

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:4447
ANSWERED ON:22.04.2013
INCREASE IN PRODUCTION CAPACITY
Pandey Saroj;Singh Shri Pashupati Nath

Will the Minister of STEEL be pleased to state:

- (a) whether the shortage of raw materials particularly iron ore and coal is adversely affecting the production capacity of the major public sector steel plants and is a major hurdle in augmenting the steel capacity in the country;
- (b) if so, the facts thereof along with the action plan formulated by the Government to tackle this situation company-wise;
- (c) whether the Government has received any proposal for allocation of iron ore mines to producers through open bidding as per the new draft National Steel policy; and
- (d) if so, the details thereof along with the action taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b) Steel Authority of India Limited (SAIL) is meeting its iron ore requirement through captive sources and there has not been any adverse effect on production in SAIL steel plants due to shortage of iron ore. Due to limited availability of coking coal from captive and indigenous sources, about 75% of requirement of coking coal by SAIL is presently being met through imports and 25% of coking coal requirement is being sourced from domestic supply (from Subsidiaries of M/s. Coal India Limited and captive mines of SAIL). To augment the supply of coking coal from captive sources, the company is developing Tasra and Sitanala coking coal blocks in Jharkhand allotted through Government dispensation route. The company has also requested Ministry of Coal to allot captive coal blocks through Government dispensation route.

Rashtriya Ispat Nigam Limited (RINL) is currently getting its 100% requirement of Iron Ore from NMDC Ltd., and there has been no adverse effect on steel production because of shortage in the supply of Iron Ore in the recent past. RINL is sourcing its requirement of coking coal from imported sources and there has been no adverse effect on its steel production due to shortage of coking coal. RINL has submitted 29 applications in the states of Andhra Pradesh, Jharkhand, Odisha, Rajasthan, Chhattisgarh, Uttar Pradesh and Karnataka for allocation of iron ore mines. Ministry of Steel has also taken up the matter with the respective State Governments for favourable consideration of RINL applications.

(c) No, Madam.

(d) Does not arise.