

---

## **KIOCL and NMDC to be merged**

*Thursday, 11 Jun, 2009*

TOI cited Mr A Sai Pratha union minister of state for steel as saying that steps will be taken to revive Kudremukh Iron Ore Company Limited.

Mr Pratha said since a case on mining related ecological hazards is pending before the SC, the court will be informed of the measures mooted to protect the environment. The issue will be discussed in the cabinet before taking a final decision.

The government on Wednesday said the state-owned National Mineral Development Corporation will acquire a majority stake in the company. As per the proposal, while the NMDC, will acquire a minimum of 51% stake in the KIOCL, the latter will acquire a minority stake in the NMDC.

This acquisition will ensure continuous supply of iron ore to the KIOCL from the NMDC. Apart from this, he said the NMDC would benefit from the experience of KIOCL in operating the pellet plant and mining.

Now, the KIOCL faces problems in the operations of its pellet plant and blast furnace following the closure of mining operations since 2006.

The KIOCL, a 100% export oriented unit, has been trying to restart its mining activities by acquiring large tracts of mining areas which have proved a failure so far. Mining at Kudremukh in Chikmagalur district was stopped following the Supreme Court direction.

In addition, the recent decision of the Karnataka Government to grant permission for mining to only those companies which set up captive steel plants, has also come as a setback to the KIOCL to resume its core activities, said the secretary.

**For more news visit at [www.steelguru.com](http://www.steelguru.com)**