

**RASHTRIYA ISPAT NIGAM LIMITED**

**MINISTRY OF STEEL**

**COMMITTEE ON PUBLIC UNDERTAKINGS  
(2012-2013)**

**TWENTY FIRST REPORT**

**(FIFTEENTH LOK SABHA)**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

CPU. No. 954

21

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**RASHTRIYA ISPAT NIGAM LIMITED**

**MINISTRY OF STEEL**

**(Action taken by the Government on the Observations / Recommendations contained in the Eleventh Report of the Committee on Public Undertakings on Rashtriya Ispat Nigam Limited)**



**Presented to Lok Sabha on 21.03.2013**

**Laid on the table of Rajya Sabha on 21.03.2013**

**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March 2013 / Phalguna 1934 (S)**

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**COMMITTEE ON PUBLIC UNDERTAKINGS**  
**(2012 – 2013)**

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**Shri Jagdambika Pal**

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- |                          |                     |
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| 2. Shri M.K. Madhusudhan | Additional Director |
| 3. Ms. Patricia Jacobs   | Executive Assistant |

## INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorized by the Committee to submit the Report on their behalf, present this Twenty-first Report on action taken by Government on the Observations / Recommendations contained in the Eleventh Report of the Committee on Public Undertakings on “Rashtriya Ispat Nigam Limited”.

2. The Eleventh Report was presented to Lok Sabha / laid on the Table of Rajya Sabha on 6 December 2010. Replies of the Government to the Observations / Recommendations contained in the Report were received on 10 December 2012. Subsequently, updated Action Taken Replies were received from the Ministry on 10 December 2012. The draft Report was considered and adopted by the Committee at their sitting held on 19 March 2013.

3. An analysis of the action taken by Government on the Observations / Recommendations contained in the Eleventh Report is given in Annexure.

**New Delhi**  
**20 March 2013**  
**29 Phalguna 1934(S)**

**JAGDAMBIKA PAL**  
**Chairman,**  
**Committee on Public Undertakings.**

## CHAPTER I

### REPORT

This Report of the Committee deals with the action taken by the Government on the Recommendations contained in the Eleventh Report (Fifteenth Lok Sabha) of the Committee on Public Undertakings (2010-11) on “Rashtriya Ispat Nigam Limited (Ministry of Steel)” which was presented to Lok Sabha on 7<sup>th</sup> December, 2010.

2. Action Taken notes have been received from Government in respect of all the eleven observations / Recommendations contained in the Report. These have been categorized as follows:

- |       |  |           |
|-------|--|-----------|
| (i)   | Observations / Recommendations which have been accepted by the Government (Chapter II)<br>Sl. Nos.1, 2, 5, 6, 7, 8, 9,10                           | (Total 8) |
| (ii)  | Observations / Recommendations which the Committee do not desire to pursue in view of the Government’s replies (Chapter III)                       | Nil       |
| (iii) | Observations / Recommendations in respect of which replies of the Government have not been accepted by the Committee (Chapter IV)<br>Sl.no. 3,4,11 | (Total 3) |
| (iv)  | Observations / Recommendations to which the Government have furnished interim replies. (Chapter V)   | Nil       |

3. The Committee desire that response to Committee’s comments in Chapter I of the report should be furnished to them expeditiously.

4. The Committee will now deal with the Action Taken by the Government on some of the Recommendations in succeeding paragraphs.

#### **Recommendation Serial No. 3**

##### **Inputs Management**

5. The Committee in their Report had recommended as follows:

“The Committee observe that the primary challenge facing RINL today is the securitization of raw materials, such as, iron ore and coking coal, the primary inputs in the production of steel. A crucial point which the Committee note is that RINL is the only integrated steel plant among Public Sector Undertakings not having captive iron ore and coal mines. The Committee appreciate the fact that the non-allocation of captive mines of iron ore and coking coal to the company are attributable to RINL being a company which has been created by separation of units from SAIL and the Supply of its iron ore requirements being

planned to be met from Bailadila mines of National Mineral Development Corporation, another offspring of SAIL. However, with increase in competition and the falling margins of the company owing to its having to buy these primary raw materials at a comparatively higher cost than its competitors having captive mines of these raw materials, the Committee feel that the growth and sustainability of the Company today hinges on the securitization of these primary raw materials at lower costs through captive mines.

The Committee are apprised of the fact that iron ore mining leases are governed by MMDR Act, 1957 under which the primary role of allocation of mines rests with State Governments. The Committee also took evidence of representatives of Ministry of Mines in this regard and were informed that no application of RINL for allocation of iron ore mines have reached the Ministry, this, despite numerous such applications having been filed by the Company in various States like Jharkhand, Orissa, Andhra Pradesh and Rajasthan. The Committee also note with serious concern that these applications are often processed at snail's pace owing to multiplicity of clearances required from as many authorities, causing much delay and escalations in costs. Besides, different States are known to be following different procedures in the matter.

The Committee, in the light of the above facts, desire that a via-media be worked out to ensure expeditious processing of applications for mining blocks. The Committee further recommend that a standardized procedure for processing mining lease applications applicable in all States must be seriously considered by the Government to make the process more transparent and expedient.”

6. The Government in their action taken reply stated as under:

“RINL is the only steel plant in the public sector which does not have its own raw material suppliers – both coal and iron ore. On account of this, RINL is at a disadvantageous position vis-à-vis other steel plants in terms of supply linkage and production cost. The allocation of iron ore mining lease are decided by the concerned State Government with prior approval of Ministry of Mines, Government of India. Ministry of steel has been making all out efforts to help RINL have a firm linkage with the raw material sources, either as owners of the mines allotted to them or as a joint venture partner. Ministry of Steel had been pursuing with the State governments of Orissa, Chattisgarh, Andhra Pradesh, Jharkhand, Rajasthan and Uttar Pradesh for mining leases in favour of RINL, where they had filed the applications for these leases.

RINL has filed 29 applications for grant of prospecting license / mining lease in the states of Andhra Pradesh (7), Odisha (5), Jharkhand (7), Rajasthan (6), Chattisgarh (2), Uttar Pradesh (1) and Karnataka (1). However, no allocations have been made to RINL so far.

- Government of Rajasthan has recommended for allotment of mining lease of Iron Ore in an area of about 1,000 Hectares in Bhilwara district to RINL on 05.01.12, which is under consideration of Ministry of Mines.
- Government of Andhra Pradesh is also actively considering for allotment of Iron ore mines Bayyaram, Khammam district.
- As per communication received from Department of Steel & Mines Govt. of Odisha, vide letter no 7651 dated 25.10.2012, allotment / reservation of good iron ore blocks in the state of Odisha in favour of RINL may not be considered as the State Government, vide resolution No. 6899 - dated 18.9.2012, has decided to reserve all the remaining area bearing iron ore for undertaking prospecting or mining operation through the Odisha Mining Corporation Ltd. The resolution is yet to be approved by Central Government. To protect the interest of RINL and other central PSUs, the matter is being taken up with Central and State Governments.

In connection with the above, RINL and Ministry of Steel have taken up with the Hon'ble Chief Ministers, Chief Secretaries and Principal Secretaries of various States and at various instances requesting for allocation of the applied areas to RINL, VSP and also indicating willingness to enter into a Joint Venture with State Mining Development Corporation or any other State Government agency for exploitation of the Iron Ore and setting up of Value Addition Plants.”

**7. The Committee in their 11<sup>th</sup> Report (15<sup>th</sup> Lok Sabha) had, *inter alia* emphasised the need for evolving a standardized procedure for processing of mining lease applications for being applicable in all States so as to make the process more transparent and expedient. The Committee regret to note that Government's reply is silent on this point. It is not clear whether the matter was taken up with the Ministry of Mines. Ministry of Steel apparently has not taken/initiated any steps in this regard. The Committee would urge upon the Ministry of Steel to take expeditious action in this regard and apprise the Committee of the outcome.**

Further, the Committee note that although efforts are being made by the Ministry of Steel to pursue the concerned State governments for expeditious allocation of mining blocks to RINL, the efforts do not appear to have yielded any tangible results so much so that even two years after the presentation of the Report, no allocation has been made to RINL by any of the State



**Governments. The Committee expect the Ministry of Steel to make all out efforts and ensure that RINL is allotted licenses for mining leases by the State Governments within a time frame.**

#### **Recommendation Serial No. 4**

##### **Allocation of captive iron-ore mines to RINL**

8. In their original Report, the Committee had recommended as follows:

“Regarding the non-allocation of captive iron-ore mines to RINL, the Committee find that the problem lies in State Governments often denying the Company's applications, thereby ruling out the same being forwarded to the Union Ministry of Mines. The Committee, while appreciating the fact that the State Governments may have their own set of considerations and criteria for selection of eligible applicants for mining leases, feel that the consistent denial or non-selection of a steel giant in the public sector like RINL smacks of not only irregularity but also inconsistencies in the system and warrants a serious re-think on the existing statutory and procedural provisions.

Noting that the Company's applications have been denied on grounds such as RINL not contributing any value additions in the States having Mining blocks; the blocks being in forest reserves; the blocks having been allocated to earlier applicants, etc., the Committee recommend that the Company should make serious efforts at fulfilling the criterion laid down by concerned States. Further, the Committee observe that States should be actively encouraged to give due weightage to macro value additions to be achieved through preferential allocation of resources to Public Sector Undertakings, which is for the nation as a whole as compared to value additions to be had locally.

In conformity with the Supreme Court's observations in RIL vs RNRL case treating mineral reserves as national resources, the Committee would like to emphasise that the Government of India should take initiatives to declare all mineral resources including iron-ore and coal as national wealth.”

9. The Government in its reply stated as follows:

“Ministry of Steel has been making all out efforts to help RINL have a firm linkage with the raw material sources, either as owners of the mines allotted to them or as a joint venture partner. Ministry of Steel has been pursuing with the State Governments of Orissa, Chattisgarh, Andhra Pradesh Jharkhand, Rajasthan and Uttar Pradesh for mining leases in favour of RINL, where they had filed the applications for these leases.”

10. The Committee had observed that the applications of RINL for captive iron ore mining leases were often rejected by the States on grounds such as reported non-contribution of RINL to any value addition in the States having mining blocks and had recommended that the Company should make sincere efforts to meet the criterion laid down by the concerned States. The Committee regret to note that the Action Taken Reply of the Government is conspicuously silent on this aspect. While reiterating their earlier Recommendation that RINL should fulfill the criterion laid down by States with respect to the requirement of value addition, the Committee desire that RINL should prepare a comprehensive revised proposal to the States concerned for allocation of mining leases and also address their other concerns. The Committee are also disappointed to note that the Action Taken Reply is silent on the issue of declaring all mineral resources including iron ore and coal as national wealth as recommended by them in their original Report. The Committee reiterate that Government should take all possible steps in consultation with State Governments to declare all mineral resources as national wealth. The Committee expect the Ministry to furnish Action Taken in this regard within three months from presentation of this Report.

#### **Recommendation Serial No. 11**

##### **Illegal Mining**

11. The Committee in their Report had recommended as follows:

“The Committee would now like to dwell on the other disconcerting development viz. illegal mining. Illegal mining has now become an endemic feature. The Committee feel it is time to find out how much natural resources/minerals have been legally used and how much has been illegally mined. The national resources, especially minerals including coal, should not be allowed to become the exclusive preserve of a handful of free looters. Another point which the Committee feel needs to be noted is that illegal mining has led to a situation where thousands of people have become homeless. This is the ugly face of illegal mining which involves rampant exploitation of people. Tribals and forest dwellers have been irreversibly affected, having been thrown out of their original habitats. Lamentably, this distressing scenario has forced them to resort to unconstitutional acts and to go into arms of extremists.

Illegal mining not only depletes the country of its natural resources but has also led to the disturbing situation of exploitation of hapless forest dwellers and tribals. The Committee find it pertinent to take note of concerted measures / measures proposed by Government to tackle the menace of 'illegal mining', as the same is reflective of the seriousness with which the Government views this subject.

The need of the hour is conservation of National resources. The Committee after in-depth consideration recommend action on following lines:

- a. The injudicious export of raw natural resources like iron ore, coal needs to be banned.
- b. The Committee note that the Government has formulated a new National Mineral Policy, 2008 which envisages the regulation of mines and development of mineral resources. The Committee commend the various steps taken/proposed to be taken by Government to check the menace of illegal mining. The Committee desire that the measures taken need to be assiduously followed and monitored. The Committee further desire that the proposed action be taken up in right earnest and pursued expeditiously.
- c. In view of the emerging scenario of depletion of precious resources like minerals owing to injudicious export and illegal mining, the Committee emphasise upon the need to revisit the National Mineral Policy for effectively addressing these issues.
- d. In the context of judicious utilization of National resources, the Committee strongly desire rightful allocations of minerals such as iron ore and coal to Public Sector Undertakings, which have been choked due to the constraint of these resources.

The Committee have recommended the above course of action in their endeavour to address the interlinked issue of mineral conservation and the interests of the Public Sector Undertakings.”

12. The response of the Ministry of Mines as forwarded by the Ministry of Steel, Government of India in this regard is as under:-

The Central Government has taken the following steps to curb and check illegal mining in the country:-

- (i) State Governments were asked to frame rules to control illegal mining as per Section 23 C of MMDR Act (so far 18 States have framed Rules).

- (ii) State Governments were requested to set up Task Forces at State and District level to control illegal mining since the year 2005 (so far 21 States have reported to have set up Task Forces).
- (iii) State Governments were advised to set up State Coordination-cum-Empowered Committee (SCEC) to coordinate efforts to control illegal mining by including representatives of Railways, Customs and Port authorities (13 State Governments have set up such Committees).
- (iv) All State Governments advised to adopt an Action Plan with specific measures to detect and control illegal mining including, use of remote sensing, control on traffic, gather market intelligence, registration of end-users and setting up of special cells etc.
- (v) Ministry of Mines has so far held five meetings with the State Governments to specifically review the action taken by the State Governments on illegal mining on 3.8.2009, 27.11.2009, 22.2.2010, 16.4.2010 and 21.9.2010. This periodical review has been dovetailed in the meeting of Central Coordination-cum-Empowered Committee meetings.
- (vi) A Central Coordination-cum-Empowered Committee set up under Secretary (Mines) on 4.3.2009 has held ten meetings on 24.7.2009, 22.12.2009, 18.6.2010, 22.12.2010, 3.5.2011, 20.9.2011, 16.1.2012, 27.3.2012, 28.6.2012 and 21.9.2012 to consider all mining related issues, including matters relating to coordination of activities to combat illegal mining.
- (vii) Railways have instituted a mechanism to allow transportation of iron ore only against permits issued rake-wise and verified by State Government, apart from taking measures to fence and set up check post at the railway sidings.
- (viii) Customs Department has issued instructions to all its field units to share information on ore export with State Governments.
- (ix) Ministry of Shipping has issued a direction to all major Ports to streamline the verification procedures for movement of consignment by road and rail to Ports for exports.
- (x) Government has notified amendment in Rule 45 of Mineral Conservation and Development Rules, 1988, on 9.2.2011 making it mandatory for all miners, traders, stockist, exporters and end-users to register with IBM and report their transaction in minerals on monthly basis for a proper end-to-end accounting of minerals. As on 11.6.2012, out of 9409 mining leases in the country, 8027 mining leases have registered online with the IBM. The IBM has suspended 1587 mines for non-compliance and initiated prosecution in 4 cases and recommended 21 cases to State Governments for termination. IBM has also requested the State Governments not to issue transit passes for movement of minerals to unregistered operators.
- (xi) Indian Bureau Mines had constituted Special Task Forces for inspection of mines in endemic areas by taking the help of Satellite imageries. Special Task Force conducted inspections in a total of 454 mines in the

States of Karnataka, Andhra Pradesh, Orissa, Jharkhand and Gujarat and suspended 155 mines under rule 13(2) of Mineral Conservation and Development Rules, 1988 due to serious violations. Further, the Indian Bureau of Mines have recommended for termination of eight leases.

- (xii) In so far as the online approval of mining plans and display of approved mining plans in the public domain is concerned, it is submitted that the Ministry is developing 'Mining Tenement System (MTS)' to automate the various processes associated with the mineral concession regime with features also to reflect the information as desired above.
- (xiii) The Central Government has also set up Shri Justice M. B. Shah Commission of Inquiry (COI) for illegal mining of iron ore and manganese vide gazette notification dated 22.11.2010. The COI submitted its First Interim Report on 14.7.2011, which has been tabled in the Parliament alongwith the Memorandum of Action Taken. The tenure of the COI has been extended till 16<sup>th</sup> July, 2013 by the Government. COI has so far visited Andhra Pradesh, Goa, Jharkhand, Karnataka and Odisha. The COI has submitted its Report on illegal mining of iron ore and manganese ore in the State of Goa which has been tabled in the Parliament alongwith its Memorandum of the action taken on 7.9.2012.

**13. Taking note of large scale prevalence of the menace of illegal mining in the country, the Committee in their original report had, *inter alia*, recommended for rightful allocation of mineral ores like iron and coal to the PSUs in the context of judicious utilisation of national resources. From the action taken reply, the Committee note that the Government have taken a number of steps to curb the menace of illegal mining. However, the Committee are dismayed to note that there is no mention in the action taken reply regarding to measures taken / proposed to be taken to ensure allocation of mineral resources to PSUs on priority basis as recommended by them in their original Report. The Committee, therefore, reiterate their Recommendation that the Ministry of Steel should make all out efforts to impress upon the State Governments to allocate mineral resources such as iron ore and coal to PSUs on a priority basis.**

## CHAPTER II

### Recommendations / observations which have been accepted by the Government

#### Recommendation Serial No. 1

##### Ageing Plant and Equipments

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the importance of expediting the process of revamp of RINL plant/machinery:

“The Committee observe that the plants of RINL, the lifespan of which normally is of 15 years, are overdue for revamp, thereby adversely affecting the company's production and capacity realization. The Committee note that steps that ought to have been initiated five years ago for a timely renovation or revamp of the aged machinery are being taken up only recently. The Committee, while appreciating the submission of the Company that they are still producing at efficiencies comparable with the best despite the aging plants, find it pertinent to observe that they could have done better had timely steps been taken for repair.

The Committee, therefore, recommend that the company should expedite steps required to carry out the revamp of the aged Plant/machinery within a specified time frame, ensuring all the while, a minimal disruption in their production. The Committee desire that action taken in this regard together with status report vis-à-vis the progress achieved be submitted before the Committee.”

#### Reply of the Government

The Ministry of Steel in their Action Taken reply on the above has stated as follows:

“RINL has already taken action to modernize its existing facilities to upkeep the health of the existing Blast Furnaces, LD Converters of Steel Melt Shop and Sinter Machines. In the process of modernization, in addition to up keeping the health of the units, capacity of production will also go up by 1 MTPA, totaling up to 7.3 MTPA.

The unit-wise status / action taken for major units for revamp are:

- 1. Blast Furnaces – 1 and 2 :**

**1.1 BF-1 :**

- Orders for BF-1 Revamp have already been placed and execution is in progress. Major detailed Engineering has been completed and Pre-shut down activities also commenced. The up gradation envisages shut down which is being planned to commence by the end of current financial year.

**1.2 BF-2 :**

- Consultant has been engaged and tender for Revamp of BF-2 Main package is under advanced stage of finalization for taking up capital repairs during 2013-14. BF-2 capital repairs are planned to be done simultaneously after upgrading BF-1, to have minimum impact on production of Hot Metal.

**2. Converters in Steel Melt Shop-1 :**

Order for Revamping & up gradation of LD converters of SMS-1 is already finalized and implementation is in progress. Revamping of all the three converters is planned to be completed progressively one by one with a schedule for completion by 2015.

**3. Casters in Steel Melt Shop-1 :**

Modernization and automation of one Caster and modernization of Gas Cutting Machines of all the 6 Casters has already been completed. Modernisation and automation of 3 Continuous Casting Machines is under process.

**4. Sinter Machines 1 and 2 :**

- Order for Consultancy services for revamping & up-gradation of Sinter machine 1 & 2 had already been finalized.
- Revamping & up-gradation of Sinter Machine 1 & 2 are planned in 2014 - 15 and 2015-16 respectively.
- Tender finalization is under progress for the packages of Sinter Machine 1 & 2.

**5. Coke Oven Battery :**

- One new Coke Oven Battery is already commissioned to take care of additional Coke requirement.
- M/s MECON has been appointed as consultant for installation of new Battery.
- Tenders for Battery and CDCP are issued.
- Technical specifications for engaging consultant for preparation of DPR as well as execution of re building of COB-1is under advanced stage of finalization.

## Recommendation Serial No.2

### Expansion of Capacity

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the need for the expansion of capacity of the RINL:-

“The Committee are apprised of the ongoing expansion plan of the company, whereby the current installed production capacity of 3 million tonnes is sought to be enhanced to 6.3 million tonnes per annum. The Committee note with concern the several delays in implementation of the expansion project that have led to escalation of the estimated costs by thousands of crores. The Committee are constrained to observe that unless effective monitoring and corrective steps are taken on a continuous basis the cost would further escalate. Besides the expansion project, the Committee also take note of delays in other infrastructure projects of the company resulting in cost overruns of more than 400 crore rupees.

While conceding the fact that some of the cost escalations are due to new and additional features being added to the original scheme, the Committee are nevertheless of the opinion, that such escalation would very well have been anticipated in the original scheme of things, and that a major bulk of the escalations are due, primarily, to the delay in implementation.

The Committee, therefore, recommend that the company should, while taking steps to ensure minimum further delay, evolve a comprehensive and effective project planning and monitoring mechanism which shall minimize future delays and the associated escalation of costs involved. The Committee desire some concrete steps by the Company in this regard within six months of the presentation of this report, which may duly be communicated to the Committee.”

### Reply of the Government

The Ministry of Steel in their Action Taken reply on the above Recommendation has stated as follows:-

"RINL-VSP is on the verge of completion of its current expansion from the existing 3 mtpa to 6.3 mtpa of liquid steel at a cost of Rs.12291 Cr. The expansion is being implemented in two stages. The status of Stage-1 and Stage-2 is as follows:

**Stage-1:** Execution of all the packages have been completed and units are at various stages of commissioning. Major units viz., Blast Furnace, Turbo Blower-4, Oxygen Plant etc have already been commissioned and are under



operation. Several auxiliary systems viz., Water system, Power system, Utility systems etc., have also been commissioned and are under operation as per requirement. Balance units of stage-1 i.e., mainly Sinter Plant & Converter Shop are planned to be commissioned progressively by the end of the current financial year as detailed below:

**Steel Melt Shop-2:** Order for installation of new Pressure Reducing System (PRS) has been placed and actions are being taken to expedite the revival of PRS station which got damaged during the incident that took place on 13.06.12. However, all efforts are being put in now to make both the Converters operative together and reduce the overall stabilization period of SMS-2, to minimize the impact of the incident.

**Stage-2:** Consists of two mills viz., Special Bar Mill and Structural Mill. In both the Mills, almost all the supplies have been completed and erection activities are under progress. Several related auxiliary systems have already been completed and getting commissioned which include cranes, water system, power system etc. matching the requirement.

For expeditious completion of the 6.3 mtpa expansion project, monitoring at various levels is continuously being taken up by RINL-VSP and depending on the criticality; matters were also taken through Ministry of Steel with other Ministries and Embassies. Implementation of the Expansion Plan is on top of the agenda for the Management and it is monitoring and intervening continuously to resolve the issues arising during execution. Some of major reviews and actions taken for speedy execution include:

- Periodical review of on-going Projects by High Power Steering Committee (HPSC) constituted by Govt. of India for early completion. Board is also being apprised about the progress of various Projects from time to time.
- All critical issues are closely monitored at various levels of Plant including at CMD level through regular review meetings & constant follow up with CEOs of agencies concerned.
- Periodical reviews are also held at the level of Hon'ble Minister of Steel, Secretary (Steel) and other officials of Ministry of Steel during exclusive review meetings on Expansion, Quarterly Progress Review etc.
- Meetings are held at the level of Joint Secretary (Steel) periodically with the CEOs of various organizations viz., BHEL, MECON, B&R, HSCL, TPE, SMS-Siemag, Siemens etc to persuade them to step up the balance activities in their scope of work.
- Depending upon criticality, issues are also taken up by Ministry of Steel with other Ministries as well as the respective Embassies requesting their kind intervention to impress upon agencies viz., M/s TPE, M/s Terruzzi etc for expediting the pace of work.
- Necessary actions such as offloading of jobs from failing contractors, introduction of online bill processing system to ensure timely payment to

the contractors, expediting tendering process, drawing approvals, inspection etc are taken, which have helped in expediting the execution of Projects . RINL further issued steel for all Non Turnkey projects which helped in completing the structural works at time and provided own / hired cranes including other resources as a proactive measure for completing the project faster.

**Cost escalations:** The total cost of 6.3 Mtpa Expansion as approved by RINL Board is Rs.12291 Crores (Base: Feb'11- with foreign exchange component of Rs.2134 Crores).

There is no major cost overrun likely with respect to the approved cost Rs.12291 crores except statutory variations during project cycle like exchange rate, taxes, WPI index changes etc.

### **Recommendation Serial No.5**

#### **Prioritizing allocation of raw materials to PSUs**

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the importance of giving priority to public sector undertakings in the allocation of national resources:

“The Committee note with concern the travails of the Company in its efforts to secure a captive mine for sourcing its coking coal requirements. The Committee also note that RINL had surrendered two blocks, Mahal and Tenughat Jhirkri for economic unviability and have sought alternative blocks in lieu thereof. The Committee have obtained the views of the Ministry of Coal on the matter and have been apprised that no provisions exist for allocation of alternate blocks in lieu of surrendered allocations.

Considering that the company is required to start from scratch in applying afresh for other coal blocks and taking note of the urgency of the coking coal requirements of the company in view of its expansion plans, the Committee desire that the plan to acquire adequate and secure supply of coking coal for its expanded capacity must be firmed up to ensure that additional capacity to be added do not go under-utilised for want of Coking coal.

Further, the Committee desire that in consideration of the fact that PSUs have been mandated with the important task of giving a fillip to industrial and economic growth and infrastructure base of the country, every effort must be made by the Government to give them some priority in securing essential inputs over the private sector, which primarily are modeled on profit generation.”

### **Reply of the Government**

“Ministry of Coal has intimated to Ministry of Steel the coal blocks identified for allocation for various sectors. 4 blocks have been identified for allocation to Integrated Steel companies (Govt.) and indicated that “Applications for the blocks reserved for Government Integrated Steel Companies shall be separately circulated after finalization of terms & conditions.” After finalization of these terms & conditions, Ministry of Coal will be accordingly requested to allocate suitable coal block to RINL.”

### **Recommendation Serial No.6**

#### **Facilitating ICVL’s operations**

The Committee appreciate that the Government has approved the formation of an International Coal Ventures Ltd. (ICVL) between RINL, CIL, NTPC and NMDC towards enabling acquisition of coking and thermal coal assets overseas, and note that this venture holds much promise for possible supplementing of the supply of coking coal for RINL's requirements, among others.

The Committee express their hope that the formation of ICVL may result in enhancing the supply of coking and thermal coal to the PSUs as a whole, and RINL in particular. The Committee, therefore, desire that the Government should facilitate and actively promote this entity to enable it to achieve its objectives expeditiously.”

### **Reply of the Government**

The Ministry of Steel in their Action Taken Reply on the above Recommendation has stated as follows:-

“Government of India has approved the formation of a Special Purpose Vehicle. International Coal Ventures Private Limited (ICVL) a joint venture company with SAIL, CIL, RINL, NMDC and NTPC, to acquire coal assets overseas. Though ICVL has been submitting bids for acquisition of mines abroad, till now no asset could be acquired.

Since NTPC had requested to opt out from ICVL which has already been approved by Ministry of Power, the Board of ICVL has also approved to recommend the request of NTPC to Ministry of Steel. Ministry of Steel is accordingly processing a proposal for the consideration / approval of the Cabinet for restructuring ICVL wherein the equity of NTPC could be transferred to three promoters (except CIL) in the shareholding ratio.”

## **Recommendation Serial No.7**

### **Pelletization Plants**

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to pelletization of plants:

“The Committee, during the course of examination, have been apprised of the importance of pelletization of fines (iron-ore fines) in supplementing the supply of lump iron-ore as raw input for steel production. They also note that there still are huge cost and technology constraints in this field in the country. The Committee nevertheless observe that the process of pelletization has not been given adequate priority in the country, neither by the domestic steel industry in general, nor by RINL as an individual steel producer, leading to huge export of valuable natural resources in the form of fines at throw-away prices.

The Committee, therefore, recommend that RINL should draw up a plan to go into pelletization in enhanced capacities to supplement its supply of iron-ore, and that the government should explore mechanisms to incentivize pelletization plants, with the twin objectives of preventing the dumping of precious natural resources in the export market at throwaway prices and enhancing the supply chain of raw materials for steel producers in the country.”

### **Reply of the Government**

The Ministry of Steel in their Action Taken Reply on the above Recommendation has stated as follows:

“RINL has signed a MoU with NMDC to setup slurry pipe line from Bailadila to Visakhapatnam for transportation of iron ore fines in the form of slurry and consume it as feed by setting up pellet plant at Visakhapatnam.

M/s MECON is appointed to carry out route survey for slurry pipe line and they are also being engaged for preparation of Techno Economic Feasible Report (TEFF) for the above project.

OMDC, a subsidiary of EIL (for which RINL is the holding company) has plans to set up 2 Mtpa pellet plant along with 2 Mtpa iron ore beneficiation plant for which TEFr is already prepared by M/s DASTUR Co.”

## **Recommendation No.8**

### **Research & Development**

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the importance of research and development to the steel manufacturing industry:

“The Committee regret to note that the Research and Development (R&D) spending in RINL is at a dismal 0.148 per cent of its total expenditure in 2009-10. The Committee are informed that the core process and technology related improvements are generally provided by the equipment supplier, and domestic R&D are on peripheral process improvements, product development, waste management, cost reduction and environment protection, etc.

However, the Committee further note that RINL has rightly admitted that they have a long way to go in terms of R&D. While appreciating the ongoing efforts of the company in signing MOUs with educational institutes and research laboratories, etc., the Committee recommend that the Company, as a bulwark of the steel industry in the country, should enhance its R&D and develop such a strong unit that can serve the country's needs over and above meeting the needs of the Company.”

### **Reply of the Government**

The Ministry of Steel in their Action Taken Reply on the above Recommendation has stated as follows:

“RINL has taken up several R&D projects in collaboration with different research institutes like Indian Institute of Technology-Kanpur, Indian Institute of Technology – Madras, Indian Institute of Science- Bangalore, Institute of Minerals & Materials Technology - Bhubaneswar, Welding Research Institute-Tiruchirapalli, NGRI-Hyderabad, Central Electro Chemical Research Institute-Karaikudi, Jadavpur University-Kolkata, Andhra University – Visakhapatnam, NMDC-Hyderabad, Central Glass & Ceramic Research Institute – Kolkata etc.

RINL had spent an amount of Rs.20.29 Crores towards R&D during the year 2011-12 which is 41% higher as compared the expenditure during 2010-11.

A blue print has been drawn for focused efforts and the salient features of the R&D strategy include:

- a. Funds – To increase R&D expenditure from a present Rs.20.29 crores in 2011-12 to around Rs. 100 crores in 2016-17.
- b. Human resources – To expand manpower from 8 Engineers/ Scientists and 2 Technical Staff in 2011-12 to 100 Engineers/ Scientists and 80 Technical Staff in 2016-17.
- c. Facilities – To setup a state of the art R&D Centre with requisite diagnostic and research facilities, pilot plants and simulation facilities.

- d. Collaboration with expert Academic and Research Institutions in India and abroad.

### **Recommendation Serial No. 9**

#### **Transparency**

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the importance of transparency:

“The Committee note the formulation of the draft Whistle Blower Policy of RINL with its stated objective of bringing in more transparency and good governance in the organization and to encourage and provide a platform to employees for voicing their concerns regarding any unethical and improper practice, etc. in the Company.

The Committee appreciate this initiative. The Committee are also of the considered view that a Whistle Blower Policy more or less on uniform parameters be formulated for all PSUs as part of good corporate governance so as to usher in an environment of transparency among all PSUs and establishment of a self correcting mechanism to check unethical and improper practices within the organizations.”

#### **Reply of the Government**

The Ministry of Steel in their Action Taken Reply on the above Recommendation has stated as follows:

“The Whistle Blower Policy of RINL has been circulated to the Members of the Audit Committee at its 24<sup>th</sup> Meeting held on 9<sup>th</sup> Dec, 2010 for its Recommendations.

It is understood that Standing Conference of Public Enterprises (SCOPE) has constituted a Committee, for evolving a uniform “Whistle Blower Mechanism” to be adopted by CPSEs which is in advanced stage of finalization and RINL would finalise the same after publication/communication of the guidelines by SCOPE.”

### **Recommendation Serial No.10**

#### **Conservation of National Resources**

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the need to conserve national resources:

“Minerals in any form, be it iron ore, coal or bauxite etc., are national wealth. These minerals are not inexhaustible. Slowly but steadily these minerals

deplete. It takes hundreds of years for these minerals to form. Nature has bestowed upon our country a bounty of minerals, notable among them being iron ore, coal, bauxite etc. But how well we utilize our natural resources solely depends on our own prudence concerning them. In this context, the Committee note, with concern the twin menaces of reckless export of minerals and illegal mining.

The Committee find it quite disturbing to note the present trend of exporting minerals particularly of iron-ore. Globally, though many countries have rich reserves of minerals, they procure them from others to preserve their own mineral resources for use at a later date. At this juncture it would be much wiser for us to preserve our minerals which may not be available to us when we actually require them for our industrial purposes and other needs (including our defence requirements) in the future. Our mineral wealth certainly cannot be frittered away for meager sums which are to be paid as royalty to fatten the purses of a few private individuals of our companies. Hence it would be rather unwise and callous on our part to fritter away such valuable resources which we may in the future require for own industrial purposes including defence requirements. In this context, it would be pertinent to note the following observations made by the Supreme Court of India in their recent judgment pronounced on 7 May, 2010 "Among various considerations, the prime aspect relates to national interest relating to the interest of consumers and protection of natural resources..... gas is an essential natural resource..... The Government holds this natural resources as a trust for the people of the country. Supply of gas is a matter of national interest .....

The natural resources are vested with Government as a matter of trust in the name of the people of India. Thus it is the solemn duty of the State to protect the national interest. The Constitutional requirements on the Government would equally apply not only to the Government but also to private players in the process. Natural resources must always be used in the interests of the country, and not to promote personal or private interests. These observations which were made by Supreme Court in their judgment in the above mentioned cases, made in the context of natural resources are applicable to all natural resources including our mineral wealth and underscore the vital importance of the preservation of natural resources. Under the provisions of Article 39(b) of the Constitution "The State shall in particular, direct its policy towards securing-that ownership and control of the material resources of the community are so distributed as best to subserve the common good.

The Committee, therefore, observe that our country having just taken wings and still in a nascent stage of development, frittering away all our resources at this stage may by allowing unlimited exports for crass commercial interest certainly would not be a prudent policy which the government, as a trustee to the national wealth, needs to comprehensively review."

### **Reply of the Government**

The Ministry of Steel in their Action Taken Reply on the above Recommendation has stated as follows:

“The Ministry of Steel fully agrees with the view that there should be no reckless export of minerals. It has therefore advocated on ban on export of iron ores. This has not been accepted by the Government which has taken the view that fiscal measures like imposition of export duty may be taken to check exports. As a result of the concerted efforts of the Ministry of Steel the Government has imposed an export duty of 20% on iron ore exports.

The Ministry of Mines have furnished the comments on this Recommendation and the comments are as under:

Based on the Recommendations of the Committee on Open and Competitive Mechanism for Allocation, Pricing and Utilisation of Natural Resources headed by Shri Ashok Chawla the Ministry of Mines has prepared a draft Mines and Minerals (Development and Regulation) Bill, 2011 which has been approved by the Cabinet on 30.9.2011 and presented to the Lok Sabha on 12.12.2011. The Bill has since been referred to the Standing Committee on Coal & Steel on 5.1.2012.

The Justice M. B. Shah Commission of Inquiry (COI) set up by the Government for inquiry into illegal mining of iron and manganese ores has submitted its First Interim Report on 14.7.2011, which has been tabled in the Parliament alongwith the Memorandum of Action Taken. The COI has also submitted its Report on the State of Goa which has been tabled in the Parliament alongwith its Memorandum of the action taken on 7.9.2012. The tenure of the COI has been extended till 16<sup>th</sup> July, 2013 by the Government.”



**CHAPTER III**

**Recommendations /observations which the Committee do not desire to pursue  
in view of the Government's replies**

**-- Nil --**

## **CHAPTER IV**

### **Recommendations / observations in respect of which replies of the Government have not been accepted by the Committee**

#### **Recommendation No. 3**

##### **Inputs Management**

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the importance of securing raw materials for RINL to improve its operational capability:

“The Committee observe that the primary challenge facing RINL today is the securitization of raw materials, such as, iron ore and coking coal, the primary inputs in the production of steel. A crucial point which the Committee note is that RINL is the only integrated steel plant among Public Sector Undertakings not having captive iron ore and coal mines. The Committee appreciate the fact that the non-allocation of captive mines of iron ore and coking coal to the company are attributable to RINL being a company which has been created by separation of units from SAIL and the Supply of its iron ore requirements being planned to be met from Bailadila mines of National Mineral Development Corporation, another offspring of SAIL. However, with increase in competition and the falling margins of the company owing to its having to buy these primary raw materials at a comparatively higher cost than its competitors having captive mines of these raw materials, the Committee feel that the growth and sustainability of the Company today hinges on the securitization of these primary raw materials at lower costs through captive mines.

The Committee are apprised of the fact that iron ore mining leases are governed by MMDR Act, 1957 under which the primary role of allocation of mines rests with State Governments. The Committee also took evidence of representatives of Ministry of Mines in this regard and were informed that no application of RINL for allocation of iron ore mines have reached the Ministry, this, despite numerous such applications having been filed by the Company in various States like Jharkhand, Orissa, Andhra Pradesh and Rajasthan. The Committee also note with serious concern that these applications are often processed at snail's pace owing to multiplicity of clearances required from as many authorities, causing much delay and escalations in costs. Besides, different States are known to be following different procedures in the matter.

The Committee, in the light of the above facts, desire that a via-media be worked out to ensure expeditious processing of applications for mining blocks. The Committee further recommend that a standardized procedure for processing mining lease applications applicable in all States must be seriously

considered by the Government to make the process more transparent and expedient.”

### **Reply of the Government**

The Ministry of Steel in their Action Taken Reply on the above Recommendation has stated as follows:

“RINL is the only steel plant in the public sector which does not have its own raw material suppliers – both coal and iron ore. On account of this, RINL is at a disadvantageous position vis-à-vis other steel plants in terms of supply linkage and production cost. The allocation of iron ore mining lease are decided by the concerned State Government with prior approval of Ministry of Mines, government of India. Ministry of steel has been making all out efforts to help RINL have a firm linkage with the raw material sources, either as owners of the mines allotted to them or as a joint venture partner. Ministry of Steel had been pursuing with the State governments of Orissa, Chattisgarh, Andhra Pradesh, Jharkhand, Rajasthan and Uttar Pradesh for mining leases in favour of RINL, where they had filed the applications for these leases.

RINL has filed 29 applications for grant of prospecting license / mining lease in the states of Andhra Pradesh (7), Odisha (5), Jharkhand (7), Rajasthan (6), Chattisgarh (2), Uttar Pradesh (1) and Karnataka (1). However, no allocations have been made to RINL so far.

- Government of Rajasthan has recommended for allotment of mining lease of Iron Ore in an area of about 1,000 Hectares in Bhilwara district to RINL on 05.01.12, which is under consideration of Ministry of Mines.
- Government of Andhra Pradesh is also actively considering for allotment of Iron ore mines Bayyaram, Khammam district.
- As per communication received from Department of Steel & Mines Govt. of Odisha, vide letter no 7651 dated 25.10.2012, allotment / reservation of good iron ore blocks in the state of Odisha in favour of RINL may not be considered as the State Government, vide resolution No. 6899 - dated 18.9.2012, has decided to reserve all the remaining area bearing iron ore for undertaking prospecting or mining operation through the Odisha Mining Corporation Ltd. The resolution is yet to be approved by Central Government. To protect the interest of RINL and other central PSUs, the matter is being taken up with Central and State Governments.

In connection with the above, RINL and Ministry of Steel have taken up with the Hon'ble Chief Ministers, Chief Secretaries and Principal Secretaries of various States and at various instances requesting for allocation of the applied areas to RINL, VSP and also indicating willingness to enter into a Joint Venture

with State Mining Development Corporation or any other State Government agency for exploitation of the Iron Ore and setting up of Value Addition Plants.”

#### **Recommendation No.4**

##### **Allocation of captive iron-ore mines to RINL**

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the issue of allocation of captive iron-ore mines to RINL:

“Regarding the non-allocation of captive iron-ore mines to RINL, the Committee find that the problem lies in State Governments often denying the Company's applications, thereby ruling out the same being forwarded to the Union Ministry of Mines. The Committee, while appreciating the fact that the State Governments may have their own set of considerations and criteria for selection of eligible applicants for mining leases, feel that the consistent denial or non-selection of a steel giant in the public sector like RINL smacks of not only irregularity but also inconsistencies in the system and warrants a serious re-think on the existing statutory and procedural provisions.

Noting that the Company's applications have been denied on grounds such as RINL not contributing any value additions in the States having Mining blocks; the blocks being in forest reserves; the blocks having been allocated to earlier applicants, etc., the Committee recommend that the Company should make serious efforts at fulfilling the criterion laid down by concerned States. Further, the Committee observe that States should be actively encouraged to give due weightage to macro value additions to be achieved through preferential allocation of resources to Public Sector Undertakings, which is for the nation as a whole as compared to value additions to be had locally.

In conformity with the Supreme Court's observations in RIL vs RNRL case treating mineral reserves as national resources, the Committee would like to emphasise that the Government of India should take initiatives to declare all mineral resources including iron-ore and coal as national wealth.”

#### **Reply of the Government**

The Ministry of Steel in their Action Taken Reply on the above Recommendation has stated as follows:-

“Ministry of Steel has been making all out efforts to help RINL have a firm linkage with the raw material sources, either as owners of the mines allotted to them or as a joint venture partner. Ministry of Steel has been pursuing with the State Governments of Orissa, Chattisgarh, Andhra Pradesh Jharkhand, Rajasthan and Uttar Pradesh for mining leases in favour of RINL, where they had filed the applications for these leases.”

## **Recommendation No. 11**

### **Illegal Mining**

The Committee in their 11<sup>th</sup> Report have recommended the following with regard to the issue of illegal mining:

“The Committee would now like to dwell on the other disconcerting development viz. illegal mining. Illegal mining has now become an endemic feature. The Committee feel it is time to find out how much natural resources/minerals have been legally used and how much has been illegally mined. The national resources, especially minerals including coal, should not be allowed to become the exclusive preserve of a handful of free looters. Another point which the Committee feel needs to be noted is that illegal mining has led to a situation where thousands of people have become homeless. This is the ugly face of illegal mining which involves rampant exploitation of people. Tribals and forest dwellers have been irreversibly affected, having been thrown out of their original habitats. Lamentably, this distressing scenario has forced them to resort to unconstitutional acts and to go into arms of extremists.

Illegal mining not only depletes the country of its natural resources but has also led to the disturbing situation of exploitation of hapless forest dwellers and tribals. The Committee find it pertinent to take note of concerted measures / measures proposed by Government to tackle the menace of 'illegal mining', as the same is reflective of the seriousness with which the Government views this subject.

The need of the hour is conservation of National resources. The Committee after in-depth consideration recommend action on following lines:

- a) The injudicious export of raw natural resources like iron ore, coal needs to be banned.
- b) The Committee note that the Government has formulated a new National Mineral Policy, 2008 which envisages the regulation of mines and development of mineral resources. The Committee commend the various steps taken/proposed to be taken by Government to check the menace of illegal mining. The Committee desire that the measures taken need to be assiduously followed and monitored. The Committee further desire that the proposed action be taken up in right earnest and pursued expeditiously.
- c) In view of the emerging scenario of depletion of precious resources like minerals owing to injudicious export and illegal mining, the Committee emphasise upon the need to revisit the National Mineral Policy for effectively addressing these issues.

- d) In the context of judicious utilization of National resources, the Committee strongly desire rightful allocations of minerals such as iron ore and coal to Public Sector Undertakings, which have been choked due to the constraint of these resources.

The Committee have recommended the above course of action in their endeavour to address the interlinked issue of mineral conservation and the interests of the Public Sector Undertakings.”

### **Reply of the Government**

The Ministry of Steel has replied to the above Recommendation as follows:

“Ministry of Mines have furnished the comments on this Recommendation and the comments are as under:-

The Central Government has taken the following steps to curb and check illegal mining in the country:

- (i). State Governments were asked to frame rules to control illegal mining as per Section 23 C of MMDR Act (so far 18 States have framed Rules).
- (ii). State Governments were requested to set up Task Forces at State and District level to control illegal mining since the year 2005 (so far 21 States have reported to have set up Task Forces).
- (iii). State Governments were advised to set up State Coordination-cum-Empowered Committee (SCEC) to coordinate efforts to control illegal mining by including representatives of Railways, Customs and Port authorities (13 State Governments have set up such Committees).
- (iv). All State Governments advised to adopt an Action Plan with specific measures to detect and control illegal mining including, use of remote sensing, control on traffic, gather market intelligence, registration of end-users and setting up of special cells etc.
- (v). Ministry of Mines has so far held five meetings with the State Governments to specifically review the action taken by the State Governments on illegal mining on 3.8.2009, 27.11.2009, 22.2.2010, 16.4.2010 and 21.9.2010. This periodical review has been dovetailed in the meeting of Central Coordination-cum-Empowered Committee meetings.
- (vi). A Central Coordination-cum-Empowered Committee set up under Secretary (Mines) on 4.3.2009 has held ten meetings on 24.7.2009, 22.12.2009, 18.6.2010, 22.12.2010, 3.5.2011, 20.9.2011, 16.1.2012, 27.3.2012, 28.6.2012 and 21.9.2012 to consider all mining related issues, including matters relating to coordination of activities to combat illegal mining.

- (vii). Railways have instituted a mechanism to allow transportation of iron ore only against permits issued rake-wise and verified by State Government, apart from taking measures to fence and set up check post at the railway sidings.
- (viii). Customs Department has issued instructions to all its field units to share information on ore export with State Governments.
- (ix). Ministry of Shipping has issued a direction to all major Ports to streamline the verification procedures for movement of consignment by road and rail to Ports for exports.
- (x). Government has notified amendment in Rule 45 of Mineral Conservation and Development Rules, 1988, on 9.2.2011 making it mandatory for all miners, traders, stockist, exporters and end-users to register with IBM and report their transaction in minerals on monthly basis for a proper end-to-end accounting of minerals. As on 11.6.2012, out of 9409 mining leases in the country, 8027 mining leases have registered online with the IBM. The IBM has suspended 1587 mines for non-compliance and initiated prosecution in 4 cases and recommended 21 cases to State Governments for termination. IBM has also requested the State Governments not to issue transit passes for movement of minerals to unregistered operators.
- (xi). Indian Bureau Mines had constituted Special Task Forces for inspection of mines in endemic areas by taking the help of Satellite imageries. Special Task Force conducted inspections in a total of 454 mines in the States of Karnataka, Andhra Pradesh, Orissa, Jharkhand and Gujarat and suspended 155 mines under rule 13(2) of Mineral Conservation and Development Rules, 1988 due to serious violations. Further, the Indian Bureau of Mines have recommended for termination of eight leases.
- (xii). In so far as the online approval of mining plans and display of approved mining plans in the public domain is concerned, it is submitted that the Ministry is developing 'Mining Tenement System (MTS)' to automate the various processes associated with the mineral concession regime with features also to reflect the information as desired above.
- (xiii). The Central Government has also set up Shri Justice M. B. Shah Commission of Inquiry (COI) for illegal mining of iron ore and manganese vide gazette notification dated 22.11.2010. The COI submitted its First Interim Report on 14.7.2011, which has been tabled in the Parliament alongwith the Memorandum of Action Taken. The tenure of the COI has been extended till 16<sup>th</sup> July, 2013 by the Government. COI has so far visited Andhra Pradesh, Goa, Jharkhand, Karnataka and Odisha. The COI has submitted its Report on illegal mining of iron ore and manganese ore in the State of Goa which has been tabled in the Parliament alongwith its Memorandum of the action taken on 7.9.2012.

### Details of State wise Illegal Mining Cases

Details of State - wise Illegal Mining cases						Action Taken Up to March 2012			
S. No.	State	2009	2010	2011	2012 (upto March)	Vehicle Seized	FIR Lodged	Court cases filed	Fine realized (Rs. In Lakhs)
1	Andhra Pradesh	11591	17882	13949	5964	844	18	519	12361.08
2	Andaman & Nicobar	0	0	0	3	0	0	0	0.05
3	Chhattisgarh	1078	2017	1841	1105	3363	0	8502	1336.539
4	Goa	9	13	1	0	459	0	0	18.628
5	Gujarat	5416	2184	2389	1096	2780	247	20	11707.89
6	Haryana	1372	3446	2022	0	103	467	21	907.767
7	Himachal Pradesh	1114	1213	1289	0	0	700	1306	1684.55
8	Jharkhand	15	411	594	216	136	285	30	48.843
9	Karnataka	1687	4949	4870	1821	77553	949	630	8397.407
10	Kerala	1321	2028	1948	1227	0	0	0	1142.201
11	Madhya Pradesh	3868	4245	5299	1848	0	2741	25610	6558.837
12	Maharashtra	8270	26563	28829	11813	91331	13	1	10465.37
13	Mizoram	0	0	1	1	0	0	0	0
14	Orissa	758	420	309	0	1823	39	36	5720.71
15	Punjab	73	754	194	120	61	67	0	386.266
16	Rajasthan	4711	1833	821	380	224	1250	48	1455.736
17	Sikkim	0	0	0	0	0	0	0	0
18	Tamil Nadu	215	277	99	24	36814	1421	617	11603.37
19	Uttarakhand	0	0	0	0	683	0	0	38.5
20	Uttar Pradesh	0	4641	4708	0	0	0	0	1674.82
21	West Bengal	80	239	174	95	3911	1479	430	0
<b>Total</b>		<b>41578</b>	<b>73115</b>	<b>69337</b>	<b>25713</b>	<b>220085</b>	<b>9676</b>	<b>37770</b>	<b>75508.56</b>



**CHAPTER V**  
**RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT**  
**ARE STILL AWAITED**

**-NIL-**

**New Delhi**  
**20 March 2013**  
**29 Phalguna 1934(S)**

**JAGDAMBIKA PAL**  
**Chairman,**  
**Committee on Public Undertakings.**

**APPENDIX****COMMITTEE ON PUBLIC UNDERTAKINGS**  
**(2012-13)****MINUTES OF THE TWENTY FIRST SITTING OF THE COMMITTEE**

The Committee sat on Tuesday, the 19 March, 2013 from 1500 hrs to 1530 hrs in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

**PRESENT**

Shri Jagdambika Pal - Chairman

**MEMBERS*****Lok Sabha***

2. Shri Hansraj Gangaram Ahir
3. Shri Bansa Gopal Chowdhury
4. Dr. Mahesh Joshi
5. Shri Shailendra Kumar
6. Dr. (Smt.) Botcha Jhansi Lakshmi
7. Shri Vilas Muttemwar
8. Shri Ponnamp Prabhakar
9. Shri Nama Nageswara Rao
10. Dr. Prabha Kishore Taviad

***Rajya Sabha***

11. Shri Anil Desai

**SECRETARIAT**

1. Shri A. Louis Martin Joint Secretary
2. Shri M.K. Madhusudhan Additional Director

2. At the outset, the Chairman welcomed the Members to the Sitting of the Committee. The Committee then took up Memoranda Nos. 3 to 7 containing following draft Reports:

- (i). XXXX XXXX XXXX.
- (ii). XXXX XXXX XXXX.
- (iii). XXXX XXXX XXXX.
- (iv). XXXX XXXX XXXX.
- (v). Action taken by the Government on the Observations / Recommendations contained in the Eleventh Report on Rashtriya Ispat Nigam Limited.

3. The Committee approved the Memoranda and adopted the draft Reports without any modification and authorized the Chairman to present these Reports after getting them factually verified from the concerned Ministries / Departments.

***The Committee then adjourned.***

***XXXX Matter not related to this Report***

**ANNEXURE***(Vide para 3 of the Introduction)*

**Analysis of the Action Taken by Government on the Observations / Recommendations/ observations contained in the Eleventh Report of the Committee on Public Undertakings on “Rashtriya Ispat Nigam Limited”.**

I	Total number of Recommendations	11
II	Recommendations that have been accepted by the Government [vide Recommendations at Sl. Nos. 1,2,5,6,7,8,9 and 10]  Percentage of total	08  72.73%
III	Recommendation which the Committee do not desire to pursue in view of Government’s replies [vide Recommendation at Sl. No. 8]  Percentage of total	Nil  Nil
IV	Recommendations in respect of which replies of the Government have not been accepted by the Committee [vide Recommendations at Sl. Nos. 3,4 and 11]  Percentage of total	03  27.27 %
V	Recommendations in respect of which final replies of Government are still awaited.	NIL