

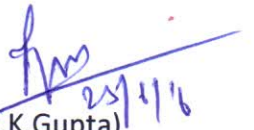
F.No. 12/02/2016-IDD  
Government of India  
Ministry of Steel  
(I.D.Division)

Udyog Bhawan, New Delhi  
Dated: 23.06.2016

OFFICE MEMORANDUM

Subject: Minutes of Inter-Ministerial Group (IMG) meeting held on 31.05.2016- regd.

The undersigned is directed to forward herewith a copy of the minutes of the meeting of Inter-Ministerial Group (IMG) meeting held on 31.05.2016, under the Chairmanship of Secretary (Steel) in Steel Room, Udyog Bhawan, New Delhi, Ministry of Steel regarding various issues of Steel producers related to major steel investments in the country, for kind information and necessary action please.

  
(R.K.Gupta) 23/6/16

Under Secretary to the Government of India  
Tele: 23061352

Encl. As above

To,

(As per list attached- Annexure-II)

Copy to: Sr. Technical Director, NIC, M/o Steel: for uploading the minutes on the website of Ministry of Steel.

**Minutes of the Inter Ministerial Group(IMG) meeting held on 31-05-2016 under the Chairmanship of Secretary(Steel)**

List of participants is at Annexure – 2.

2. Joint Secretary (Shri Syedain Abbasi) welcomed all the participants and informed that the Inter-Ministerial Group meeting was being held after a long time, even though State specific issues have been taken up from time to time. Thereafter various matters pending with Central Ministries as well as State Governments were discussed.

3. The issues of Private Sector Steel companies were taken first and the action points are as in the succeeding paragraphs.

**3.1 Electrosteel Steel Ltd:**

(a) Electrosteel Limited (ESL) informed that the company is facing problems in payment of salary, Utilities, transportation charges, etc. due to curtailment of working capital by the consortium led by SBI. This problem is being faced by other steel companies also. Secretary (Steel) informed that Ministry of Steel is taking the matter of financial stress with the Department of Financial services (DoFS), Ministry of Finance and forwarded the representation of Indian Chambers of Commerce and Indian Steel association to it. She instructed that representatives of DoFS also be invited for the meeting even though DoFS is not a formal member of IMG.

(b) Regarding Environment Clearance (EC)/Forest Clearance (FC) for iron ore mine of ESL as well as mines of other steel makers in Saranda region, MOEF&CC official informed that as recommended by Shah Commission and CBI reports, a study of Carrying Capacity was conducted the recommendations of which are now available. He informed that MoEFCC will take decision in 2 weeks.

[Action: MoEFCC]

(c) Regarding Coal Linkage from Central Coal Fields (CCL) for its Power Plant, the representative of the company informed that they had submitted necessary documents to CCL but CCCL has been insisting on NoC from State Forest Department before signing Fuel Supply Agreement (FSA) with the company. Ministry of Coal Official informed that e-auction is mandatory under the amended law. The company has given certificate that the land is non-forest to State Government which is now sub-judice. The representative of ESL was informed to await the order of the Court.

(d) Regarding classification of Steel Plants as Integrated Steel Plant, JPC official informed that it has been decided that in order to provide more details of steel plant and flexibility, data regarding location, capacity and form of production will be provided and it will be upto steel consumers to choose from the various steel plants as per their requirement while making procurement. Ministry of Steel has no role in the public procurement of the various Central and the State agencies.



### 3.2 Jayaswal Neco Industries Ltd:

(a) Representative of Jayaswal Neco raised the issue of law and order/security of its 3 mines. The Mining operations are getting disrupted due to LWE issues and safety of the people deployed in mines and heavy mining equipments deployed at site is requested. He also stated that the Government of Chhattisgarh had in recent times resolved the security issues to GREAT EXTENT. However, the law and order needs to be maintained so that the operations do not get affected. Law and order is a state matter. The project Proponent was advised to approach the State Government.

(b) Regarding Metabodali iron ore mines, stage-I FC has been granted. MOEF&CC has accorded prior approval for diversion of 57 Ha forest land for the iron ore mines project of the company, stipulating compensatory afforestation over equivalent non-forest /orange forest land as one of the condition. The State Government has insisting for compensatory afforestation over double the orange land. The State Government has sought clarification from MOEF&CC in this regard and same is awaited. Secretary (Steel) suggested that the Project Proponent follow up the case with MoEFCC.

[Action: MoEFCC]

(c) Regarding the Devpura and Sonadehi Prospecting Licences awarded to the Project Proponent in 2009, Project Proponent informed that the Government of Chhattisgarh had sent a reference to IBM seeking clarifications. Secretary (Steel) requested Ministry of Coal to decide the case in month or so.

[Ministry of Coal]

### 3.3 JSW Steel Ltd:

(a) JSW, Steel Ltd. stated that there is shortage of raw material for its Vijaynagar plants as production cap has been imposed with the ruling of Hon'ble Supreme Court. Secretary (Steel) requested the representative Government of Karnataka to examine the matter. The State Government official informed that in the light of decision of Hon'ble Supreme Court, and CBI enquiry, the State Government will have its meeting to take decision on mining of leases/ auction of category 'C' mining lease.

[Action: Government of Karnataka]

(b) Regarding the issues pertaining to the right of way for water pipeline, permission to cross nalla and access to NH 17 for Dolvi project, the representative of NHAI informed that necessary action will be taken by 10<sup>th</sup> July, 2016.

[Action: NHAI]

(c) In respect of JSW Jharkahand project, both EC and FC-stage-II are pending, since March, 2014. It was communicated by MOEF&CC that EC & FC will be granted on completion of carrying capacity study in the Sarnda Forest region. The representatives of MOEF&CC informed that decision of Saranda Forest Region will be taken in two weeks time.

[Action: MoEFCC]

### 3.4 **Abhijeet Integrated Steel Ltd:**

Issue was not discussed as the representative of the company did not attend the meeting.

### 3.5 **Essar Steel India Ltd:**

Essar Steel India Ltd. raised the issue of security of their slurry pipeline. It was informed that the pipeline passes through 3 states, namely, Chhattisgarh, Andhra Pradesh and Odisha. JS (A) suggested that there was a need for co-ordination from three states. It was informed that there was a need for better roads for access. Secretary (Steel) requested the representatives of Governments of Chhattisgarh, Andhra Pradesh and Odisha to do the needful to ensure proper security.

[Action: Government of Chhattisgarh, Andhra Pradesh and Odisha]

### 3.6 **SMC Power Generation Ltd:**

Responding the problem posed by the Project Proponent regarding extension of time limit for the mining lease, Ministry of Mines informed that for any change in area, the company has to apply again afresh and obtain Forest clearance etc by 17-01-2017. The Company has requested for extension beyond 2 years. MOEF&CC asked the company official to apply again if not applied earlier.

### 3.7 **Mukund's Integrated Steel Plant:**

(a) Regarding the Mukund steel plant at Karnataka where the Project Proponent wanted allocation of land contiguous to their land, the representative of Government of Karnataka informed in case an agreement existed the same would be expedited. Other issues like provision of water and power too would be resolved if the Project Proponent submits the requisite applications.

[Action: Government of Karnataka]

(b) Regarding its new project in Jharkhand, the project Proponent was informed by the representative of the Government of Jharkhand that it would be expedited.

[Action: Government of Jharkhand]

### 3.8 **Shree Nakoda Ispat Ltd:**

(a) Shri Nakoda Ispat official informed that their Mining Lease (ML) application is pending with the Government of Chhattisgarh for non-compounding of minor offences. like late submission of paper, etc which the Project Proponent has appealed for exemption. The representative of Government of Chhattisgarh informed that advice of Law Department was being sought and that they would decide the case in about a month's time.

[Action: Government of Chhattisgarh]

(b) Regarding the company's issues pertaining to taxation matters, JS (A) informed that the tax issues are generic in nature and the Project Proponent may give a separate note along with complete details and justifications to enable the Ministry of Steel take up the issue with Ministry of Finance.



### 3.9 Godawari Power & Ispat Limited:

Issue was not discussed as the representative of the company did not attend the meeting.

### 3.10 Vandana Ispat Limited:

Issue was not discussed as the representative of the company did not attend the meeting.

### 3.11 Xindia Steel Ltd.

Issue was not discussed as the representative of the company did not attend the meeting.

### 3.12 BMM Ispat Ltd:

The representative of BMM Ispat Ltd. informed that they have not been handed over the allotted land by the state Government of Karnataka. The representative of state Government informed that BMM should have attended the meetings taken by the State Government. It was informed that the matter goes to Cabinet for approval and therefore may take some time and advised the company official to raise the issue in the state level meetings.

[Action: State Government of Karnataka]

### 3.13 TATA Steel Ltd:

(a) The representatives of Tata Steel Limited referred to the problems of environmental norms suggested by MOEFF&CC for Indian Steel Sector which are too stringent and should be reconsidered. These norms should be delayed for 5 years. Further if the company has already got EC certificate it may be treated as existing steel plant. MoEFCC was requested to consider the case.

[Ministry of MoEFCC]

(b) Tata has requested for relaxation in Export Promotion for Capital Goods (EPCG) Provisions. It was informed that the Ministry of Steel would take up the matter with Ministry of Commerce as other companies are also facing the same problem to meet their export obligation targets.

[Action: Ministry of Steel]

(c) Tata Steel pointed out the fallout in the definition of Run –of –Mine (ROM) in the new mineral policy by Ministry of Mines in 2015. “Run of mines” means the raw unprocessed or uncrushed material in its natural state obtained after blasting or digging from the mineralised zone of the lease area. The representative of Ministry of Mines informed that it was envisaged that the definition would help the Project Proponents. Now that problems have arisen the Ministry of Mines would consult MoEFCC to resolve the issue.

[Action: Ministry of Mines and MoEFCC]

(d) Regarding the issue of verification of Sabik land in Odisha, MOEFF&CC official informed that the matter will be looked into.

[Action: MoEFCC]

(e) Tata Steel limited also requested for approval under section 2(iii) if the Forest Conservation Act 1980 for assignment /extension of Mining Lease and requested ministry to take the matter with MOEFF&CC to simplify the process involved in obtaining and clearance under section 2(iii) of FC Act 1980. Representative of MOEFF&CC informed that they will consider the issue.

[Action: MoEFCC]

### 3.14 Bhushan Steel Ltd:

(a) The Project Proponent informed that Patrapara Coal Block was re-allocated by Ministry of Coal in November, 2012. As a result Bhushan Steel is to get a refund of Rs. 704.88 crore in respect of Patrapara Mines. The company has already given Rs. 400 crores to I for land acquisition, out of which 200 crore IDCO has distributed to land owners for acquisition of land and another Rs. 200 crore is lying idle with IDCO as the land acquisition has been stopped. The company wanted that Patrapara mines which are fully explored may separately be auctioned and their /money may be refunded to them. Ministry of Coal informed that when the mines are re-allocated to the new bidder their money will be refunded on receipt of payment by the new allottee. The Project Proponent expressed concern that the land owners have taken compensation but have not vacated the land. Thus, the new allottee may not be able to acquire the land and therefore may not be able to deposit the money required for the refund. Secretary (Steel) requested the Ministry of Coal to examine the problem and resolve it.

[Action: Ministry of Coal]

(b) Govt. of Odisha has identified 7 G-3 /mines for composite Licence to Ministry of Mines. The company wants the approval of Ministry of Mines be given for composite licence for G-3 mines. Secretary (Steel) requested Ministry of Mines to expedite decision on auction of composite licence of the iron ore mines.

[Action: Ministry of Mines]

(c) The company is setting up their own Railway Siding in the village Jalpaposhi in Keonjhar district of Odisha . Thought the land acquisition has been completed, while asking for tree falling permission to DFO, Keonjhar, the company has advised to take forest diversion approval for 5.95 acre which is still pending. Secretary (Steel) requested Government of Odisha to expedite the decision.

[Action: Government of Odisha]

(d) The company has stated that the State Government is charging water charges for total capacity and not for actual consumption. The representative of Odisha Govt. stated that the company should have applied for actual consumption and not for additional/total consumption capacity. JS (A) suggested that it would be appropriate for the Project Proponents to apply for resources as per the actual requirement so that the resources are allotted to other users. Being the policy matter, the Project Proponent must adhere to the guidelines of the State Government.

### 3.15 Shri Bajrang Power & Ispat Ltd:

Issue was not discussed as the representative of the company did not attend the meeting.



### 3.16 VISA Steel Ltd:

It was informed to the Project Proponent that the issues raised by them, namely, reduction in import duty, taxation matters and financial packages are generic in nature. Some of the issues have been taken up by the Ministry of Steel with the nodal Ministries concerned.

### 3.17 ArcelorMittal India Ltd:

(a) On the issue of allocation of captive iron ore mines representative of Government of Karnataka showed their inability to do anything, as the matter is under process as per direction of Hon'ble Supreme Court. She also requested Ministry of Steel as well as Ministry of Mines to help State Government through suggestive letter for resolving the said issue. Secretary (Steel) requested the representative of Government of Karnataka to send a note to the Ministry of Steel so that the same could be taken up with the Ministry of Steel.

[Action: Government of Karnataka]

(b) On the issue of PL application of Karampada area and land acquisition issue representative of Government of Jharkhand has stated that the matter is under process and they would be expedite the same.

[Action: Government of Jharkhand]

(c) On FC and EC for stage-I issue of Karampara, MoEF&CC informed that they will response in the two weeks.

[Action: MoEFCC]

(d) On the issue of refund of bank guarantee, Ministry of Coal was requested to expedite the matter.

[Action: Ministry of Coal]

(e) On the issue of formation of AMIL-SAIL Joint venture, Secretary (Steel) said that the matter is a priority issue and will be taken up with SAIL separately. SAIL has been directed to expedite the issue.

[Action: SAIL]

4. The category C mines cancelled by Hon'ble Supreme Court are to be auctioned by the State Government. State Governments are free to reserve the mines for captive purposes. JS (A) informed that Ministry of Steel would suggest to the Government of Odisha that Priority I should be those existing plants that are short of raw material and Priority II should be the needs of the new plants.

[Action: Ministry of Steel]

5. Secretary (Steel) referred to the absence of some of the Project Proponents who did not attend the meeting. In case the Project Proponents continue not to respond for the IMG and the PMG meetings, their cases may be dropped from the list of cases to be considered.

6. Thereafter, the issues of CPSEs were taken up and the action points are given in the succeeding paragraphs.

5. Secretary (Steel) referred to the absence of some of the Project Proponents who did not attend the meeting. In case the Project Proponents continue not to respond for the IMG and the PMG meetings, their cases may be dropped from the list of cases to be considered.

6. Thereafter, the issues of CPSEs were taken up and the action points are given in the succeeding paragraphs.

**6.1 SAIL:**

(a) After discussions, the MoEFCC informed that they would decide the Gua mines case which is also located in Sarada region in about two weeks' time.

[Action: MoEFCC]

(b) Regarding the SAIL's Bolani sabik land issue in Odisha, JS (A) informed that the issue has also been included in the meeting of HSM with Minister (MoEFCC). IG (Forest) informed that they may consider the case on merit on case to case basis.

[Action: MoEFCC]

**6.2 OMDC**

(a) The earlier recommendations of MoEFCC on the three mines (Bagaiburu, Belkundi and Bhadrasahi] have run into statutory time bar. MoEFCC is to hold a meeting for ToR. IG, Forest agreed to expedite the case.

[Action: MoEFCC]

**6.3 NMDC**

(a) Responding to NMDC's request for permission for slurry pipelines, representative of Ministry of Railways informed that Railways do not lease their land. Railways would consider permission for crossing of slurry pipeline over head & the same would be expedited. NMDC was asked to approach Eastern Railways in this regard.

[Action; Ministry of Railway/NMDC]

**6.4 RINL**

RINL has been requesting for direct allocation of one or two thermal and one or two coking coal blocks at Baitrani West Thermal, Talabira I & II, Choritand Tilaiya, Utkal A, Rampia etc. for its captive use. Ministry of Coal was requested to consider the case.

[Action: Ministry of Coal]

7 The meeting ended with vote of thanks to the Chair.

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**List of Participant in the IMG meeting held on 31st May, 2016 at 3:00 PM**  
**Steel Room, Ministry of Steel, Udyog Bhawan, New Delhi**

**Ministry of Steel**

- |                                      |                   |
|--------------------------------------|-------------------|
| 1 . Smt. Aruna Sundarajan, Secretary | - In Chair        |
| 2 . Shri Syedain Abbasi              | - Joint Secretary |
| 3 . Shri K.S. Samarendra Nath        | - Director        |
| 4 . Shri K.B. Nair                   | - Under Secretary |
| 5 . Shri S.P.Bist                    | - Section Officer |

**Other Ministries/ Departments**

- |  |  |
|--|--|
| 6 . Shri Manoj Kumar Singh, Joint Secretary                      | - Ministry of Environment, Forest & Climate Change |
| 7 . Shri D.K. Sinha, IG(FC)                                      | - Ministry of Environment, Forest & Climate Change |
| 8 . Shri A.K. Behera, Executive Director, Traffic Transportation | - Ministry of Railways                             |
| 9 . Shri H.N. Aswath, Director                                   | - Ministry of Shipping                             |
| 10 . Shri Mukesh Choudhary, Director                             | - Ministry of Coal                                 |
| 11 . Shri Prithul Kumar, Director                                | - Ministry of Mines                                |
| 12 . Shri D.K. Rai, Director(SM)                                 | - Ministry of Shipping                             |
| 13 . Shri Atul Kumar, CGM  | - National Highway Authority of India              |
| 14 . Shri S. Sadananda Babu, S.E.                                | - Ministry of Road Transport & Highway             |
| 15 . Shri Zakaria Khan, Sr. Dev. Officer                         | - Department Industrial Promotion & Planning       |

**State Government**

- |   |                                |
|---|--------------------------------|
| 16 . Shri R.K.Sharma, Principal Secretary, Steel & Mines                            | - Government of Odisha         |
| 17 . Shri Subodh Kumar Singh, Secretary Commerce & Industry Mineral Resources Dept. | - Government of Chhattisgarh   |
| 18 . Ms. K. Ratna Prabha, ACS(C&I)  | - Government of Karnataka      |
| 19 . Shri Ashish Srivastava, Resident Commissioner                                  | - Government of Madhya Pradesh |
| 20 . Shri P. Ramgopal, OSD  | - Government of Andhra Pradesh |
| 21 . Shri Neeraj Sinha, Addl. DCP & O.S.D   | - Government of Jharkhand      |
| 22 . Shri Rajinder Kumar, Liaison Officer   | - Government of Andhra Pradesh |

**PSUs of Ministry of Steel**

- |  |   |
|--|---|
| 23 . Shri Ratnasanu Das, ES,                           | - Joint Plant Committee (JPC)                         |
| 24 . Shri Ranjan Bandopadhyaya, Sr. Manager            | - Joint Plant Committee (JPC)                         |
| 25 . Shri A.S. Firoz, CE                               | - Economic Research Unit (ERU)                        |
| 26 . Shri T.K.Pattnaik, Director(Coml.)                | - Manganese Ore (India) Limited (MOIL), Nagpur        |
| 27 . Shri Prem Sagar Mishra, Director(P&P)             | - Orissa Minerals Development Company Limited. (OMDC) |
| 28 . Shri Kalyan Maity, Director(RM&C)                 | - Steel Authority of India Limited.                   |
| 29 . Shri G Vishwakarma, Director(Project)             | - Steel Authority of India Limited.                   |
| 30 . Shri A.N. Mathur, E D(Project)                    | - Steel Authority of India Limited.                   |
| 31 . Shri K.R.Krishna Kumar, General Manager (Project) | - Steel Authority of India Limited.                   |
| 32 . Shri R.K. Prasad, General Manager I/C (CRMCs)     | - Steel Authority of India Limited.                   |
| 33 . Shri P.V.Satpathy, Director                       | - National Mineral Development Corporation (NMDC)     |
| 34 . Shri A.K. Makhija, E D (Project)                  | - Rashtriya Ispat Nigam Limited (RINL)                |

**Private Sector Steel proponents**

- |  |                                      |
|--|--------------------------------------|
| 35 . Shri Naresh Lalwani, General Manager              | - JSW Steel Limited.                 |
| 36 . Shri Rakesh Jha, Dy. Manager                      | - JSW Steel Limited.                 |
| 37 . Shri Saket Singal, E A                            | - JSW Steel Limited.                 |
| 38 . Shri Sateesh Singh, Chief Corporate Relations     | - Tata Steel Limited.                |
| 39 . Shri Ankan Mitra, Head Regulatory Affairs         | - Tata Steel Limited.                |
| 40 . Shri Rajamani Krishnamurti, Sr. Vice President    | - Essar Group                        |
| 41 . Shri Sanjeev Kapoor, Vice President               | - Bhushan Steel Limited.             |
| 42 . Shri Lalit Joshi, Dy. General Manager             | - Bhushan Steel Limited.             |
| 43 . Shri C.S.Moorthi, Sr. Manager                     | - Mukand Limited.                    |
| 44 . Shri Virendra Kumar Mital, Business Dev. Director | - Mukand Limited.                    |
| 45 . Shri Narasimha G. Hedge, General Manager          | - Arcelor Mittal India Pvt. Limited. |
| 46 . Shri Devinder Arora, General Manager              | - Arcelor Mittal India Pvt. Limited. |
| 47 . Shri Ramakrishna C S, Project Head, Jharkhand     | - Arcelor Mittal India Pvt. Limited. |
| 48 . Shri Susnta Kumar Moitra, President               | - Jayasewal Neco India Limited.      |
| 49 . Shri Ashok Sharma, Adviser                        | - Electrosteel Steel Limited.        |
| 50 . Shri Arvind Kumar Sharma, GM-Corporate Affair     | - Shree Nakoda Ispat Limited.        |
| 51 . Dr. Vijay Sharma, Managing Director               | - B.M.M Ispat Limited.               |
| 52 . Shri R.K.Kesarwani, General Manager Marketing     | - B.M.M Ispat Limited.               |
| 53 . Shri Chandra Prakash Aggarwal, Director           | - SMC Power Generation Limited.      |
| 54 . Shri D.D.Maheshwari, Advisor                      | - SMC Power Generation Limited.      |
| 55 . Shri Ranjan Mishra, E.D.                          | - Visa Steel                         |