



सत्यमेव जयते

File No.: J-11011/97/2008-IA.II(I)
Government of India
Ministry of Environment, Forest and Climate Change
IA Division



Dated 15/03/2025



To,

M/s SCAN STEELS LIMITED
Budhakota, Dist- Sundargarh, Odisha
praveen@scansteels.com

Subject: Expansion of Integrated Steel Plant from 0.067 to 0.378 MTPA by M/s Scan Steels Ltd., located at Unit-II, Budhakota, Dist- Sundargarh, Odisha –Extension of Validity of Environmental Clearance–**regarding.**

Sir/Madam,

This refers to your proposal no. IA/OR/IND1/435376/2023 12.12.2023 along with Form-6 and sought for extension of validity of Environmental Clearance accorded by the Ministry vide File no. J-11011/97/2008-IA.II(I) on dated 02.01.2014 and subsequent EC extension dated 25.02.2021 for a period up to 01.01.2026

2. The particulars of the proposal are as below :

(i) Validity Extension Identification No.	EC23A1001OR5991895N
(ii) File No.	J-11011/97/2008-IA.II(I)
(iii) Clearance Type	Application for Validity Extension of EC- Form-6
(iv) Category	A
(v) Schedule No./ Project Activity	3(a) Metallurgical Industries (ferrous and non ferrous),2(a) Coal washeries,1(d) Thermal Power Plants
(vi) Sector	Industrial Projects - 1
(vii) Name of Project	Expansion of Integrated Steel Plant from 0.067 to 0.378 MTPA at Unit-II, Budhakota, Dist-Sundargarh, Odisha
(viii) Location of Project (District, State)	KHORDHA, ODISHA
(ix) Issuing Authority	MoEF&CC
(x) EC date	
(xi) Status of implementation of the project	Project is operational for partial components/units envisaged in the EC
(xiii) Whether any amendment to the earlier EC	No

has been sought?

3. The proposal cited above was initially considered during the 51st meeting of the EAC for Industry-I sector held on 2nd – 4th January 2024 wherein the Committee deferred the proposal based on additional information submitted the proposal was re-considered in 73rd meeting of EAC (Industry-1) held on 30th-31st January, 2025. The minutes of the meeting and all the project documents are available on PARIVESH portal which can be accessed at <https://parivesh.nic.in>.

Details submitted by the project proponent

4. M/s Scan Steels Ltd. had obtained EC from MoEF&CC for expansion of Integrated Steel Plant from 0.067 MTPA to 0.378 MTPA at Unit-II, Budhakata, Birigatoli under Rajgangpur Tehsil of Sundargarh District in Odisha vide File No. J-11011/97/2008-IA.II(I) dated 02.01.2014. Thereafter, Extension of Validity of EC was obtained by the Unit File no J-11011/97/2008-IA-II(I) on 25th February 2021, in line of the Expansion of EC obtained previously. The extension of EC has its validity till 01.01.2024. Further, M/s. Scan Steels Ltd. had obtained NIPL w.r.t. Change in configuration of SMS from 3x12 T IF + 2x30 T EAF to 4x12 T IF + 3x20 T IF under NIPL Certificate with vide no 947/IND-II-NOC-MISC-NIPL/63 dated 13/06/2023.

5. The instant proposal is for extension of validity of Environmental Clearance accorded by the Ministry vide File no. J-11011/97/2008-IA.II(I) on dated 02.01.2014 and subsequent EC extension dated 25.02.2021 for a period upto 01.01.2026.

6. **Reasons for delay:** The delay in project implementation stems from multiple financial and operational challenges. Originally planned in 2007 with an estimated cost of 765.74 crores, the project faced cost escalations due to the 2014 global recession and changing market conditions. Financial constraints worsened when the company was declared an NPA by SBI in 2015, though it successfully exited NPA status in 2021 after restructuring. The COVID-19 pandemic further disrupted operations, halting progress and leaving only 60% of the work completed by 2023. Given the rising costs and market conditions, the management reassessed the project configuration, leading to the cancellation of the blast furnace, submerged arc furnace, galvanizing plant, and oxygen plant due to financial and operational concerns. Instead, the focus shifted to implementing a 2x500 TPD DRI plant, a 1.2 MTPA pellet plant, and a 26 MW captive power plant. All construction activities have been on hold since December 2024, pending the extension of environmental clearance. The company remains committed to regulatory compliance and will resume construction only after securing the necessary approvals.

Deliberations by the Committee

7. The Committee noted the following:

i. M/s Scan Steels Ltd. had obtained EC from MoEF&CC for expansion of Integrated Steel Plant from 0.067 MTPA to 0.378 MTPA at Unit-II, Budhakata, Birigatoli under Rajgangpur Tehsil of Sundargarh District in Odisha vide File No. J-11011/97/2008-IA.II(I) dated 02.01.2014. Thereafter, Extension of Validity of EC was obtained by the Unit File no J-11011/97/2008-IA-II(I) on 25th February 2021, in line of the Expansion of EC obtained previously. The extension of EC has its validity till 01.01.2024. Further, M/s. Scan Steels Ltd. had obtained NIPL w.r.t. Change in configuration of SMS from 3x12 T IF + 2x30 T EAF to 4x12 T IF + 3x20 T IF under NIPL Certificate with vide no 947/IND-II-NOC-MISC-NIPL/63 dated 13/06/2023.

ii. The instant proposal is for extension of validity of Environmental Clearance accorded by the Ministry vide File no. J-11011/97/2008-IA.II(I) on dated 02.01.2014 and subsequent EC extension dated 25.02.2021 for a period upto 01.01.2026.

iii. PP reported that the delay in project implementation stems from multiple financial and operational challenges. Originally planned in 2007 with an estimated cost of 765.74 crores, the project faced cost escalations due to the 2014 global recession and changing market conditions. Financial constraints worsened when the company was declared an NPA by SBI in 2015, though it successfully exited NPA status in 2021 after restructuring. The COVID-19 pandemic further disrupted operations, halting progress and leaving only 60% of the work completed by 2023. Given the rising costs and market conditions, the management reassessed the project configuration, leading to the cancellation of the blast furnace, submerged arc furnace, galvanizing plant, and oxygen plant due to financial and operational concerns. Instead, the focus shifted to implementing a 2x500 TPD DRI plant, a 1.2 MTPA pellet plant, and a 26 MW captive power plant. All construction activities have been on hold since December 2024, pending the extension of environmental clearance. The company remains committed to regulatory compliance and will resume construction only after securing the necessary

approvals.

iv. The EAC noted that as per Ministry's O.M. vide F.No. 1A3-22/28/2022-IA.111 [E181584] dated 13.12.2022, the validity of Environmental Clearance, which had not expired as on the date of publication of Notification i.e. 12/04/2022, shall stand automatically extended to respective increased validity as mentioned at para no-1 column (C), of the O.M. i.e. 10 years from the date of grant of EC in the case of projects other than river valley, nuclear and mining projects. Therefore the validity of EC in the instant case automatically increased to 01.01.2025 (including 1 year of covid in pursuance to Ministry's Notification vide S.O. 221(E) dated 18th January, 2021). Now PP has requested for further extension upto 01.01.2026 for implementation of the proposed facilities.

Recommendations of the Committee

8. In view of the foregoing and after deliberations, the Committee recommended subject to uploading the written submission on Parivesh Portal to extend the validity of Environmental Clearance accorded by the Ministry vide File no. J-11011/97/2008-IA.II(I) dated 02.01.2014 and subsequent EC extension dated 25.02.2021 for a period upto 01.01.2026 subject to stipulation of following additional conditions:

- i. PP shall abide by the commitments made by the project proponent in the affidavit.
- ii. PP shall remain committed to adhering to all environmental and regulatory requirements and will continue to engage with the relevant authorities to ensure the successful and compliant completion of the project.
- iii. All other terms and conditions stipulated in the Environmental Clearance accorded by the Ministry vide File no. J-11011/97/2008-IA.II(I) dated 02.01.2014 and subsequent EC extension dated 25.02.2021 shall remain unchanged.

9. The MoEF&CC has examined the proposal in accordance with the Environment Impact Assessment (EIA) Notification, 2006 & further amendments thereto and after accepting the recommendations of the Expert Appraisal Committee (Industry-1 Sector) hereby decided to grant extension of the validity of Environmental Clearance accorded by the Ministry vide File no. J-11011/97/2008-IA.II(I) dated 02.01.2014 and subsequent EC extension dated 25.02.2021 for a period upto 01.01.2026 subject to stipulation of additional conditions (**Annexure I**).

10. The Ministry reserves the right to stipulate additional conditions, if found necessary at subsequent stages and the project proponent shall implement all the said conditions in a time bound manner. The Ministry may revoke or suspend the environmental clearance, if implementation of any of the above conditions is not found satisfactory.

11. Concealing factual data or submission of false/fabricated data and failure to comply with any of the conditions mentioned above may result in withdrawal of this clearance and attract action under the provisions of the Environment (Protection) Act, 1986.

12. This issues with approval of the competent authority.

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Copy To

1. The Principal Secretary, Department of Forest and Environment, Government of Odisha, Bhubaneswar, Odisha
2. Director General of Forest, Ministry of Environment, Forest and Climate Change, New Delhi
3. Principal Chief Conservator of Forests & HoFF, Aranya Bhawan, Chandrasekharapur, Bhubaneswar - 751 023, Odisha
4. The Regional Officer, Ministry of Environment, Forest And Climate Change, Integrated Regional Office, A/3, Chandrasekharapur, Bhubaneswar – 751023 ODISHA
5. The Member Secretary, Central Pollution Control Board, Parivesh Bhawan, CBD-cum-Office Complex, East Arjun Nagar, Delhi – 32
6. The Member Secretary, Central Ground Water Authority, Jamnagar House, 18/11, Man Singh Road Area, New Delhi,

Delhi 110001

7. The Member Secretary, Odisha State Pollution Control Board, Paribesh Bhawan, A/118, Nilakantha Nagar, Unit - VIII, Bhubaneswar -12 Odisha.

8. Monitoring Cell, Ministry of Environment, Forest and Climate Change, Indira Paryavaran Bhawan, Jor Bagh Road, New Delhi.

9. District Collector, Sundargarh , Odisha.

10. Guard File/Monitoring File/ Parivesh Portal /Record File.

Annexure 1

Specific EC Conditions for (Metallurgical Industries (Ferrous And Non Ferrous))

1. Specific

S. No	EC Conditions
1.1	PP shall abide by the commitments made by the project proponent in the affidavit.
1.2	PP shall remain committed to adhering to all environmental and regulatory requirements and will continue to engage with the relevant authorities to ensure the successful and compliant completion of the project.
1.3	All other terms and conditions stipulated in the Environmental Clearance accorded by the Ministry vide File no. J-11011/97/2008-IA.II(I) dated 02.01.2014 and subsequent EC extension dated 25.02.2021 shall remain unchanged.

Additional EC Conditions

NA