hosted setup. An area of around 5000 sq km has been tentatively identified for reconnaissance stage investigation (G-4 stage) to narrow down the target areas for future intensified mineral search through progressive higher stages of investigation.

### **Strategy for iron ore exploration**

#### **Iron ore exploration in Greenfield area within already identified potential domain.**

On the basis of evaluation of time schedule vis-à-vis field components in mineral investigations carried out by GSI under different stages of investigation, a tentative time frame can be outlined for future exploration in the unexplored area within the already identified potential areas. The evaluation of exploration data indicates that roughly 2-3% of the potential area comes out to be the actual mineralized zone.

#### **Iron ore exploration in new identified Greenfield areas**

Reconnaissance stage investigation (G-4 stage investigation) for an area of 5000 sq km is being planned in newly identified Greenfield areas in designated belts. The aim of this reconnaissance investigation is to identify and narrow down the target areas for future intensified mineral search through delineating favourable segments of areas for iron ore mineralization within the Greenfield areas.

The fixation of quantum of work will be guided by geological set up of the particular areas and exposure conditions. A rough estimate of the Greenfield areas identified for reconnaissance investigation indicates that nearly 4000 sq km lies in peninsular portion and roughly 1000 sq km is within extra peninsular region. With the available resources this identified area covering around 5000 Sq. K.M would be covered through Central Government level investigation within the span of the 13<sup>th</sup> Plan.

### **Re-assessment in the Explored areas in peninsular India**

GSI is formulating scheme of reassessment of iron ore, due to the lowering of threshold values to 45% Fe, in the explored areas through fresh resource estimation of the entire spectrum of mineralized zones including low grade portions at lower cut off which normally occurs within the profile of the mineralized zone in the following modes:

- (i) Low grade partings within the high grade ore (Shaly Ore).
- (ii) In hanging wall and footwall side of the ore zone or as separate bands.
- (iii) On top of lateritic profile( Lateritic and limonitic ore)
- (iv) As bottom of established ore within zone of enrichment above proto ore.

GSI has tentatively identified the group of hematite deposits in different iron ore belts of the country where reassessment of resource potential at lower cut off is required.

### **Tentative time frame for accomplishment of work**

A preliminary assessment of the requirement of drilling in explored areas indicates that it will tentatively involve a drilling of 65,000 meters with average of 120 meters per borehole. Therefore, 540 nos. of boreholes are tentatively to be drilled in the explored areas. It is estimated that with the available resources the reconnaissance survey for iron ore may be completed by the 13<sup>th</sup> Plan.

The Working Group on Steel Industry for the 12<sup>th</sup> Five Year Plan, in addition to the on going R&D Scheme 'Promotion of Research & Development in Iron & Steel Sector', had recommended the interest subsidy scheme 'Promotion of Beneficiation & Agglomeration of low grade iron ore & ore fines' with an estimated budget of Rs. 2417 crore for the 12<sup>th</sup> Five Year Plan period. However, Planning Commission allocated only Rs. 200 crore to Ministry of Steel for the 12<sup>th</sup> Five Year Plan. Due to the insufficient allocation, the aforesaid interest subsidy scheme could not be taken up. It is also pertinent to state that the interest subsidy scheme was not on R&D but for promoting capacity building for Beneficiation & Agglomeration of low grade iron ore & ore fines.

However, the recommendation/ observation of the Committee have been taken up with the planning Commission with a request to

allocate sufficient funds to run the aforesaid interest subsidy scheme.

It is however, informed that Government has been pursuing R&D on Beneficiation & Agglomeration of low grade iron ore & ore fines under the on-going scheme of 'Promotion of Research & Development in Iron & Steel Sector'. In fact, the main emphasis on R&D under the aforesaid scheme in the 11<sup>th</sup> Five Year plan was Beneficiation & Agglomeration & Ind the Scheme has been continued in the 12<sup>th</sup> Five Year Plan Period.

The following R&D projects are being pursued under the aforesaid scheme:-

- Improvement in sinter productivity through deep beneficiation and agglomeration technologies for rational utilization of low grade iron ores and fines by National Metallurgical Laboratory (CSIR-NML) Jamshedpur.
- Alternate complementary Route of Iron/Steel making with reference to Indian raw material viz. low grade iron ore and non coking coal (adopting beneficiation of low grade ore) by National Metallurgical Laboratory (CSIRNML) Jamshedpur.
- Beneficiation of Iron Ore slimes from Barsua and other mines in India by Research & Development Centre for Iron & Steel (RDCIS), SAIL, Ranchi.
- Development of pilot scale pelletization technology for Indian Goethitic/ hematite ore with varying degree of fineness by Research & Development Centre for Iron & Steel (RDCIS), SAIL, Ranchi.

In addition to the above one more R&D project viz. 'Quality Improvement of Low Grade Iron Ore' is being pursued by RDCIS, SAIL, Ranchi, with financial assistance from Steel Development Fund.

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

About 97% magnetite resources are located in four states of Andhra Pradesh, Rajasthan, Karnataka and Tamilnadu. Out of which, major magnetite resources are in the Western Ghat area that could not be exploited due to environmental concern. Considering the importance of natural resources as well as of environment preservation together, feasibility of underground mining may be explored at Western Ghat area. However processing of mined out iron ore from Western Ghat may be carried out outside the forest area.

In the year 2012-13, SAIL mines have produced about 21.48 million tonnes of iron ore for its steel plants. To meet the enhanced requirement of iron ore for ongoing capacity expansion, the production capacity of existing mines at Gua, Bolani, Kiriburu,

Meghahatuburu are being expanded to their maximum potential. As a result, iron ore production capacity of SAIL mines will be enhanced to about 40 Mtpa in the next 2 years time which will take care of the iron ore requirement for ongoing hot metal capacity expansion to 23.46 Mtpa. Further new mines are planned to be developed at Rowghat, Chiria and Taldih.

SAIL is now ramping up hot metal capacity to approx 24 million tonnes per annum (Mtpa), & plans to embark on the next phase of expansion to raise it further to about 50 Mtpa by 2025. In order to meet enhanced requirement of iron ore of about 83 Mtpa by 2025 and beyond, new iron ore mines have to be developed as the reserve in existing operating iron ore mines may get depleted in due course of time. For this, SAIL has submitted PL/ML applications to the State Govt. of Jharkhand, Odisha, Chhattisgarh, Rajasthan, Karnataka, Tamilnadu, Uttar Pradesh and Maharashtra. The matter is being constantly pursued with the respective State Governments.

In order to further enhance resources of iron ore in the area where forest clearances were available, the drilling of about 30,000 meters in last 5 years has been carried out in SAIL mines. During 2013-14, there is further plan of exploratory drilling of about 12,000 meters by Mineral Exploration Corporation Limited (MECL) in SAIL iron ore mines.

Most of SAIL iron mines are in the area of reserves forest where presently forest clearances are not available and exploratory drilling for resource enhancement could not be taken up. Therefore attempt is being taken up to explore these areas through Geomagnetic/Geophysical surveys.

### **NMDC Limited (NMDC)**

With respect to NMDC, the Company has already planned expansion of its iron ore mining capacity from the existing 32 million Tonne per year to 46.5 MT per year by end of twelfth five year plan (2016-17) and 52.5. MT by the year 2010-21.

### **Mineral Exploration Corporation Limited**

Mineral Exploration Corporation Ltd is a public sector undertaking functioning under Ministry of Mines. MECL, with its well developed infrastructure and expertise, is committed to execute cost and time effective comprehensive programme(s) from reconnaissance survey to detailed exploration of minerals and developmental mining projects on a turn key basis.



At present, Mineral Exploration Corporation Limited is carrying out detailed exploration work for iron ore as per the details given below:

- (i) MECL has entered into MoU with M/s. Steel Authority of India Ltd (SAIL), to carry out detailed exploration of new iron ore deposits as well as in existing mines including geological services and preparation of geological report. The exploratory drilling activities includes core drilling and RC drilling in different mine areas of SAIL (Bhilai Steel Plant & Raw Material Division). The period of MoU is upto February 2015.
- (ii) MECL has also entered into MoU recently with Rashtriya Ispat Nigam Ltd (RINL) for a period of 5 years, to carry out detailed exploration for iron ore, limestone and other minerals. Under this MoU, MECL proposes to take up exploration work for various iron ore prospects allocated to RINL in different parts of the country.

MECL is further enhancing its capacity in iron ore exploration by procuring one RC drilling rig and accordingly MECL fully equipped to take up detailed exploration for new iron ore prospects in the country in addition to above, depending on the availability of work."

**11. The Committee had earlier recommended that the encouragement for introducing state-of-art technology and scientific approach in the existing iron ore mines for enhancing the production was essentially required and therefore, the funds may be allocated towards expansion and exploration of new iron ore mines in this regard. Although, the Ministry of Steel in their action taken reply have submitted details about status of exploration within identified potential domains, new prospective areas for iron ore exploration, strategy for iron ore exploration including exploration in Greenfield area within already identified potential domain, iron ore exploration in new identified Greenland areas, re-assessment in the explored areas in peninsular India and the tentative time frame for accomplishment of work, the reply of the Ministry is silent on details of funds allocated towards research and development work for expansion and exploration of iron ore mines. The Committee therefore, would like the Ministry of Steel to furnish the details of various schemes taken up for the**

**development and exploration of iron ore mines for enhancing iron ore production with details of funds allocated/spent under these heads during the last five years. The Committee also desire that an action plan be prepared for the next five years for research and development activities in this regard and they be apprised of the same.**

### **Recommendation Serial No. 7 and 8**

#### **Recommendation Serial No. 7**

12. The Committee note that a large quantity of iron ore, mainly fines, are being exported from the country on the plea that the country does not have adequate facilities for use of fines and therefore, these fines have to be exported for economic and environmental reasons. The Committee find that to encourage optimum utilization of iron ore resources of the country and to improve domestic utilization of low grade iron ore and fines through beneficiation and pelletization, import duty on plants and equipments used for initial setting up and substantial expansion of beneficiation and pelletization plants has been reduced from 7.5% to 2.5% in the General Budget for year 2012-13. Besides, export duty on pellets has been reduced to zero. Though, appreciating the Ministry of Steel for this prudent measure of reducing import duty on plants and equipments used for initial setting up and substantial expansion of beneficiation and pelletization plants, the committee do not concur with the decision of the Government to reduce export duty on pellets to zero. The Committee are of the opinion that imposition of higher export duty on iron ore fines and non-exemption from export duty to pellets will give an impetus to setting up of pelletization plants in the country by the stand alone miners. Setting up of more pelletization plants will also generate employment opportunities and will also generate more revenue in terms of value added products. The Committee have been informed that Pelletization capacity increased from about 18 MT in 2006 to about 48 MT in 2012 and Sintering Capacity increased from about 30 MT in 2006 to about 57 MT in 2012. Also, Pelletization and Sintering capacities are expected to go up to 84 Mt and 86 MT respectively by 2015. In the context of pelletisation capacity, the Committee desire that a

comprehensive study on the impact of the free export of pellets should be carried out by the Ministry of Steel, and the Committee would also like to be apprised of the facts and progress in this regard. At the same time, taking note of the present pelletisation capacity in the country which is highly inadequate, the Committee would like the Ministry to take immediate steps to create sophisticated iron ore beneficiation facility followed by pelletisation so that lower quality of iron ore produced in the country is fully utilized by domestic steel plants.

### **Recommendation Serial No. 8**

13. Till recent past, the domestic steel industry was mainly using higher grades of iron ore due to their easy availability. As per a study done by Economic Research Unit under Ministry of Steel during 2007 on 'Iron ore fines utilization in India', there will be rapid demand of iron ore fines by domestic steel industry as the technology matrix of the various capacity expansion plans and new steel plants is heavily biased towards technologies using agglomerated fines. The Committee has taken note that as per this study, the share of fines in steel making in country is further likely to increase from 52.2% during 2005-06 to an estimated about 72% by 2019-20. Taking note of the rapid depletion of high grade iron ore reserves in the country, the Committee feel that steel industry should come up with an investment plan in beneficiation and agglomeration (sintering and pelletization) facilities for utilizing low grade iron ore fines also. The Committee, therefore recommend that the Government should come with a policy measure to ensure that all the upcoming new steel plants and expansion of existing steel plants should be based on technologies, which can utilize iron ore fines and desire that 100% utilization of iron ore fines be achieved by the end of 12th plan period.

14. The Ministry of Steel in their action taken reply to the above two recommendations have informed the Committee as follows:-

The iron ore beneficiation / pelletisation capacity is increasing as per the demand of the steel sector and cost competitiveness associated with it. Steel is a deregulated sector and decisions regarding setting up

new facilities for pelletisation / ore beneficiation are taken by the project proponents. Government has already incentivized these activities by taking appropriate fiscal measures like rebate in import duty on plant / machinery.

In the case of a deregulated sector like steel, the Government plays the role of a facilitator and commercial decisions regarding use of a particular technology etc. are taken by the industry and the entrepreneurs concerned. However, to facilitate setting up of pelletisation plants in the country, the Government has reduced the Basic Custom Duty on capital goods equipment required for initially setting up or substantial expansion of iron ore pellet plants and iron ore beneficiation plants, from 7.5% to 2.5% since 2012-13. There are technological limitations also and development of suitable technology may not be given a time limit. However, Government, recognizing the importance of the issue, would facilitate development of such technologies as a matter of policy.

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

From mineral conservation point of view it is essential to plan for utilization of total resource including the low grade ore by blending, beneficiation and agglomeration techniques. While SAIL has extensive facilities for blending and agglomerations (sintering) at its plants, efforts are being made for mineral conservation by utilizing iron ore slimes (generated after washing/processing and lying in tailing ponds) and low grade fines through large scale beneficiation and pelletisation at various locations. Process has already been initiated for installation of 4 MTPA capacity pellet plant at Gua, 2 MTPA at Rourkela Steel Plant (RSP) and 1 MTPA at Dalli mine. This would also improve the quality of burden to blast furnaces.

After ongoing capacity expansion programme, the sinter capacity in the SAIL Steel plants would increase from present level of about 17 Mtpa to 30 Mtpa by 2015-16. Under this expansion, new sinter plants of 3.80 Mtpa capacity each at RSP and ISP are already commissioned.

In SAIL for steel making, BF/BOF route is in place which utilizes iron ore in form of lump and agglomerated fines in form of sinter which constitutes 70 % of BF burden. With installation of large size Blast Furnaces (4060m<sup>3</sup> commissioned at RSP & another coming soon at ISP) with the state of the facilities in future the need for agglomerated burden (sinter + pellet) will further increase up to the level of 80%. With these SAIL is aiming for utilization of 100 % fines.

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

RINL has been using Sintering Technology which can utilize iron ore fines, since inception. RINL- had installed two Sinter Machines under 3Mtpa Plant to produce about 5.3 Mt of sinter using iron ore fines. RINL-VSP has been utilizing nearly 70% of iron ore fines in its charge sinter since inception.

New Sinter Plant (SP#3) with capacity of 3.61Mt has been commissioned under 6.3 Mtpa expansion programme. This will further enhance the usage of iron ore fines.

As a further step in this direction, RINL along with NMDC has undertaken to set up a Pelletisation plant of capacity of around 6 Mtpa in Visakhapatnam. The input material would be iron ore concentrate prepared by NMDC using iron ore fines at their mine-head in Bailadilla. It is also planned, as part of JV, to lay a pipe line of capacity 13 Mtpa to carry iron ore slurry from Nagarnar to Visakhapatnam.

### **NMDC Limited (NMDC)**

With respect to NMDC, the Company is setting up two pellet plants and both are being set up by using Pellet Plant Feed (PPF) produced from low grade iron ore by beneficiating them at respective beneficiation plants also being set-up by NMDC.

Subsequently in a note **(Annexure-I)** furnished to the Committee, CMD, KIOCL Ltd. has opposed the recent hike in Export Duty on pellets by the Government.

**15. Taking note of the rapid depletion of high grade iron ore reserves in the country, the Committee had earlier recommended that the Government should come up with a policy measure to ensure that all the upcoming new steel plants and expansion of the existing steel plants should be based on technologies aiming at creating sophisticated iron ore beneficiation facilities followed by pelletisation so that the lower quality iron ore produced in the country is fully utilized by domestic steel industry. The Ministry in their action taken reply have stated that from mineral conservation point of view, Steel Authority of India, Rashtriya Ispat Nigam Limited and National Mineral Development Corporation have extensive facilities for utilization of lower grade ore by blending, beneficiation, agglomeration, and pelletisation technique. The Ministry have further stated that steel being a deregulated sector, decisions regarding setting up new facilities for pelletisation/ore beneficiation are taken by the project proponents. However, Government recognizing the importance of the issue would facilitate development of such technologies as a matter of policy. The Committee strongly feel that such**

technologies for using lower grade iron ore should not only be used by the steel PSUs, the private steel makers should also use the technology as a matter of policy in order to increase mineral inventory in the country. The Committee recommend the Ministry to discuss this important issue with private sector producers and come out with a policy in this regard.

16. The Committee note that although they had appreciated the Government who have taken steps to improve domestic utilization of low grade iron ore and fines through beneficiation and pelletization, reducing import duty on plants and equipments used for initial setting up and substantial expansion of beneficiation and pelletization plants from 7.5% to 2.5% in the General Budget for year 2012-13 and reducing the export duty on pellets to zero, the Government *vide* their notification No. 3/2014 dated 27.01.2014 have levied 5% export duty on iron ore pellets. The Committee are thus perturbed to note that though the Ministry of Steel in their Action Take Reply furnished to the Committee on 27<sup>th</sup> November, 2013 has informed that they have reduced the Basic Custom Duty on capital goods equipment required for initially setting up or substantial expansion of iron ore pellet plants and iron ore beneficiation plants, from 7.5% to 2.5% since 2012-13 and export duty for pellets has been reduced to zero, the same has now been reported to be increased to 5% by the Government. Since the Action Taken Reply of the Government is silent on any proposed increase in export duty, the Committee are unable to understand the rationale behind increasing the same after submitting Action Taken reply to them. In view of a memorandum dated 05 February, 2014, received by the Committee from KIOCL Ltd., a Government of India Enterprise, the Committee feel that the decision may

adversely affect the pellet industry particularly KOICL Ltd., a Steel Ministry PSU exclusively dealing with export of pellets by using low grade iron ore and already facing serious challenges from increased railway freight, high royalty rates and lack of domestic demand for pellets, etc. The Committee, therefore, reiterate their earlier recommendation and desire the Ministry to take immediate steps to create sophisticated iron ore beneficiation facility followed by pelletisation so that lower quality of iron ore produced in the country is fully utilized by domestic steel plants. The Committee would also like the Government that till technological up-gradation are made in domestic steel plants so that they could fully consume the domestically produced pellets, the Government should continue with the earlier policy of zero percent export duty on pellets so that huge investment made in the pellet industry do not become non-productive assets and thousands of people do not lose their livelihood due to gradually close down of the pellet industry with additional financial burden of increased export duty. *It is always desirable that Government should proceed on the basis of their promise since in view of such promise large number of industries has made huge investments and the Government should not back out from their promise.* **The Committee, therefore, recommend that Ministry of Steel should immediately take up the matter with Ministry of Finance at the appropriate level and apprise them of the action taken in the matter.**

#### **Recommendation Serial No.9 and 10**

##### **Recommendation Serial No.9**

17. The Committee have been informed that iron ore export of NMDC's was being done through MMTC as per decision taken by the Union Cabinet from time to time and last such long term contract was signed in 2012-13 for a period of 3 years i.e. till 2014-15. Though Ministry of Steel have

apprised the Committee that NMDC exports a very small percentage of the total exports of the country and the quantum of export had decreased from 3.78 MT in 2007-08 to 0.39 MT during 2011-12, the Committee were not in agreement with the views of the Ministry and desire that NMDC's iron export contract be reviewed immediately so as to make the availability of iron ore for the domestic industry in required quantity.

18. The Ministry of Steel in their action taken reply have furnished as follows:-

**NMDC Limited (NMDC)**

"With respect to NMDC, the Company has entered into long-term agreement with Japanese Steel Mills (JSMs) & POSCO, South Korea during 2012-13 for a validity period of 3 years (i.e. upto 2014-15) in accordance with the decision of Union Cabinet."

**Recommendation Serial No. 10**

19. The Committee note that iron ore, a non-renewable and critical raw material for steel industry is poised for huge capacity expansion and according to the Ministry of Steel, policy measures are needed to conserve this resource for long term requirement of domestic steel industry. The Committee are however, concerned to note that as per the present foreign trade policy regarding export of iron ore, iron ore upto 64% Fe content is freely allowed. Further, export of iron ore of Goa origin is freely allowed to China, Europe, Japan, South Korea and Taiwan (irrespective of Fe content) and export of iron ore from Redi region to all markets (irrespective of Fe content) is also freely allowed. As regards export of iron ore with Fe content above 64%, the Committee find that these exports were canalized through MMTC and high grade iron ore not exceeding 1.8 million tonnes(lumps) and 2.7 million tonnes (fines) from Bailadila, Chhattisgarh is allowed to be exported. In view of the free trade of iron ore upto 64% Fe content and even export of higher grade of iron ore, the Committee recommend that the Government should take immediate necessary policy measures not only to ban the export of iron ore reserves of higher grade but also those upto 64% Fe content which are presently freely allowed. In view of the limited beneficiation agglomeration facilities in the country, the Committee feel that the high



grade iron ore with Fe content more than 64% from Bailadila, Chhattisgarh which can be used by the existing steel plants should not be permitted for export and be made available to meet the requirement of domestic steel industry.

20. The Ministry of Steel in their action taken reply have furnished as follows:-

Export of high grade ore is permitted only for export by MMTC / NMDC to Japan and South Korea under Long Term Agreements (LTAs) which have been in existence since 1970. Presently, the LTAs have been renewed for the period from 01-04-2012 to 31-03-2015 with the approval of the Cabinet in view of our long-term strategic relationship with these countries.

Total ban over export of iron ore is not considered to be the only way to discourage export of iron ore and to improve availability of iron ore for domestic consumers. Government has been, on the recommendations of Ministry of Steel, increasing export duty on iron ore and at present it is at 30%.

**NMDC Limited (NMDC)**

As informed by Department of Commerce Export of high grade ore is permitted only for export by MMTC/NMDC to Japan and South Korea under Long Term Agreements (LTAs) which have been in existence since 1970. Presently, the LTAs have been renewed for the period from 1.4.2012 to 31.3.2015 with the approval of the Cabinet in view of our long-term strategic relationship with these countries.

**21. The Committee had earlier recommended that NMDC's iron ore export contract needed to be reviewed immediately so as to make the availability of iron ore for the domestic industry. The reply of the Ministry of Steel submitted to the Committee is unsatisfactory and ambiguous as no mention has been made about the review of NMDC's export contract by the Government. The Committee while reiterating their earlier recommendation desire that the matter need to be placed before the Cabinet and no further extension for export of iron ore from the Country be given.**

**22. As regards the export of high grade of iron ore being permitted to export by MMTC/NMDC to Japan and South Korea under Long Term Agreements (LTAS) which have been in existence since 1970 and free trade of iron ore upto 64% Fe content, the Committee had recommended that the Government should review the same as the iron ore reserves in the country have depleted and may last only for the next 25 years. The Committee, therefore, reiterate that capacity addition for finished steel goods be generated and only finished steel goods should be exported as it would help in generating more employment in the country.**

## **CHAPTER –II**

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

#### **Recommendation Serial No.1.**

The existence of strong steel industry is crucial to the development of any modern economy. The growth of steel industry largely depends on the availability of critical raw materials in required quantity and quality. Therefore, as managers of raw materials, it is the responsibility of the Ministry of Steel to ensure the availability of inputs in required quantity as well as quality at least for a period of fifty years. The aim of steel policy should, therefore, be directed towards production of iron ore not only from the existing mines with innovative mining technologies but also exploration from untapped sources.

#### **Action Taken**

The New National Policy is in draft stage and the policy would recommend for exploring the use of new technologies for mining and beneficiating low quality iron ore. As far as new prospective areas for iron ore exploration is concerned, it may be stated that although economically viable deposits exist in different geological setups, bulk of the country's ore supplies are from deposits of BIF derivation (BHQ/BHJ/BMQ). Geological Survey of India (GSI) has initiated a new look in the green field areas to identify new potential areas for iron ore occurrence both in BIF derived ores and also in other non BIF hosted set up. An area of around 5000 sq km has been tentatively identified for reconnaissance stage investigation (G-4 stage) to narrow down the target areas for future intensified mineral search through progressive higher stages of investigation.

**[Ministry of Steel O.M. No.11014(14)/2012 dated 27.11.2013]**

#### **Recommendation Serial No.5.**

The Committee note that the Scheme 'Promotion of Research & Development in Iron and Steel Sector' has been continued in 12th Plan with an allocation of Rs. 200 crore by the Planning Commission. The Committee also note that the scheme on 'Promotion of beneficiation & agglomeration of low grade iron ore and ore fines' is proposed to be implemented during 12th Five Year Plan. The Committee are, however, dismayed to note that during 2013-14 (BE), the fund allocation for Scheme for Promotion of Research and Development in Iron and Steel sector on on-going R&D projects was Rs. 12 Crore and for Development of innovative iron/steel making process/technology, it is Rs. 2 crores only.

What further perturbed the Committee is that for Scheme for promotion of beneficiation and agglomeration of low grade iron ore and ore fines, the allocation was nil. The Committee are not only surprised but also unable to comprehend the rationale behind not pursuing these much needed R&D schemes which will help in utilization of lower grade iron ore available in the country. As the funds so earmarked for such schemes forms only a minuscule of the huge overall budget of PSUs under administrative control of Ministry of Steel, the Committee are deeply anguished by the neglect of these important R&D projects by the Ministry and allocation of negligible funds for the innovative schemes. The Committee, therefore, strongly recommend that Ministry of Steel should take necessary steps to ensure allocation of sufficient funds towards research and development, innovation, technological advancement and promotion of pelletisation technology in the country. The Committee would like to be apprised of the measures taken by the Ministry in this regard.

### **Action Taken**

For allocation of sufficient funds towards research and development, innovation, technological advancement and promotion of pelletisation technology in the country are given under reply to point No. 4.

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

1. For low grade iron ores/rejects utilisation, RDCIS, SAIL is pursuing one project titled "Beneficiation of iron ore slimes from Barsua mines", partly funded by Government Budgetary Support (GBS) of Ministry of Steel. The project aims to recover valuable iron minerals from the slimes/rejects of processing plant and reject slime with <45%Fe as per IBM guidelines. The capital cost envisaged in this project was Rs. 20.32 crores out of total project cost of Rs. 27.694 crores. After intense beneficiation test work carried out at national laboratories and at RDCIS, the process route is frozen. The capital cost for implementation of the scheme comes to around Rs. 55.57 crores. Additional fund is requested for achieving final objectives of the project.

2. For agglomeration of the iron ore fines concentrate, obtained by beneficiating the low grade iron ore, another project is being pursued by RDCIS, NML, IMMT & IIT, KGP through different approach. The project titled "Development of pilot scale pelletisation technology for Indian Goethitic / hematite ore with varying degree of fineness" aims to develop a process / optimise the variable parameters for producing heat hardened quality pellet for effective use in iron making. This project is also partly supported by Ministry of Steel through Government Budgetary Support (GBS) scheme. The total project cost envisaged is Rs. 41.8877 crores, out of which the capital cost is Rs.29.99 crore.

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

RINL has given thrust on R&D and spent 53% higher during 2012-13 over 2011-12. Expenditure by RINL on R&D is shown below:-

	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14 (Plan)</b>
<b>Expenditure(in Crores)</b>	20.29	31.13	50

RINL has finalized plan for major Research & Development with significantly higher spends during the next 4 years.

RINL does not have captive iron ore mines, but has been using the technology of Sinter Making, which is an agglomeration process to utilize iron ore fines, fluxes and metallurgical waste, at its integrated steel making facility at Visakhapatnam since inception.

RINL is also investing more in R&D by taking up projects in collaboration with different research institutes for better utilization of raw materials available within the country as given below:-

- **Preparation of metallised nuggets using Iron ore fines & metallurgical wastes** - Jadavpur University-Kolkata
- **Briquetting of Solid Metallurgical Wastes of RINL** - IMMT, Bhubaneswar
- **Development of value added ceramic products utilising solid wastes generated** - Central Glass & Ceramic Research Institute – Kolkata
- **Sintering with high micro fines content in iron ore-** IMMT, Bhubaneswar
- **Utilization of BF slag as a partial replacement for foundry silica sand** - Andhra University – Visakhapatnam

RINL has also taken up several R&D projects in the area of Development of Innovative Iron / Steel making process / Technology in collaboration with different research institutes of National repute like;

**Lance tip design for optimal performance of BOF** - Indian Institute of Technology, Kanpur. **Indigenous Development of Cold Rolled Grain Oriented (CRGO) Steel Sheets** - Participation along with MoS, National Metallurgical Laboratory (CSIR- NML), Jamshedpur and Tata Steel, Jamshedpur (estimated project cost would be Rs. 500 Cr). Planning commission has since accorded the in-principle approval, now

memorandum for the Expenditure Finance Committee (EFC) is being formulated for Government approval.

Additionally, RINL is working with IMMT, Bhubaneswar on "Development of Futuristic Technology for carbon free production using alternate reductants like hydrogen with minimum or no CO<sub>2</sub> emission" funded by Ministry.

Memorandum of Understanding has been signed by RINL with McMaster University's Faculty of Engineering, Canada concerning the development of International Research and Development linkages.

**NMDC Limited (NMDC)**

With respect to NMDC, the Company has already decided to set up 2 pellet plants one in the state of Karnataka (1.2 MT/Annum) and another in the state of Chhattisgarh (2MT/annum).

**[Ministry of Steel O.M. No.11014(14)/2012 dated 27.11.2013]**

### **CHAPTER – III**

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

-NIL-

## **CHAPTER – IV**

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

#### **Recommendation Serial No.2.**

The Committee observe that against the 28.526 billion tonnes (17.84 billion tonnes Haematite, 10.64 billion tonnes Magnetite) of iron ore resources in the country, most of the magnetite resources (about 37%) of the total iron reserves are not available for mining due to prohibition imposed by Hon'ble Supreme Court in Western Ghats and similar other sensitive environmental zones. The Committee have been further given to understand that only about 18 billion tonnes i.e. less than half of the proved reserves are economically exploitable. The Committee find that at present the production of steel in the country more or less commensurate with the demand, but at the same time, the Working Group on steel industry for the 12th Plan has projected the requirement of 206.2 million tonnes by the year 2016-17, against the total iron ore requirement from 135.7 million tonnes in 2012-13. Taking note of the fact that millions of tonnes of iron ore is still being exported and the iron ore in the country will not last more than 25 years and keeping in view the production, demand projections, compounded with annual growth rate of 7.8%, the Committee strongly recommend that there is an immediate need for reduction of export of iron ore for the purpose of serving of our steel Industries for future.

#### **Recommendation Serial No.3.**

The Committee are anguished to note that although the Planning Commission have observed that the present proven reserves of iron ore in the country may not be sufficient to meet the requirement of iron ore for the domestic iron and steel industry beyond next 25 years, 486.91 million tonnes of iron ore worth Rs. 1,85,139.91 crore were exported from the country during the 11th Plan Period. The Committee are further unhappy to note that the export of iron ore from the country was 117.37 million tonnes and 97.66 million tonnes during 2009-10 and 2010-11 against 78.14 million tonnes during 2004-05. Although, the Committee find a declining trend in respect of export of iron ore which was reduced to 61.74 million tonnes during 2011-12 and during the first half of 2011-12, the export of iron ore was just 30.75 million tonnes. What still perturbs the Committee is the fact that more than one third (36.9%) of iron ore produced in the country was exported during 2011-12. The Committee further note that though the export duty has been hiked to 30% ad-valorem from 30.12.2011 on export of iron ore excluding pellets, 14.4



million tonnes out of a total 71.75 million tonnes iron ore produced in the country (20 percent of the production) were exported during April to September, 2012-13. In view of the huge export of iron ore from the country, the Committee disapprove the present iron ore export policy of the Government where it was decided that although conservation of iron ore resources is of the paramount importance, the same may not be achieved by banning or capping the export of iron ore but by taking recourse to appropriate fiscal measures. Although, the Government have claimed that imposition of higher rate of export duty on iron ore has resulted in an effective measure to discourage iron ore export from the country, the Committee feel that this will not help for long term conservation of iron ore as required by steel industries in the country. The Committee therefore, strongly recommend that the Government should take appropriate measures either by further increasing the export duty beyond 30% or gradually reducing the export of iron ore to ensure that this scarcely available national asset is reserved for the growth of the country. If possible, the Committee recommend total banning of export of iron ore for the purpose of saving steel industries in future.

#### **Action Taken**

Ministry of Steel is not in favour of banning export of iron ore. However, custom duty on export of iron ore has been increased to 30% to discourage export of iron ore and encourage domestic value addition and improve its availability to the domestic steel industry

#### **NMDC Limited (NMDC)**

As informed by Department of Commerce requirement of iron ore for the domestic steel industry is a priority and should be met first. Only the surplus, if any, may be exported.

Further as informed by Department of Commerce increase in export duty needs to be seen in a macro context. The present export duty at 30% ad valorem is already a high rate. Any further increase affecting exports will also have adverse impact on the current account deficit. Further, the use of 'ban' as an instrument of trade policy is not WTO compatible. Article XI of GATT states that no prohibition or restriction other than duties, taxes or other charges shall be instituted or maintained in relation to the exportation of goods.

**[Ministry of Steel O.M. No.11014(14)/2012 dated 27.11.2013]**

#### **Comments of the Committee**

(Please see para 8 of Chapter I of the Report)

#### **Recommendation Serial No.4.**

The Ministry of Steel have apprised the Committee that Haematite and Magnetite are the two main varieties of iron ore. As per Indian Bureau of Mines (IBM), major resources of Haematite are located in the States of Odisha, Jharkhand, Chhattisgarh, Karnataka and Goa. The balance resources of Haematite are spread in Andhra Pradesh, Assam, Bihar, Maharashtra, Madhya Pradesh, Meghalaya, Rajasthan and Uttar Pradesh. India's 97% Magnetite resources are located in four States, namely, Karnataka, Andhra Pradesh, Rajasthan and Tamil Nadu. The Committee feel that exploration of ore with modern technology will further improve the qualitative availability of iron ore in the country. The Committee therefore, recommend that Ministry of Steel should prepare a time bound action plan for detailed exploration of untapped potential sources of iron ore for mining to enhance production. The encouragement for introducing state-of-art technology and scientific approach in the existing iron ore mines for enhancing the production is essentially required and therefore, the Committee strongly feel that funds may be allocated towards expansion and exploration of new iron ore mines in this regard.

#### **Action Taken**

Haematite and magnetite are the two important iron ores from which iron is extracted. Of these, haematite is considered to be superior owing to its high grade. Commercial deposits of hematite are mostly of bedded type confined to banded iron formation. Magnetite the other iron ore mineral is confined to metamorphosed sedimentary rock (banded iron formation) although magnetite occurs in igneous rocks also.

Total resources potentiality of hematite – magnetite iron ore is yet to be known in the country. Previously the resource and reserves were calculated based on 55% Fe as cut- off to produce mineable ore. After lowering of threshold value of iron ore by Indian Bureau of Mines (IBM), in lease free, non forest areas assessment of low grade iron ore (+45%Fe) is being undertaken by GSI to augment the iron ore resources. Evaluation of future exploration programmes on low grade iron ore in free hold areas for both fresh as well as reassessment has been initiated after assessing the data from the available mineral investigation reports and other relevant documents.

In the leasehold area, the job must rest with the lessee. IBM has to monitor and take active role in the leasehold area for proper inventory of iron ore. The areas where exploration was carried out earlier and the deposits are kept for stand alone or captive mining, exploration data have to be examined by the State Government. Once the leases are granted for those areas the lessee must do total assessment of the property considering Fe cut off both at 45% and 55%. If there is future plan of

auctioning those deposits, the state Governments may consider for carrying out exploration in totality for proper valuation of the property.

### **Status of exploration within identified potential domains**

The assessment of potential area for iron ore exploration indicates that the total potential area for iron ore in different geological domains so far evaluated in the country is around 7000 sq km. Out of the potential areas of 7000sq km, the area explored is around 5900 sq. km. As per the available information so far received the lease hold areas within the explored area is around 890 sq km. Therefore the explored free hold areas is around 5000 sq km and the total unexplored areas is around 1100 sq km. Therefore the potential explored area warranting reassessment is around 4000 sq km.

### **New prospective areas for iron ore exploration**

Although economically viable deposits exist in different geological setups, bulk of the country's ore supplies are from deposits of BIF derivation (BHQ/BHJ/BMQ). GSI has initiated a new look in the green field areas to identify new potential areas for iron ore occurrence both in BIF derived ores and also in other non BIF hosted setup. An area of around 5000 sq km has been tentatively identified for reconnaissance stage investigation (G-4 stage) to narrow down the target areas for future intensified mineral search through progressive higher stages of investigation.

### **Strategy for iron ore exploration**

#### **Iron ore exploration in Greenfield area within already identified potential domain.**

On the basis of evaluation of time schedule vis-à-vis field components in mineral investigations carried out by GSI under different stages of investigation, a tentative time frame can be outlined for future exploration in the unexplored area within the already identified potential areas. The evaluation of exploration data indicates that roughly 2-3% of the potential area comes out to be the actual mineralized zone.

#### **Iron ore exploration in new identified Greenfield areas**

Reconnaissance stage investigation (G-4 stage investigation) for an area of 5000 sq km is being planned in newly identified Greenfield areas in designated belts. The aim of this reconnaissance investigation is to identify and narrow down the target areas for future intensified mineral search through delineating favourable segments of areas for iron ore mineralization within the Greenfield areas.

The fixation of quantum of work will be guided by geological set up of the particular areas and exposure conditions. A rough estimate of the Greenfield areas identified for reconnaissance investigation indicates that nearly 4000 sq km lies in peninsular portion and roughly 1000 sq km is within extra peninsular region. With the available resources this identified area covering around 5000 Sq. K.M would be covered through Central Government level investigation within the span of the 13<sup>th</sup> Plan.

### **Re-assessment in the Explored areas in peninsular India**

GSI is formulating scheme of reassessment of iron ore, due to the lowering of threshold values to 45% Fe, in the explored areas through fresh resource estimation of the entire spectrum of mineralized zones including low grade portions at lower cut off which normally occurs within the profile of the mineralized zone in the following modes:

- (v) Low grade partings within the high grade ore (Shaly Ore).
- (vi) In hanging wall and footwall side of the ore zone or as separate bands.
- (vii) On top of lateritic profile( Lateritic and limonitic ore)
- (viii) As bottom of established ore within zone of enrichment above proto ore.

GSI has tentatively identified the group of hematite deposits in different iron ore belts of the country where reassessment of resource potential at lower cut off is required.

### **Tentative time frame for accomplishment of work**

A preliminary assessment of the requirement of drilling in explored areas indicates that it will tentatively involve a drilling of 65,000 meters with average of 120 meters per borehole. Therefore, 540 nos. of boreholes are tentatively to be drilled in the explored areas. It is estimated that with the available resources the reconnaissance survey for iron ore may be completed by the 13<sup>th</sup> Plan.

The Working Group on Steel Industry for the 12<sup>th</sup> Five Year Plan, in addition to the on going R&D Scheme 'Promotion of Research & Development in Iron & Steel Sector', had recommended the interest subsidy scheme 'Promotion of Beneficiation & Agglomeration of low grade iron ore & ore fines' with an estimated budget of Rs. 2417 crore for the 12<sup>th</sup> Five Year Plan period. However, Planning Commission allocated only Rs. 200 crore to Ministry of Steel for the 12<sup>th</sup> Five Year Plan. Due to the insufficient allocation, the aforesaid interest subsidy scheme could not be taken up. It is also pertinent to state that the interest subsidy scheme was not on R&D but for promoting capacity building for Beneficiation & Agglomeration of low grade iron ore & ore fines.

However, the recommendation/ observation of the Committee have been taken up with the planning Commission with a request to allocate sufficient funds to run the aforesaid interest subsidy scheme.

It is however, informed that Government has been pursuing R&D on Beneficiation & Agglomeration of low grade iron ore & ore fines under the on-going scheme of 'Promotion of Research & Development in Iron & Steel Sector'. In fact, the main emphasis on R&D under the aforesaid scheme in the 11<sup>th</sup> Five Year plan was Beneficiation & Agglomeration & Ind the Scheme has been continued in the 12<sup>th</sup> Five Year Plan Period.

The following R&D projects are being pursued under the aforesaid scheme:-

- Improvement in sinter productivity through deep beneficiation and agglomeration technologies for rational utilization of low grade iron ores and fines by National Metallurgical Laboratory (CSIR-NML) Jamshedpur.
- Alternate complementary Route of Iron/Steel making with reference to Indian raw material viz. low grade iron ore and non coking coal (adopting beneficiation of low grade ore) by National Metallurgical Laboratory (CSIRNML) Jamshedpur.
- Beneficiation of Iron Ore slimes from Barsua and other mines in India by Research & Development Centre for Iron & Steel (RDCIS), SAIL, Ranchi.
- Development of pilot scale pelletization technology for Indian Goethitic/ hematite ore with varying degree of fineness by Research & Development Centre for Iron & Steel (RDCIS), SAIL, Ranchi.

In addition to the above one more R&D project viz. 'Quality Improvement of Low Grade Iron Ore' is being pursued by RDCIS, SAIL, Ranchi, with financial assistance from Steel Development Fund.

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

About 97% magnetite resources are located in four states of Andhra Pradesh, Rajasthan, Karnataka and Tamilnadu. Out of which, major magnetite resources are in the Western Ghat area that could not be exploited due to environmental concern. Considering the importance of natural resources as well as of environment preservation together, feasibility of underground mining may be explored at Western Ghat area. However processing of mined out iron ore from Western Ghat may be carried out outside the forest area.

In the year 2012-13, SAIL mines have produced about 21.48 million tonnes of iron ore for its steel plants. To meet the enhanced requirement of iron ore for ongoing capacity expansion, the production capacity of existing mines at Gua, Bolani, Kiriburu, Meghahatuburu are being expanded to their maximum potential. As a result, iron ore production capacity of SAIL mines will be enhanced to about 40 Mtpa in the next 2 years time which will take care of the iron ore requirement for ongoing hot metal capacity expansion to 23.46 Mtpa. Further new mines are planned to be developed at Rowghat, Chiria and Taldih.

SAIL is now ramping up hot metal capacity to approx 24 million tonnes per annum (Mtpa), & plans to embark on the next phase of expansion to raise it further to about 50 Mtpa by 2025. In order to meet enhanced requirement of iron ore of about 83 Mtpa by 2025 and beyond, new iron ore mines have to be developed as the reserve in existing operating iron ore mines may get depleted in due course of time. For this, SAIL has submitted PL/ML applications to the State Govt. of Jharkhand, Odisha, Chhattisgarh, Rajasthan, Karnataka, Tamilnadu, Uttar Pradesh and Maharashtra. The matter is being constantly pursued with the respective State Governments.

In order to further enhance resources of iron ore in the area where forest clearances were available, the drilling of about 30,000 meters in last 5 years has been carried out in SAIL mines. During 2013-14, there is further plan of exploratory drilling of about 12,000 meters by Mineral Exploration Corporation Limited (MECL) in SAIL iron ore mines.

Most of SAIL iron mines are in the area of reserves forest where presently forest clearances are not available and exploratory drilling for resource enhancement could not be taken up. Therefore attempt is being taken up to explore these areas through Geomagnetic/Geophysical surveys.

### **NMDC Limited (NMDC)**

With respect to NMDC, the Company has already planned expansion of its iron ore mining capacity from the existing 32 million Tonne per year to 46.5 MT per year by end of twelfth five year plan (2016-17) and 52.5. MT by the year 2010-21.

### **Mineral Exploration Corporation Limited**

Mineral Exploration Corporation Ltd is a public sector undertaking functioning under Ministry of Mines. MECL, with its well developed infrastructure and expertise, is committed to execute cost and time effective comprehensive programme(s) from reconnaissance survey to

detailed exploration of minerals and developmental mining projects on a turn key basis.

At present, Mineral Exploration Corporation Limited is carrying out detailed exploration work for iron ore as per the details given below:

- (i) MECL has entered into MoU with M/s. Steel Authority of India Ltd (SAIL), to carry out detailed exploration of new iron ore deposits as well as in existing mines including geological services and preparation of geological report. The exploratory drilling activities includes core drilling and RC drilling in different mine areas of SAIL (Bhilai Steel Plant & Raw Material Division). The period of MoU is upto February 2015.
- (ii) MECL has also entered into MoU recently with Rashtriya Ispat Nigam Ltd (RINL) for a period of 5 years, to carry out detailed exploration for iron ore, limestone and other minerals. Under this MoU, MECL proposes to take up exploration work for various iron ore prospects allocated to RINL in different parts of the country.

MECL is further enhancing its capacity in iron ore exploration by procuring one RC drilling rig and accordingly MECL fully equipped to take up detailed exploration for new iron ore prospects in the country in addition to above, depending on the availability of work.

**[Ministry of Steel O.M. No.11014(14)/2012 dated 27.11.2013]**

**Comments of the Committee**

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

**Recommendation Serial No. 7 and 8**

**Recommendation Serial No. 7**

18. The Committee note that a large quantity of iron ore, mainly fines, are being exported from the country on the plea that the country does not have adequate facilities for use of fines and therefore, these fines have to be exported for economic and environmental reasons. The Committee find that to encourage optimum utilization of iron ore resources of the country and to improve domestic utilization of low grade iron ore and fines through beneficiation and pelletization, import duty on plants and equipments used for initial setting up and substantial expansion of beneficiation and pelletization plants has been reduced from 7.5% to 2.5% in the General Budget for year 2012-13. Besides, export duty on

pellets has been reduced to zero. Though, appreciating the Ministry of Steel for this prudent measure of reducing import duty on plants and equipments used for initial setting up and substantial expansion of beneficiation and pelletization plants, the committee do not concur with the decision of the Government to reduce export duty on pellets to zero. The Committee are of the opinion that imposition of higher export duty on iron ore fines and non-exemption from export duty to pellets will give an impetus to setting up of pelletization plants in the country by the stand alone miners. Setting up of more pelletization plants will also generate employment opportunities and will also generate more revenue in terms of value added products. The Committee have been informed that Pelletization capacity increased from about 18 MT in 2006 to about 48 MT in 2012 and Sintering Capacity increased from about 30 MT in 2006 to about 57 MT in 2012. Also, Pelletization and Sintering capacities are expected to go up to 84 Mt and 86 MT respectively by 2015. In the context of pelletisation capacity, the Committee desire that a comprehensive study on the impact of the free export of pellets should be carried out by the Ministry of Steel, and the Committee would also like to be apprised of the facts and progress in this regard. At the same time, taking note of the present pelletisation capacity in the country which is highly inadequate, the Committee would like the Ministry to take immediate steps to create sophisticated iron ore beneficiation facility followed by pelletisation so that lower quality of iron ore produced in the country is fully utilized by domestic steel plants.

### **Recommendation Serial No. 8**

19. Till recent past, the domestic steel industry was mainly using higher grades of iron ore due to their easy availability. As per a study done by Economic Research Unit under Ministry of Steel during 2007 on 'Iron ore fines utilization in India', there will be rapid demand of iron ore fines by domestic steel industry as the technology matrix of the various capacity expansion plans and new steel plants is heavily biased towards technologies using agglomerated fines. The Committee has taken note that as per this study, the share of fines in steel making in country is



further likely to increase from 52.2% during 2005-06 to an estimated about 72% by 2019-20. Taking note of the rapid depletion of high grade iron ore reserves in the country, the Committee feel that steel industry should come up with an investment plan in beneficiation and agglomeration (sintering and pelletization) facilities for utilizing low grade iron ore fines also. The Committee, therefore recommend that the Government should come with a policy measure to ensure that all the upcoming new steel plants and expansion of existing steel plants should be based on technologies, which can utilize iron ore fines and desire that 100% utilization of iron ore fines be achieved by the end of 12th plan period.

20. The Ministry of Steel in their action taken reply to the above two recommendations have informed the Committee as follows:-

The iron ore beneficiation / pelletisation capacity is increasing as per the demand of the steel sector and cost competitiveness associated with it. Steel is a deregulated sector and decisions regarding setting up new facilities for pelletisation / ore beneficiation are taken by the project proponents. Government has already incentivized these activities by taking appropriate fiscal measures like rebate in import duty on plant / machinery.

In the case of a deregulated sector like steel, the Government plays the role of a facilitator and commercial decisions regarding use of a particular technology etc. are taken by the industry and the entrepreneurs concerned. However, to facilitate setting up of pelletisation plants in the country, the Government has reduced the Basic Custom Duty on capital goods equipment required for initially setting up or substantial expansion of iron ore pellet plants and iron ore beneficiation plants, from 7.5% to 2.5% since 2012-13. There are technological limitations also and development of suitable technology may not be given a time limit. However, Government, recognizing the importance of the issue, would facilitate development of such technologies as a matter of policy.

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

From mineral conservation point of view it is essential to plan for utilization of total resource including the low grade ore by blending, beneficiation and agglomeration techniques. While SAIL has extensive facilities for blending and agglomerations (sintering) at its plants, efforts are being made for mineral conservation by utilizing iron ore slimes (generated after washing/processing and lying in tailing ponds) and low grade fines through large scale beneficiation and pelletisation at various

locations. Process has already been initiated for installation of 4 MTPA capacity pellet plant at Gua, 2 MTPA at Rourkela Steel Plant (RSP) and 1 MTPA at Dalli mine. This would also improve the quality of burden to blast furnaces.

After ongoing capacity expansion programme, the sinter capacity in the SAIL Steel plants would increase from present level of about 17 Mtpa to 30 Mtpa by 2015-16. Under this expansion, new sinter plants of 3.80 Mtpa capacity each at RSP and ISP are already commissioned.

In SAIL for steel making, BF/BOF route is in place which utilizes iron ore in form of lump and agglomerated fines in form of sinter which constitutes 70 % of BF burden. With installation of large size Blast Furnaces (4060m<sup>3</sup> commissioned at RSP & another coming soon at ISP) with the state of the facilities in future the need for agglomerated burden (sinter + pellet) will further increase up to the level of 80%. With these SAIL is aiming for utilization of 100 % fines.

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

RINL has been using Sintering Technology which can utilize iron ore fines, since inception. RINL- had installed two Sinter Machines under 3Mtpa Plant to produce about 5.3 Mt of sinter using iron ore fines. RINL-VSP has been utilizing nearly 70% of iron ore fines in its charge sinter since inception.

New Sinter Plant (SP#3) with capacity of 3.61Mt has been commissioned under 6.3 Mtpa expansion programme. This will further enhance the usage of iron ore fines.

As a further step in this direction, RINL along with NMDC has undertaken to set up a Pelletisation plant of capacity of around 6 Mtpa in Visakhapatnam. The input material would be iron ore concentrate prepared by NMDC using iron ore fines at their mine-head in Bailadilla. It is also planned, as part of JV, to lay a pipe line of capacity 13 Mtpa to carry iron ore slurry from Nagarnar to Visakhapatnam.

### **NMDC Limited (NMDC)**

With respect to NMDC, the Company is setting up two pellet plants and both are being set up by using Pellet Plant Feed (PPF) produced from low grade iron ore by beneficiating them at respective beneficiation plants also being set-up by NMDC.

**[Ministry of Steel O.M. No.11014(14)/2012 dated 27.11.2013]**

### **Comments of the Committee**

(Please see para 15 and 16 of Chapter I of the Report)

### **Recommendation Serial No.9.**

The Committee have been informed that iron ore export of NMDC's is being done through MMTC as per decision taken by the Union Cabinet from time to time and last such long term contract was signed in 2012-13 for a period of 3 years i.e. till 2014-15. Though Ministry of Steel have apprised the Committee that NMDC exports a very small percentage of the total exports of the country and the quantum of export has decreased from 3.78 MT in 2007-08 to 0.39 MT during 2011-12, the Committee are not in agreement with the views of the Ministry and desire that NMDC's iron export contract be reviewed immediately so as to make the availability of iron ore for the domestic industry in required quantity.

### **Action Taken**

#### **NMDC Limited (NMDC)**

With respect to NMDC, the Company has entered into long-term agreement with Japanese Steel Mills (JSMs) & POSCO, South Korea during 2012-13 for a validity period of 3 years (i.e. upto 2014-15) in accordance with the decision of Union Cabinet.

### **Recommendation Serial No.10.**

The Committee note that iron ore, a non-renewable and critical raw material for steel industry is poised for huge capacity expansion and according to the Ministry of Steel, policy measures are needed to conserve this resource for long term requirement of domestic steel industry. The Committee are however, concerned to note that as per the present foreign trade policy regarding export of iron ore, iron ore upto 64% Fe content is freely allowed. Further, export of iron ore of Goa origin is freely allowed to China, Europe, Japan, South Korea and Taiwan (irrespective of Fe content) and export of iron ore from Redi region to all markets (irrespective of Fe content) is also freely allowed. As regards export of iron ore with Fe content above 64%, the Committee find that these exports were canalized through MMTC and high grade iron ore not exceeding 1.8 million tonnes(lumps) and 2.7 million tonnes (fines) from Bailadila, Chhattisgarh is allowed to be exported. In view of the free trade of iron ore upto 64% Fe content and even export of higher grade of iron ore, the Committee recommend that the Government should take immediate necessary policy measures not only to ban the export of iron ore reserves of higher grade but also those upto 64% Fe content which are presently freely allowed. In view of the limited beneficiation

agglomeration facilities in the country, the Committee feel that the high grade iron ore with Fe content more than 64% from Bailadila, Chhattisgarh which can be used by the existing steel plants should not be permitted for export and be made available to meet the requirement of domestic steel industry.

### **Action Taken**

Export of high grade ore is permitted only for export by MMTC / NMDC to Japan and South Korea under Long Term Agreements (LTAs) which have been in existence since 1970. Presently, the LTAs have been renewed for the period from 01-04-2012 to 31-03-2015 with the approval of the Cabinet in view of our long-term strategic relationship with these countries.

Total ban over export of iron ore is not considered to be the only way to discourage export of iron ore and to improve availability of iron ore for domestic consumers. Government has been, on the recommendations of Ministry of Steel, increasing export duty on iron ore and at present it is at 30%.

### **NMDC Limited (NMDC)**

As informed by Department of Commerce Export of high grade ore is permitted only for export by MMTC/NMDC to Japan and South Korea under Long Term Agreements (LTAs) which have been in existence since 1970. Presently, the LTAs have been renewed for the period from 1.4.2012 to 31.3.2015 with the approval of the Cabinet in view of our long-term strategic relationship with these countries.

**[Ministry of Steel O.M. No.11014(14)/2012 dated 27.11.2013]**

### **Comments of the Committee**

(Please see para 21 and 22 of Chapter I of the Report)

## **CHAPTER – V**

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

#### **Recommendation Serial No.6.**

The Committee note that as per the estimates of Ministry of Steel, the present reserves of iron ore in the country may not be sufficient to meet the requirement of domestic iron and steel industry beyond next 20 to 25 years. The Committee feel that the policy regarding exploitation of iron ore reserves should aim at attracting investment in steel making capacity in the country so that the value additions and export of finished products are promoted instead of exporting raw materials. Conservation of iron ore, particularly of higher quality should be the most critical component of this policy. Though the Government have contended that there is no shortage of iron ore at present for domestic iron and steel industry, the recent developments in India's mining sector have given rise to uncertainties in regard to adequate supply of raw material potential, especially of iron ore and have brought the issue of long term raw material security for India's burgeoning steel industry to the centrestage. The currently assessed reserves for iron ore seems inadequate if the steel industry capacity expansion and production potential are to be fully utilized. The committee expresses concern over uncertain situation regarding availability of raw materials and their imprudent utilization for domestic iron and steel industries. Therefore, taking into account the iron ore requirement for the domestic iron and steel industry which from the present level of 135.7 MT in 2012-13 is likely to be 206.2 MT by 2016-17, the Committee recommend that iron ore resources need to be preserved for domestic utilization as a long term measure. The Committee, therefore, would like the Ministry of Steel to draft a new Steel Policy keeping in view the long term goals of future sustainability of iron ores in the country.

#### **Action Taken**

New National Steel Policy is in draft stage and the recommendation regarding long term goals of future sustainability of iron ore in the country would be duly taken care of, in consultation with the Ministry of Mines.

**[Ministry of Steel O.M. No.11014(14)/2012 dated 27.11.2013]**

#### **Comments of the Committee**

(Please see para 8 of Chapter I of the Report)

**NEW DELHI;  
17 February, 2014  
28 Magha, 1935 (Saka)**

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

## **Annexure-II**

### **MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 17 FEBRUARY, 2014 IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat from 1500 hrs. to 1530 hrs.

#### **PRESENT**

**Shri Kalyan Banerjee      -      Chairman**

#### **LOK SABHA**

2. Shri Hansraj G. Ahir
3. Shri Sanjay Bhoi
4. Smt. Jyoti Dhurve
5. Shri Ganeshrao Nagorao Dudhgaonkar
6. Shri Govind Prasad Mishra
7. Shri Rajaram Pal
8. Shri Om Prakash yadav

#### **RAJYA SABHA**

9. Dr. Pradeep Kumar Balmuchu
10. Shri Dhiraj Prasad Sahu

#### **SECRETARIAT**

- |                       |   |                     |
|-----------------------|---|---------------------|
| 1. Shri Abhijit Kumar | - | Joint Secretary     |
| 2. Shri Shiv Singh    | - | Director            |
| 3. Shri Arvind Sharma | - | Additional Director |

#### **WITNESSES**

##### **MINISTRY OF STEEL**

1. Shri G. Mohan Kumar, Secretary(Steel)
2. Shri Lokesh Chandra, Joint Secretary(Steel)

3. Shri Syedain Abbasi, Joint Secretary(Steel)

4. Shri Malay Chhatterjee, CMD, KIOCL Ltd.

2. At the outset, Chairman welcomed the Members and representatives of the Ministry of Steel and KIOCL Ltd. to the sitting of the Committee. The Committee, then sought clarification of the representatives of the Ministry of Steel and KIOCL Ltd. on the issues of imposition of export duty on pellets.

*The witness then withdrew.*

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

(i) Draft Report on the subject 'Marketing and Transportation of Steel by Public Sector Steel Companies' relating to the Ministry of Steel;

(ii) Draft Report on Action Taken by the Government on the observations / recommendations contained in the Thirty-Eighth Report of the Committee on "Review of Export of Iron Ore Policy" pertaining to the Ministry of Steel.

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairman to finalise the Reports on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

***The Committee then adjourned.***

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

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

I. Total No. of Recommendations made	10
II. Recommendations that have been accepted by the Government ( <i>vide</i> recommendation at Sl. Nos. 1 and 5)	02
Percentage of total	20%
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies( <i>vide</i> Recommendation at Sl. No. Nil)	00
Percentage of total	0%
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee ( <i>vide</i> recommendation at Sl. Nos. 2,3,4,7,8, 9 and 10)	07
Percentage of total	70%
V. Recommendations in respect of which final replies of the Government are still awaited ( <i>vide</i> recommendation at Sl. No. 6)	01
Percentage of total	10%