

MINUTES OF MEETING OF INTER-MINISTERIAL GROUP (IMG) HELD UNDER THE CHAIRMANSHIP OF SECRETARY (STEEL) HELD ON 25.7.2012 AT 3.30 P.M. AT NEW DELHI

A list of participants is at Annexure.

2. Secretary (Steel) welcomed all participants and initiated the discussion on the issues one by one as per the listed agenda. The issues deliberated during the meeting were as under:-

A. ISSUES PERTAINING TO THE MINISTRY OF RAILWAYS

(a) SAIL: The representative of SAIL highlighted the need for exemption to SAIL from Railway Transit Pass. He mentioned that exemption is available in Chhattisgarh and similar facility may be extended for Jharkhand and Orissa also. The representative of the Ministry of Railways stated that the exemption is available in Chhattisgarh in case of captive mines and they have no objection if similar arrangement/facility is extended by other State governments like Orissa and Jharkhand also. The representative of Orissa Government mentioned that they have no objection in principle for exemption to captive mines for SAIL. With regard to other issues like clearance from SEC for installation of conveyor gallery and foot-over bridge etc. pertaining to extension of Bhilai steel plant, it was assured by the representative of Ministry of Railways that action would be taken to expedite these works on priority.

(b) NMDC: The representative of NMDC raised the issue of Rail line between Rowghat and Jagdalpur. The representative of Ministry of Railways responded that this rail line is facing naxalite problem due to which the work is stopped. It was mentioned by Secretary (Steel) that necessary security arrangements are being planned in association with MHA and it is hoped that situation will improve soon. Upon the issue of construction of Railway siding at Jagdalpur, it was pointed out by the representative of Railways that there is a Railway siding already in existence at Jagdalpur.

(c) JSPL: The representative of JSPL stated that Own Your Wagon Scheme should be extended for iron ore and coal. The representative of Ministry of Railways clarified that in place of Own Your Wagon Scheme, a Liberalized Wagon Investment Scheme is presently available. Capacity of destination terminal and infrastructure for handling steel traffic is likely to be a serious constraint in future. Availability of wagon is not a problem but matching local infrastructure is required to be developed by the steel investors.

Secretary (Steel) intervened and mentioned that steel investors should plan expansion of their infrastructure facilities commensurate with the expansion programme of steel plants in consultation with the Rail authorities.

It was informed by the representative of Railways that doubling of Angul-Sambalpur stretch is already a sanctioned project and further action would be taken depending on availability of funds. With respect of other issues of JSPL the volume of traffic etc. may have to be taken into consideration before arriving at a decision on case to case basis.

The representative of Railways specially pointed out that there is sudden increase in traffic demand in Orissa-Chhattisgarh region whereas there is a problem of underutilization of capacity on the Western Coastal Region. Secretary (Steel) clarified that it might have developed due to ban on mining of iron ore in Karnataka by the Supreme Court of India. However, there is a need to rationalize movement so as to minimize load on Railways.

(d) JSW Steel: On the issue of SAIL's iron ore siding at Manoharpur, it was mentioned by the representative of Ministry of Railways that the issue may have to be settled jointly by JSW, SAIL and Railways. The representative of SAIL assured that the matter would be expedited on priority.

(e) Jai Balaji Industries: On the issue of Private railway siding in West Bengal it was mentioned by the representative of Ministry of Railways that if loading can be arranged Railways have no problem. Jai Balaji Industries may make a firm proposal before Railways in this regard and the same would be examined on priority.

B. ISSUES PERTAINING TO MINISTRY OF MINES:

(a) JSPL: On the issue of grant of ML / PL for iron ore it was mentioned by the representative of Ministry of Mines that no application of JSPL is pending with the Ministry of Mines. However, there is a new twist to the issue of allocation of iron ore mines in the aftermath of the Supreme Court observations that natural resources may be allocated by way of auction only. The opinion of Law Ministry has also been taken in the matter of MMDR Bill. This has also affected the cases of renewal of mining leases. However, in the cases of renewal, clarity is possible within a reasonable time as the matter is pending before the Supreme Court. All State Governments are treading cautiously on this path.

(b) Monnet Ispat: On the issue of pending replies from the State Government of Chhattisgarh for grant of PL for iron ore, the representative of Government of Chhattisgarh mentioned that the matter will be followed up. He further added that there is no progress on the ground in respect of Kumhari Steel plant. The representative of Monnet Ispat clarified that the progress is slow due to the CNT Act coming into it. The currently the company is in process of acquiring land and there is problem pertaining to rehabilitation and resettlement also. He also raised an additional point pertaining to Dantevada mine on which it was clarified by the representative of Ministry of Mines that the issue is pending with the Supreme Court.

(c) VISA Steel: On the issue of grant of ML / PL for iron ore, it was mentioned by the representative of Ministry of Mines that there is a new twist to the issue of allocation of iron ore mines in the aftermath of the Supreme Court observations that natural resources may be allocated by way of auction only. All State Governments are treading cautiously on this path.

(d) Jai Balaji: The representative of the company requested that their PL/ML applications pending before the State Governments of Jharkhand and Orissa should be processed

expeditiously. Secretary (Steel) agreed that all such pending applications before State Governments may be processed speedily.

C. ISSUES PERTAINING TO MINISTRY OF ENVIRONMENT AND FORESTS:

(a) SAIL: The representative of SAIL mentioned that first three listed agenda items have already been resolved. Regarding forest clearance proposals for Jhilingburu I, II, Topilor and the proposed Karo-Karampada Elephant Corridor, it was stated by the representative of Ministry of Environment and Forests that response will be provided later. Secretary (Steel) desired that these cases may be processed expeditiously.

(b) JSPL: On the issue of grant of Environment and Forest clearances for Jeraldaburu iron ore mines, it was mentioned by the representative of Ministry of Environment and Forests that EIA Notification in this regard has already been done. The Wild Life Plan for Saranda area in Jharkhand is under finalization. Forest clearance for Jitpur Coal Block reserves for which presentation before FAC has already been made and the desired clarification has already been given by the company, further processing will be done in due course.

(c) JSW Steel: On the issue of Environment and Forest clearances in the Saranda region, it was mentioned by the representative of Ministry of Environment and Forests that the Wild Life Plan for Saranda area in Jharkhand is under finalization. Regarding setting of a time frame for such clearances, it was desired by Secretary (Steel) that there should be a fixed time frame for processing applications pertaining to grant of environment and forest clearances. He also desired to have a meeting with the Secretary (Environment & Forests) on this issue.

(d) Jai Balaji : On the issue of forestry clearance of the Rohne Coal Block, it was mentioned by the representative of Ministry of Environment and Forest that this Coal Block is led by a consortium leader who is required to take initiative to complete required formalities on priority.

(e) NMDC: The representative of NMDC mentioned that the company entered into a Joint Venture with Chhattisgarh Mineral Development Corporation and applied for mining lease. However, their proposal was rejected on the ground that they have already six such leases in the State. This may be reconsidered by the Ministry of Environment and Forests.

(f) Arcelor Mittal: The representative of the company raised the issue of delay in processing of ML application for the Karampada iron ore mine by the Jharkhand State Government. He mentioned that all requirements have been completed but Stage-I Forest clearance is pending for the last 24 months. This may be immediately forwarded to the centre for further action. The representative of the Government of Jharkhand responded that they are waiting for a decision in the case of JSPL which is similar in nature. Secretary(Steel) desired that State Governments should have a single window system for handling such applications.

D. ISSUES PERTAINING TO MINISTRY OF COAL:

(a) SAIL: On the issue of allocation of coal blocks, it was mentioned by the representative of Ministry of Coal that the coal blocks which were allocated to SAIL, RINL and others are under scrutiny. The Ministry is moving cautiously in the aftermath of the observation of the Supreme Court that natural resources of the country should be allotted on the basis of auction only. The Ministry is in the process of developing a mechanism to incorporate the observations of the Supreme Court and this may take another 3-4 months and the pending applications would be processed accordingly.

(b) JSPL: On the issue of coal linkage for its pellet plant, it was mentioned by the representative of Ministry of Coal that decision in this regard will be taken by Coal India Limited as this is a non-SLC item. It was pointed out by the representative of JSPL that requirements of Pellet plants may be brought under the purview of the SLC under the Ministry of Coal as Pelletization has become a popular route for feeding integrated steel plants. This also enhances the scope for better utilization of iron ore resources. The representative of Arcelor Mittal also supported the need for a policy decision in this regard. He also expressed his concern on delay in SLC meetings. It was clarified by the Ministry of Coal representative that due to shortage of coal, SLC meetings have been delayed. It was suggested by the representative of Arcelor Mittal that suitable policy decision may be taken for allocating captive coal mines for steel plants.

(c) JSW Steel: On the issue of problem for use of land in the command area of Coal India Limited by other mines owners, it was stated by the representative of Ministry of Coal that the matter is under consideration. Similarly, the issue of revising mile stone schedules of Rohne coal block is also under consideration of the Ministry. He further mentioned that an IMG has been constituted under the Ministry of Coal to consider delay in getting Environment and Forest clearances in the process of developing coal blocks. He suggested that if there is a delay on account of Environment and Forest clearances, Ministry of Coal should be intimated about the same.

(d) Visa Steel: On the issue of tapering linkage, the representative of Ministry of Coal responded that the leader of the New Patherpara Coal Block consortium is not doing much to fulfill the norms required in the matter. The other members of consortium should take up this matter with their consortium leader. He assured that this matter will be reviewed in the next SLC meeting.

(e) Jai Balaji Industries: The representative of Ministry of Coal mentioned that they are also having the similar problem of inaction on the part of the leader of consortium and the matter may be reviewed in the next SLC meeting.

(f) Monnet Ispat: On the issue of coal linkage, it was mentioned by the representative of Ministry of Coal that decision in this regard will be taken by Coal India Limited as this is a non-SLC item.

E. ISSUES PERTAINING TO DEPTT. OF ROAD TRANSPORT AND HIGHWAYS

(a) NMDC Ltd.: On the issue of alternative route to Jagdalpur from Raipur, it was stated by the representative of the Deptt. of Road Transport and Highways that the region is

badly affected by naxal activities. Therefore, the NHAI may not be able to develop road network in the region and State Government will have to take responsibility to develop it. A DPR is being prepared for strengthening Raipur to Dhamtari section but no alternate route is possible. As far as transportation of Over Dimensional Consignment is concerned the same may have to be transported in knocked down condition. With regard to maintenance of road from Visakhapatnam to Nagarnar, it was mentioned by him that a major portion of it has already been approved and this work may be completed in approximately two years time.

(b) JSPL: It was pointed out by the representative of Deptt. of Road Transport and Highways that the expansion of carriage capacity of the Roads from Angul to Budhupal, SH-63 and Koira to Kalaipose etc, all may be required to be developed by the State Government of Orissa, being parts of State Highways. With regard to connectivity of Eastern Coast, it was mentioned by him that the attempt to expand Paradip port on Build-Operate-Transfer basis has failed. Similarly, other roads, connecting Raigarh with Saraipali, Jharsuguda and Bilaspur, may have to be taken up by the State Government due to unfeasible traffic load.

(c) Visa Steel: With regard to the issues of capacity expansion of NH-200 and roads linking Chandikhola to Tomka and Paradip Port, it was mentioned by the representative of Road Transportation and Highways that the identified stretches of roads have very flow traffic. Therefore, several attempts of NHAI for developing the same on PPP model have failed. Therefore, it is the State Government concerned who may have to take a call on the matter. The other roads for their Chhattisgarh Project are all under the State Government.

F. ISSUES PERTAINING TO DEPTT. OF SHIPPING:

At the outset it was mentioned by the representative of the Department of Shipping that a Berth Allocation Policy has been prepared by the Ministry and same would be finalized shortly. He further added that the response of the Ministry on various agenda points has already been communicated and the same are also available on the website of the Ministry of Steel.

3. It was mentioned by the representative of Arcelor Mittal that the States of Jharkhand, Orissa and Chhattisgarh are worst naxal affected States. Co-incidentally, most of the iron ore resources are also located in these States. Due to the naxal problem, the progress of steel projects and other associated industries in these States is very slow. Therefore, the Central Government is required to develop a suitable Steel Policy taking into account the socio-economic structure of these States. Secretary (Steel) mentioned that in a recent meeting held by NMCC, this issue was deliberated upon keeping in view particularly the requirement of steel industry beyond 2020-22, after all brown-field projects would have been completed.

4. With regard to the issues pertaining to the State Governments, it was mentioned by the Secretary (Steel) that the same should be taken up by the concerned State Governments on the priority and necessary processing should be completed

expeditiously. Secretary(Steel) also desired that in the next IMG meeting, State Governments should come with complete and updated factual information on the agenda points. He also desired that in these meetings the State Governments should be represented by the concerned Secretaries of the Ministries to give due importance to the issues raised in the meetings of IMG. The State Governments should provide updated status report in respect of the agenda items in writing on priority.

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

LIST OF PARTICIPANTS

1. Shri D.R. S.Choudhary, Secretary (Steel) - Chairman
2. Shri J.P. Shukla, Joint Secretary, Ministry of Steel
3. Shri D.B. Singh, Director, Ministry of Steel

Other Ministries/Department

4. Shri H.D. Gujrati, Executive Director, Railway Board
5. Shri R.K. Malhotra, Director, Ministry of Mines
6. Shri Y.P. Dhingra, Deputy Secretary, Ministry of Coal
7. Shri Sanjay Bandopadhyaya, Joint Secretary, Ministry of Road, Transport & Highways
8. Shri Jajoria, Director, Ministry of Shipping
9. Shri S.P. Singh, Sr. Al. of Forest, Ministry of Environment & Forest
10. Dr.(Mrs) P.L.Ahuja Rai, Director, Ministry of Environment & Forest

State Government

11. Shri Sunil Bhargava, Principal Resident Commissioner, Government of Odisha
12. Shri A.P. Singh, Secretary, Industry, Government of Jharkhand
13. Shri S.I. Minz, Additional Director, Mines (HQ), Government of Jharkhand
14. Shri K.C. L. Narasimha Reddy, Joint Director, Department of Mines & Geology, Government of Andhra Pradesh, Hyderabad
15. Mrs. Uma Devi, Resident Commissioner, Government of Chhattisgarh
16. Shri N.E. Chinnadurai, Liaison Officer, Government of Tamil Nadu

PSU

17. Shri Anil Choudhary, Director (F), SAIL, New Delhi
18. Shri Ram Gopal, GM (CRMG), SAIL
19. Shri A.R. Chadha, ED (Forest), SAIL
20. Shri Arun K. Shukla, Project Manager, NMDC Ltd, Raipur
21. Shri M.P. Srivastava, Regional Head, NMDC Ltd, New Delhi

Private Sector

22. Shri R. Sharma, Executive (Corp.), Visa Steel Ltd, New Delhi
23. Shri Vijay Kumar, Sr. Manager, Visa Steel Ltd., New Delhi
24. Shri R.P. Nangalia, President, JSW Steel Ltd, New Delhi
25. Shri Dinesh Singh Negi, AGM, JSW Steel Ltd. , New Delhi
26. Shri Manu Raj Talwar, Manager, Monnet Ispat and Energy Ltd, New Delhi
27. Shri A.K. Mukherjee, Director, Jai Balaji Group, New Delhi
28. Shri Kapil Rawat, President, JSPL, New Delhi
29. Shri S.K. Mehta, Vice President, Essar Steel, New Delhi
30. Dr. Sonav Mishra, Vice President Arcelor Mittal
31. Shri Vijay Bhatnagar, EVP, India CEO, Arcelor Mittal
32. Shri Vikash Sharan, Director, Posco Inda Ltd., New Delhi
33. Shri Ajay Sahay, Liaison Exe., Tata Steel Ltd, New Delhi