

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:150
ANSWERED ON:16.12.2013
EXPANSION OF CAPTIVE MINES
Pandey Saroj;Sugumar Shri K.

Will the Minister of STEEL be pleased to state:

- (a) whether the public sector undertakings engaged in the production of steel are facing problems in procuring raw material like iron ore and coal which is affecting their production capacity and if so, the details thereof and the reasons therefor;
- (b) whether the Government has received any proposal to set up steel plants near iron ore reserves situated in forest areas of the country during each of the last three years and the current year and if so, the details thereof, State-wise;
- (c) whether a large number of land acquisition and environmental clearance applications for iron ore mines and steel plants are still pending for approval with the Government and if so, the details thereof and the reasons therefor;
- (d) whether the Steel Authority of India Limited (SAIL) has outlined an investment for capacity expansion of its captive mines operations and has requested the Government to fast track clearances of pending stalled mining and capacity expansion projects; and
- (e) if so, the details thereof and the time likely to be taken in this regard along with steps taken/being taken by the Government to resolve the situation and ensure adequate supply of raw material for the steel sector?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)to(e): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO.150 FOR ANSWER ON 16/12/2013 Tabled by Shri Sugumar K. and Kumari Saroj Pandey, Members of Parliament regarding "EXPANSION OF CAPTIVE MINES".

(a) No, Madam. There are two central public sector undertakings, namely Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) engaged in production of steel. SAIL meets its entire iron ore requirement from its captive mines. As regards coking coal, about 25% of SAIL's requirement is met through indigenous sources (own production and from Coal India Limited) whereas about 75% of its coking coal requirement is being met through imports. RINL gets its entire requirement of iron ore from NMDC Ltd. and meets its requirement of coking coal mainly from imports.

(b)&(c): Steel is a deregulated sector and the role of the Government is that of a facilitator. Decisions regarding setting up new steel plants are taken by individual companies based on a number of factors. Government promotes/encourages growth of steel industry through suitable policy measures.

(d)&(e): As a part of the current modernization and expansion plan of Steel Authority of India Limited (SAIL), an investment of more than Rs.10,000 crore is envisaged to increase the capacity of its captive iron ore mines from about 24 million tonnes to about 40 million tonnes. All statutory clearances have already been obtained for starting Iron ore production in Rowghat mines in Chhattisgarh. The mine and railway line areas have been sanitized and are being protected by para-military forces and tree cutting activity is being done by the State Government. The process of Stage-I Forest Clearance for increasing the capacity of the Gua iron ore mines is at an advanced stage.