

# Standing Committee Report Summary

## Development of Leased out Iron Ore Mines and Optimum Capacity Utilisation

- The Standing Committee on Coal and Steel (Chair: Mr. Rakesh Singh) submitted its report on the subject ‘Development of Leased out Iron Ore Mines and Optimum Capacity Utilisation’ in March 2021. Key observations and recommendations of the Committee include:
  - **Delay in approvals and clearances for iron ore mines of SAIL:** The Committee noted that many iron ore mines of Steel Authority of India Limited (SAIL) are awaiting environment clearances and forest clearances. These clearances are either pending with the Central Ministry or respective state governments. The Committee noted that delays in clearances have affected the capacity expansion by SAIL.
  - **Additional land adjacent to mining area:** The Committee observed that extensive exploration requires an increase in depth of mine. This requires increasing the pit area in the lateral direction and an increase in the quantum of waste mining. Hence, additional area is required adjacent to existing mining areas so that waste generated by additional reserves are accommodated. The Committee observed that state governments are not willing to grant additional area adjacent to mining areas in the absence of evidence for the presence of mineral content. State governments are of the view that such areas should be auctioned. The Committee recommended that Ministry of Steel should coordinate with Ministry of Mines for facilitating the expansion of the area of existing mines.
  - **Beneficiation:** Beneficiation is the process which improves the economic value of the ore by removing gangue minerals. The Committee noted that there has been a continuous depletion of high-grade iron ore in India. Hence, it is necessary to beneficiate low-grade iron ore into commercial-grade to fulfil the demand for raw material for steel making. The Committee noted that beneficiation plants for iron ore with iron content between 45%-55% is rare in India because of poor economics. The cost of beneficiation is directly linked to power cost. The Committee observed that beneficiation followed by agglomeration can help in: (i) conserving the limited high-grade ore, and (ii) optimum utilisation of mine/process rejects. The Committee recommended that Ministry of Steel should coordinate with Ministry of Mines for framing a policy for incentives to beneficiation and agglomeration industries.
  - **Pelletization:** The process of agglomerating iron ore into pellets is called pelletization. The Committee noted that pellets are the principal raw material for blast furnaces and can enhance the productivity of a blast furnace manifold. The additional concentrate generated from the beneficiation of low-grade ore can be used to make pellets. It recommended that pellet plants should be encouraged to use beneficiated ore and enhance their capacity utilisation.
  - **Adoption of environment-friendly technologies in mining:** The Committee observed that the adoption of environment-friendly technologies in the mining of all grades of minerals should be promoted. The necessary provision for beneficiation or pelletization at the mining site itself should be made. The rest of the waste can be diverted for other uses (for instance, as construction material). The Committee recommended that stakeholder consultations should be conducted to jointly evolve a zero-waste model mining project.
  - **Targets under National Steel Policy:** Under the National Steel Policy 2017, India’s crude steel capacity is targeted to increase to 300 Metric Ton (MT) by 2030-31. The Committee noted that this will lead to an increase in the requirement of iron ore to 437 MT by 2030-31. The Committee observed that steps need to be taken to enhance steel consumption and more steel plants are needed to be set up to meet the targets under the Policy.

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