

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1992

ANSWERED ON:19.08.2013

NMDC

Nishad Capt.(Retd.) Jainarayan Prasad;Patle Kamla Devi ;Ram Shri Purnmasi;Verma Shri Sajjan Singh

Will the Minister of STEEL be pleased to state:

(a) whether the National Mineral Development Corporation (NMDC) earns maximum profits through iron ore mining in the State of Chhattisgarh and if so, the details thereof;

(b) whether Chhattisgarh receives adequate share of royalty from the Government in ratio of the profits earned by NMDC by exploiting the mineral resources of the region and if so, the details thereof and if not, the reasons therefor;

(c) whether the State Government of Chhattisgarh has received funds allocated by NMDC for the local area development under the corporate social responsibility scheme and if so, the details thereof including the total funds allocated to Chhattisgarh during each of the last three years and the current year;

(d) whether the Government proposes to consider the proposal for setting up a registered regional office in Raipur and if not, the reasons therefor;

(e) whether the post of Chairman-cum-Managing Director (CMD) at NMDC is lying vacant for a long time and if so, the reasons therefor along with the time by which the new full fledged CMD is likely to be appointed and the procedure to be followed for the said appointment; and

(f) whether the iron ore supplied by NMDC is sufficient to fulfil the needs of all these sponge steel factories in Madhya Pradesh and if so, the details thereof along with the number of sponge iron plants in the country, State-wise and if not, the steps being taken by the Government to increase the supply of iron ore to the said plants?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) Yes, Madam. NMDC is earning profits through iron ore mining in the State of Chhattisgarh. The details of Profit Before Tax (PBT) of NMDC and the share of Bailadila sector, Chhattisgarh in the PBT of NMDC are as below:

(Rs. in crore)

Sl.	No.	Particulars	2009-10	2010-11	2011-12	2012-13
	1)	Profit Before Tax (PBT)				
	i)	NMDC as a whole	5207.32	9727.17	10759.47	9465.12
	ii)	Share of Bailadila Sector (Chhattisgarh)	3391.68	7120.21	7391.49	5527.49
	2)	Share of Bailadila Sector as %age	65%	73%	69%	58%

(b) The details of royalty paid to the State Government of Chhattisgarh by the NMDC as per the profit and loss account are as below:

(Rs. in crore)

S.No	Particulars	2009-10	2010-11	2011-12	2012-13
	1) ROYALTY AND CESS PAID				
	i) By NMDC as a whole	360.61	931.76	1022.61	952.43
	ii) To Government of Chattisgarh	300.74	802.14	847.78	664.03
	2) Share of Bailadila Sector as %age	83%	86%	83%	70%

(c) Works proposed by the State Government of Chhattisgarh, which are in line with the plan and policies of NMDC's Corporate Social Responsibility (CSR) are taken up by NMDC in partnership mode for the local area development. Apart from these, NMDC

also plans & implements various CSR initiatives. The actual expenditure on CSR spent for Chhattisgarh by NMDC is as follows:

(Rs. in crore)

Year	Overall Expenditure	Amount Spent for Chhattisgarh on CSR
2013-upto June	19.42	14.31
2012-13	101.10	91.56
2011-12	86.72	73.06
2010-11	62.23	53.43

(d) NMDC already has its regional office in Raipur, Chhattisgarh at Global Exploration Centre, Angela Cottage, House No. 3/883, Civil Lines, Raipur-492001.

(e) The post of Chairman and Managing Director (CMD), NMDC Limited is vacant since 31.12.2011. The selection of the new incumbent for the post of CMD, NMDC could not be made till now, as the panel recommended by Public Enterprise Selection Board (PESB) was scrapped with the approval of the Appointment Committee of the Cabinet and a search committee was constituted for selection of CMD, NMDC. The search committee has given its recommendation which is under process for appointment of candidate as CMD, NMDC Ltd.

(f) NMDC is not the sole supplier of iron ore in the country or in the State of Madhya Pradesh in particular. NMDC has been supplying iron ore to its Long Term customers who are having blast furnace, pellet plant, sponge iron manufacturers etc. in various parts of the country. Moreover, about 10% of the monthly available quantity of iron ore of NMDC is also put up for sale through e-auction every month. At present NMDC has no long term customers from Madhya Pradesh and no sponge iron plants of Madhya Pradesh State is sourcing iron ore from NMDC either directly or through e-auction.