

F. No. J-11011/137/2008- IA II (I)
Government of India
Ministry of Environment and Forests
(I.A. Division)

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Dated 28th

May, 2008

To,
The Chief Executive Officer
M/s Shri Venkateshwara Sponge & Power Ltd.
APIIC Industrial Estate Exp.
Srikalaharti, Village Merlapaka
District Chittoor, Andhra Pradesh

E-mail : svsppltpt@yahoo.com ; Fax No. : 08578-287618

Subject: Expansion of Steel Plant at APIIC Industrial Estate Exp., Srikalaharti, Village Merlapaka, District Chittoor, Andhra Pradesh by M/s Shri Venkateshwara Sponge & Power Ltd. - Environmental clearance reg.

Sir,

This has reference to your letter no. nil dated 1st November, 2007 alongwith application and EIA/EMP and subsequent clarifications furnished by you vide letter dated 25th February, 2008 for environmental clearance on the above mentioned project.

2.0 The Ministry of Environment and Forests has examined the application. It is noted that M/s Shri Venkateshwara Sponge & Power Pvt. Ltd. have proposed for the Steel Plant at APIIC Industrial Estate Exp., Srikalaharti, Village Merlapaka, District Chittoor, Andhra Pradesh. Total project area is 130 acres. Total cost of the project is Rs. 400.00 Crores. Environmental clearance for the existing plant has been accorded by the Ministry vide letter dated 19th April, 2007. Following will be manufactured:

S.N.	Product / Unit	Existing Plant Capacity (TPA)	Expansion Capacity (TPA)	Total Expansion
1	Sponge Iron	1,20,000	2,10,000	3,30,000
2	Hot Metal (Mini blast furnace)	Nil	4,36,425	4,36,425
3	Liquid (Induction Furnaces)	90,000	1,62,000	2,52,000
4	Rolling Mill	60,000	3,00,000	3,60,000
5	Sinter Plant	Nil	3,60,000	3,60,000
6	Power Generation WHRB FBC	8 MW 7 MW	23 MW 9 MW	31 MW 16 MW

3.0 Sponge iron will be manufactured using iron ore, coal and lime stone through DRI process. The waste from gases from kiln will pass through WHRB and power will be generated.

Sinter will be produced in Sinter Plant and used in Mini Blast Furnace (MBF). The hot metal produced in MBF will be melted in IF alongwith sponge iron, Ferro Alloys and scrap to produce M.S. Billets through continuous casting machine. DRI and scrap will be melted in I.F. and ferro alloy will be added in the ladle furnace. The liquid steel from ladle tundish will be caste into ingots. The ingots will be reheated to manufacture rolled products.

4.0 Electro Static Precipitators (ESPs), gas cleaning plant (GCP), cyclones, ventury scrubbers, bag filters, fume extraction system, dust suppression system with will be provided to control particulate emissions. Flue gases from ABC of DR kiln will be used in WHRB and dolochar coal in FBC boiler to generate power. Total water requirement from APIIC will be 4,445 m³/day. All the treated effluent will be used for ash conditioning, dust suppression and green belt development and 'Zero' effluent discharge will be adopted. Granulated slag from MBF will be given to cement plants. Accretion and SMS slag will be used in road construction. Mill scales will be used in BF and Sinter plant. Bag filter dust will be used in BF. Char will be used as fuel in AFBC boiler for power generation. Ash from ESP of WHRB & FBC will be utilized in brick manufacturing unit within the premises.

5.0 No public hearing is required due to expansion of the proposed unit in the same campus as per Section 7 (ii) of EIA Notification, 2006.

6.0. The Ministry of Environment and Forests hereby accords environmental clearance to the above project under the provisions of EIA Notification dated 14th September, 2006 subject to strict compliance of the following specific and general conditions:

A. SPECIFIC CONDITIONS :

i) Efforts shall be made to reduce RSPM levels in the ambient air and a time bound action plan shall be submitted. On-line stack monitoring facilities for all the stacks shall be provided and sufficient air pollution control devices shall be provided to keep the emission levels below 100 mg/Nm³ and reports submitted to the Ministry's Regional Office at Bangalore, CPCB and APPCB.

ii) Electrostatic Precipitators (ESPs) shall be provided to Sinter Plant, Sponge Iron Plant, WHRB and FBC boilers to control particulate matters within 100 mg/Nm³. Hot gases from kiln shall be treated in Dust Settling Chamber (DSC) and then passed to After Burning Chamber (ABC) to burn the combustibles. The gases shall be used in WHRB for power generation and then cleaned in ESP before letting out through stacks. The flue gases from MBF shall be cleaned in gas cleaning plant (GCP) comprising of cyclones followed by ventury scrubbers. The flue gas from Rolling Mill shall be discharged into the atmosphere through stacks of adequate height for effective dispersion of emissions into the atmosphere.

iii) In-plant control measures for checking fugitive emissions from all the vulnerable sources shall be provided. Fume extraction system with bag filters shall be provided to control fugitive emissions from the Steel Melting Shop (SMS/IF) and treated gas shall be let out into the atmosphere through stack of adequate height. Dust suppression system shall be provided in unloading areas. Bag filters shall be provided in coal crushing and

screening, cooler discharge area, product separation areas etc. All internal roads shall be asphalted to prevent the fugitive dust emissions. Further, specific measures like water sprinkling around the coal stockpiles shall be done to control fugitive emissions.

iv) Gaseous emission levels including secondary fugitive emissions from blast furnace and sinter plant shall be controlled within the latest permissible limits issued by the Ministry and regularly monitored. Guidelines / Code of Practice issued by the CPCB for Sponge Iron Plants shall be followed.

v) Vehicular pollution due to transportation of raw material and finished product shall be controlled. Proper arrangements shall also be made to control dust emissions during loading and unloading of the raw material and finished product.

vi) Total water requirement from APIIC shall not exceed 4,445 m³/day. Closed circuit cooling system shall be adopted in DRI kiln, Blast Furnace (BF) SMS and Rolling Mill. The acidic and alkaline effluent from cation and anion units of DM Plant shall be neutralized in neutralization tank. The GCP effluent from MBF shall be treated in a settling tank and clear water shall be recycled into the process. All the effluents shall be mixed in a Central Monitoring Basin alongwith cooling water blow down and recycled & reused either in the process, ash conditioning, dust suppression and green belt development etc. No wastewater shall be discharged outside the factory premises and 'Zero' discharge shall be adopted. 'Zero' effluent discharge shall be strictly followed and no wastewater shall be discharged outside the premises.

vii) Prior 'Permission' for the drawl of 4,445 m³/day water from the concerned department shall be obtained and a copy of the permission letter shall be submitted to the Ministry and its Regional Office at Bangalore

viii) All the char from DRI plant shall be utilized as fuel in the AFBC boiler of power plant and no char shall be disposed off anywhere else. All the blast furnace (BF) slag shall be granulated and provided to cement manufacturers for further utilization. Iron ore, MBF dust, mill scales shall be recycled to sinter plant to produce sinter. Mill scales shall be used in BF and Sinter Plant. Accretion slag from ferro alloy units shall be subject to Toxic Chemical Leachability Potential (TCLP) test before using for filling low lying areas and shall be used only when found non-hazardous. SMS slag shall also be properly utilized. Used oil shall be sold to recyclers and preprocessors only.

ix) Proper utilization of fly ash shall be ensured as per Fly ash Notification, 1999 and subsequent amendment in 2003. As proposed, ash from ESP of WHRB & FBC shall be utilized in brick manufacturing unit within the premises.

x) As proposed, green belt shall be developed in 60 acres out of total 130 acre land available within and around the plant premises as per the CPCB guidelines in consultation with DFO.

xi) All the recommendations made in the Charter on Corporate Responsibility for Environment Protection (CREP) for the Steel Plants shall be implemented.

B. GENERAL CONDITIONS:

- i. The project authorities shall strictly adhere to the stipulations made by the Andhra Pradesh Pollution Control Board.
- ii. At no time, the emissions shall exceed the prescribed limits. In the event of failure of any pollution control system adopted by the unit, the unit shall be immediately put out of operation and shall not be restarted until the desired efficiency has been achieved.
- iii. No further expansion or modifications in the plant shall be carried out without prior approval of the Ministry of Environment and Forests. In case of deviations or alterations in the project proposal from those submitted to this Ministry for clearance, a fresh reference shall be made to the Ministry to assess the adequacy of conditions imposed and to add additional environmental protection measures required, if any.
- iv. The gaseous emissions from various process units shall conform to the load/mass based standards notified by this Ministry on 19th May, 1993 and standards prescribed from time to time. The State Board may specify more stringent standards for the relevant parameters keeping in view the nature of the industry and its size and location. At no time, the emission level shall go beyond the prescribed standards. Interlocking facilities shall be provided so that process can be automatically stopped in case emission level exceeds the limit.
- v. The project authorities shall strictly comply with the rules and regulations under Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 as amended in October, 1994 and January, 2000. Authorization from the APPCB shall be obtained for collection, treatment, storage, and disposal of hazardous wastes.
- vi. The project authorities must strictly comply with the rules and regulations with regard to handling and disposal of hazardous wastes in accordance with the Hazardous Wastes (Management and Handling) Rules, 2003. Authorization from the A. P. Pollution Control Board must be obtained for collection / treatment / storage / disposal of hazardous wastes.
- vii. The overall noise levels in and around the plant area shall be kept well within the standards (85 dBA) by providing noise control measures including acoustic hoods, silencers, enclosures etc. on all sources of noise generation. The ambient noise levels shall conform to the standards prescribed under Environment (Protection) Act, 1986 Rules, 1989 viz. 75 dBA (day time) and 70 dBA (night time).
- viii. The company shall develop rain water harvesting structures to harvest the rain water for utilization in the lean season besides recharging the ground water table.
- ix. Occupational Health Surveillance of the workers shall be done on a regular basis and records maintained as per the Factories Act.
- x. The project proponent shall also comply with all the environmental protection measures and safeguards recommended in the EIA/EMP report.

xi. A separate Environmental Management Cell equipped with full fledged laboratory facilities shall be set up to carry out the environmental management and monitoring functions.

xii. As proposed, Rs. 16.00 Crores and Rs. 0.30 Crores earmarked towards capital cost and recurring cost/annum for environment pollution control measures shall be judiciously used to implement the conditions stipulated by the Ministry of Environment and Forests as well as the State Government. A time bound implementation schedule shall be submitted to the Ministry and its Regional Office AT Bangalore to implement all the conditions stipulated herein. The funds so provided shall not be diverted for any other purpose.

xiii. The implementation of the project vis-à-vis environmental action plans shall be monitored by Ministry's Regional Office at Bangalore / APPCB / CPCB. A six monthly compliance status report shall be submitted to monitoring agencies.

xiv. The project proponent shall inform the public that the project has been accorded environmental clearance by the Ministry and copies of the clearance letter are available with the APPCB / Committee and may also be seen at Website of the Ministry at <http://envfor.nic.in>. This shall be advertised within seven days from the date of issue of the clearance letter, at least in two local newspapers that are widely circulated in the region of which one shall be in the vernacular language of the locality concerned and a copy of the same shall be forwarded to the Ministry's Regional Office at Bangalore.

xv. The project authorities shall inform the Regional Office as well as the Ministry, the date of financial closure and final approval of the project by the concerned authorities and the date of start of the project.

7.0 The Ministry may revoke or suspend the clearance, if implementation of any of the above conditions is not satisfactory.

8.0 The Ministry reserves the right to stipulate additional conditions, if found necessary. The company in a time bound manner will implement these conditions.

9.0 Any appeal against this environmental clearance shall lie with the National Environment Appellate Authority, if preferred within a period of 30 days as prescribed under Section 11 of the National Environment Appellate Act, 1997.

10.0 The above conditions will be enforced, inter-alia under the provisions of the Water (Prevention & Control of Pollution) Act, 1981, the Environment (Protection) Act, 1986 Hazardous Wastes (Management and Handling) Rules, 2003 and the Public Liability Insurance Act, 1991 along with their amendments and rules.

(Dr. P.B. RASTOGI)
Director

Copy to : -

1. The Secretary, State Department of Environment and Forests, Govt. of Andhra Pradesh, Mantralaya, Hyderabad, A.P.
2. The Chairman, Central Pollution Control Board, Parivesh Bhavan, CBD-cum-Office Complex, East Arjun Nagar, New Delhi - 110032.
3. The Chairman, Andhra Pradesh State Pollution Control Board, 2nd Floor, HUDA Complex, Maitrivaram, S.R. Nagar, Hyderabad - 500 038, A. P.
4. The Chief Conservator of Forests (Central), Ministry of Environment & Forest, Regional Office (SZ), Kendriya Sadan, IVth Floor, E & F Wing, 17th Main Road, Koramangla, Bangalore - 560 034, Karnataka.
5. Adviser, IA II(I), Ministry of Environment and Forests, Paryavaran Bhavan, CGO Complex, New Delhi. - 110003.
6. Monitoring Cell, Ministry of Environment and Forests, Paryavaran Bhavan, CGO Complex, New Delhi-110003.
7. Guard file.
8. Record file
9. Monitoring file.

(Dr. P.B. Rastogi)
Director