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**STANDING COMMITTEE ON
COAL, MINES AND STEEL
(2022-2023)**

SEVENTEENTH LOK SABHA

MINISTRY OF MINES

**DEMANDS FOR GRANTS
(2023-24)**

THIRTY NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

MARCH, 2023 /PHALGUNA, 1944 (SAKA)

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Presented to Lok Sabha on 21.03.2023

Laid in Rajya Sabha on 21.03.2023



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NEW DELHI**

MARCH, 2023/PHALGUNA, 1944 (SAKA)

CM&S No.

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**COMPOSITION OF THE STANDING COMMITTEE ON
COAL, MINES AND STEEL(2022-2023)**

Chairperson - Shri Rakesh Singh

Lok Sabha

2. Dr. Venkata Satyavathi Beesetti
3. Shri Balubhau Narayanrao Dhanorkar alias Suresh
4. Shri Vijay Kumar Hansdak
5. Shri Kunar Hembram
6. Shri Chandra Prakash Joshi
7. Smt. Kavitha Maloth
8. Shri S. Muniswamy
9. Shri Ajay Nishad
10. Shri Basanta Kumar Panda
11. Shri S. R. Parthiban
12. Smt. Riti Pathak
13. Shri Komati Reddy Venkat Reddy
14. Shri Chunni Lal Sahu
15. Shri Arun Sao
16. Shri Khan Saumitra
17. Shri Sunil Kumar Singh
18. Shri Sushil Kumar Singh
19. Shri Pashupati Nath Singh
20. Dr. Tholkappiyan Thirumaavalavan
21. Shri Ashok Kumar Yadav

Rajya Sabha

22. Shri Subrata Bakshi
23. Smt. Mahua Maji
24. Shri Rwngrwa Narzary
25. Shri Samir Oraon
26. Ms. Saroj Pandey
27. Shri Deepak Prakash
28. Shri Aditya Prasad
29. Shri Dhiraj Prasad Sahu
30. Shri Prabhakar Reddy Vemireddy
31. Shri B. Lingaiah Yadav

SECRETARIAT

- | | | |
|-----------------------|---|-------------------|
| 1. Shri J.M. Baisakh | - | Joint Secretary |
| 2. Shri Arvind Sharma | - | Director |
| 3. Smt. Savita Bhatia | - | Deputy Secretary |
| 4. Shri Lalit Sharma | - | Executive Officer |

INTRODUCTION

I, the Chairperson, Standing Committee on Coal, Mines and Steel having been authorized by the Committee to present the Report on their behalf, present this Thirty-ninth Report (Seventeenth Lok Sabha) on Demands for Grants (2023-24) relating to the Ministry of Mines.

2. The Demands for Grants of the Ministry of Mines were laid on the Table of the House on 08.02.2023. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal, Mines and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Mines on 27.02.2023.

4. The Report was considered and adopted by the Committee at their sitting held on 15.03.2023.

5. The Committee wish to express their thanks to the officials of the Ministry of Mines for the cooperation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

6. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

7. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;
15 March, 2023
24 Phalgun, 1944 (Saka)

RAKESH SINGH
Chairperson,
Standing Committee on Coal,
Mines and Steel

REPORT

PART-I

CHAPTER-I

INTRODUCTORY

India is well endowed with natural resources, particularly minerals, which serve as raw material for many industries, paving a path for rapid industrialisation and infrastructural development. This, in turn, will facilitate the economy's ascent to a path of sustained growth and a five trillion-dollar economy. The Government has introduced important reforms to open up the mineral sector to ensure its contribution in achieving the national policy goals. Major reforms include enactment of the Mines and Mineral (Development & Regulations) (MMDR) (Amendment) Act, 2015, which made the process of allocation of mineral concessions completely transparent by introducing public auctions with active participation of the State Governments in the federal set up. States are owners of mineral wealth in their respective territories. For realising the benefits of mineral wealth, States have primary and significant role to come up with auctionable mineral blocks that have clearance, to start production. The vision is to double the production of important minerals in next 5 years with resultant reduction in import dependency, by allocating and regulating minerals in a transparent and sustainable manner and to promote exploration and mining of deep-seated minerals to meet country's needs and to effectively implement other policy goals stated in the National Mineral Policy, 2019, thereby enabling the country to progress towards attaining self-sufficiency in major mineral production.

1.2 Ministry of Mines is responsible for survey, exploration and mining of all minerals, other than natural gas, petroleum, atomic minerals and coal. In the case of atomic minerals and coal, activities of the Ministry are limited to regional exploration. The Ministry is responsible for the administration of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) and rules made there under in respect of all mines and minerals other than coal, natural gas and petroleum. The Ministry also administers the Offshore Areas Mineral (Development and Regulation) Act, 2002 and rules made there under.

1.3 The List of subjects allocated to the Ministry of mines is as under:-

(a) Legislation for regulation of mines and development of minerals within the territory of India, including mines and minerals underlying the ocean within the territorial waters or the continental shelf, or the exclusive economic zone and other maritime zones of India as may be specified, from time to time by or under any law made by Parliament.

(b) Regulation of mines and development of minerals other than coal, lignite and sand for stowing and any other mineral declared as prescribed substances for the purpose of the Atomic Energy Act, 1962 (33 of 1962) under the control of the Union as declared by law, including questions concerning regulation and development of minerals in various States and the matters connected therewith or incidental thereto.

(c) All other metals and minerals not specifically allotted to any other Ministry/ Department, such as aluminium, zinc, copper, gold, diamonds, lead and nickel.

(d) Planning, development and control of and assistance to all industries related to mineral wealth dealt with by the Ministry.

(e) Administration and management of Geological Survey of India.

(f) Administration and management of Indian Bureau of Mines.

(g) Metallurgical grade silicon

1.4 The Ministry of Mines has the following attached/ subordinate office, namely:-

- (i) Geological Survey of India (Headquarters at Kolkata), an attached office; and
- (ii) Indian Bureau of Mines (Headquarters at Nagpur), a subordinate office of the Ministry.

1.5 The following three Public Sector Undertakings(PSUs) are under the Ministry of Mines, namely:-

- (i) National Aluminium Company Limited (NALCO), Bhubaneswar;
- (ii) Hindustan Copper Limited (HCL), Kolkata; and
- (iii) Mineral Exploration Corporation Limited (MECL), Nagpur.

1.6 The following two Autonomous Research Institutions are under the Ministry of Mines, namely:-

- (i) Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC) Nagpur;
- (ii) National Institute of Rock Mechanics, (NIRM), Bengaluru;

1.7 Mines and Mineral (Development and Regulation) Act, 1957 (MMDR Act) has been amended through the Mines and Minerals (Development and Regulation) Amendment Act, 2021 *w.e.f.* 28.03.2021. The amendments, introduced provisions to give immediate boost to mineral production and improving ease of doing business. According to the Ministry of Mines, the following rules have been framed and notified in pursuance of the MMDR Amendment Act, 2021:-

- (i) The Mineral (Auction) Amendment Rules, 2022 were notified on 18.02.2022. In

order to facilitate the auction of large area blocks, global positioning system has been allowed for identification and demarcation of the area where a composite licence is proposed to be granted through auction. Further, the requirement of classification of area to be auctioned, for composite licence, into forests land, land owned by the State Government, and land not owned by the State Government has been removed.

(ii) The Mineral Conservation and Development (Amendment) Rules, 2022 were notified on 11.04.2022 for allowing reporting of the data of iron Ore from 45% to below 51% Fe and below 45% (for Magnetite).

(iii) The Reimbursement of Exploration Expenditure Rules, 2022 were notified on 03.06.2022 for reimbursement of exploration expenditure of the concession holders whose rights have lapsed under Section 10A(2)(b) of the MMDR Act, 1957.

Demands for Grants (2023-24)/Performance during 2021-22 and 2022-23

1.8 The detailed Demands for Grants (2023-24) of the Ministry of Mines had been presented to Lok Sabha on 08.02.2023. The Demands include provision for expenditure under Revenue and Capital Heads for the Ministry, its attached/subordinate offices and Public Sector Undertakings under its administrative control.

1.9 The budgetary support under Revenue and Capital is obtained for different schemes implemented by Geological Survey of India (GSI), Indian Bureau of Mines (IBM), and the S&T programme. Revenue provision is also obtained for GSI, IBM, Secretariat (Proper), Grants-in-Aid to Autonomous bodies, etc. The details of Organisation-wise break-up of proposed and allocated BE-2023-24 furnished to the Committee are as under:-

(₹ in crore)

Sl. No.	Name of the Organisation	Proposed BE 2023-24	Allocated BE 2023-24
1	Secretariat (Proper)	105.03	45.00
2	Geological Survey of India	1435.26	1308.60
3	Indian Bureau of Mines	135.85	122.48
4	Grants to MECL	10.00	0.00

5	Bharat Gold Mines Limited-Grants	6.70	6.70
6	S&T Programme/Other Programme(6.1 to 6.6)	23.47	28.82
6.1	NIRM	4.08	6.38
6.2	NIMH	0.00	0.00
6.3	JNARDDC	5.32	11.37
6.4	International Cooperation (IC)	0.37	0.37
6.5	National Mineral Award(NMA)	0.70	0.70
6.6	Other Research Programme	13.00	10.00
7	NMET	400.00	400.00
	TOTAL	2116.31	1911.60

Trend of Expenditure

1.10 As regards, the details with regard to the proposed allocation, BE, RE and actual expenditure for the years 2020-21, 2021-22 and 2022-23, the Committee have been informed as under:-

(₹. in crores)

Year	2020-21	2021-22	2022-23
Proposed	1997.86	1828.70	1742.85
BE	1701.40	1466.82	1508.00
RE	1370.68	1480.00	1689.95
Actual Exp.	1345.33	1468.02	1349.16 (upto 13.02.2023)
% of Exp.	98.15	99.19	79.83

1.11 When enquired about the performance of the Ministry of Mines during 2020-21, 2021-22 and 2022-23, the Committee in a written reply are informed as under:-

Sl. No.	Name of the Organisation	2020-21				2021-22				2022-23			
		BE	RE	Actuals	% exp. W.r.t RE	BE	RE	Actuals	% exp. W.r.t RE	BE	RE	Actuals upto 13.02.2023	% exp. W.r.t RE
1	Secretariat (Proper)	42.43	41.89	37.99	90.69	41.50	43.96	54.62	124.25	43.64	43.64	29.06	66.59
2	Geological Survey of India	1349.98	1115.01	1108.84	99.45	1181.58	1174.78	1162.68	98.97	1205.17	1251.91	1117.75	89.28
3	Indian	128.31	94.00	85.67	91.14	110.00	103.14	93.18	90.34	113.00	105.25	84.29	80.09

	Bureau of Mines												
4	Grants to MECL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00
5	Bharat Gold Mines Limited- Grants	5.50	7.00	5.84	83.43	5.84	5.84	5.84	100.00	6.00	6.70	4.97	74.18
6	S&T Programme/ Other Programme(6.1 to 6.6)	25.18	22.78	29.72	130.47	27.90	27.28	26.99	98.94	30.19	32.45	27.83	85.76
6.1	NIRM	8.21	8.21	8.21	100.00	9.95	9.95	9.70	97.49	9.42	9.17	8.81	96.07
6.2	NIMH	1.00	0.30	0.30	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.3	JNARDDC	9.92	9.92	9.92	100.00	10.90	10.90	10.90	100.00	12.07	11.60	11.60	100.00
6.4	IC	0.40	0.35	0.29	82.86	0.40	0.43	0.39	90.70	0.35	0.35	0.17	48.57
6.5	NMA	0.65	0.00	0.00	0.00	0.65	0.00	0.00	0.00	0.70	1.33	0.63	47.37
6.6	Other Research Programme	5.00	4.00	4.00	100.00	6.00	6.00	6.00	100.00	7.02	10.00	6.62	66.20
7	NMET	150.00	90.00	83.11	92.34	100.00	125.00	124.71	99.77	100.00	250.00	85.26	34.10
	Total	1701.40	1370.68	1345.33	98.15	1466.82	1480.00	1468.02	99.19	1508.00	1689.95	1349.16	79.83

1.12 While observing lower utilization of funds to the tune of ₹.1349.16 crore during 2022-23 (upto 13.02.2023), the Committee asked whether full utilization of RE of ₹.1689.95 crore in 2022-23 by the Ministry. In this regard the Committee were informed that the funds will be optimally utilised except ₹.0.19 crore in respect of Indian Bureau of Mines (IBM) as there is no scope of expenditure towards Other Capital Expenditure, North Eastern Region(NER) and ₹.90.00 crore in respect of National Mineral Exploration Trust (NMET) due to non-completion of tendering process/finalisation of contracts/timely execution of mineral exploration projects by Notified Agencies (Geological Survey of India (GSI), Mineral Exploration Company Limited (MECL), IBM, Kudremukh Iron Ore Company (KIOCL), Central Mine Planning and Design Institute(CMPDI) and others) in respect of NMET approved projects.

CHAPTER-II

Self – Reliant and sustainable Mining Practices

According to Economic Survey 2022-23, a carefully crafted multi-dimensional mineral policy would reduce our dependence and address the problems for the future. The country has resources of nickel, cobalt, molybdenum, and heavy REEs (Heavy Rare Earth Elements), but further exploration would be needed to evaluate the quantities of these reserves. There is a need to create strategic mineral reserves along the lines of strategic petroleum reserves to ensure a continuous supply of minerals and that policies should consider investing in internal research including technological innovation for mineral exploration and processing and the development of Recycling, Reusing, and Repurposing (R3) technologies.

2.2 When asked about the efforts being taken under the supervision of Ministry of Mines towards creating an inclusive mineral policy, the Ministry in a written reply have informed the Committee that as per vision of National Mineral Policy, 2019, exploration, extraction and management of minerals have to be guided by national goals and perspectives to be integrated into the overall strategy of the country's economic development. The said policy provides that thrust will be given to extraction of mineral resources in which the country is well endowed so that the needs of domestic industry are fully met keeping in mind both present and future needs, while at the same time fulfilling the demand of external markets for such minerals.

2.3 With regard to recent progress made in exploration activities in the mining sector, the Committee note that the Geological Survey of India (GSI) has for the first time established Lithium inferred resources (G-3) of 5.9 million tonnes in Reasi District of J&K.

2.4 The Ministry have further informed that they have amended the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957) through the MMDR

Amendment Act, 2021 with effect from 28.03.2021 with the objective of *inter alia* increasing mineral production and time bound operationalization of mines, increasing employment and investment in the mining sector, maintaining continuity in mining operations after change of lessee and increasing the pace of exploration and auction of mineral resources. Reforms introduced in MMDR Act, 1957 will help in achieving self-reliance in mineral needs of the country under Atma Nirbhar Bharat Abhiyan.

2.5 During evidence, a representative of the Ministry has informed the Committee that a positive impact of the amendments in MMDR Act can be seen with regard to a significant increase in pace of auction since 2015. The auctions per year have increased four times, and from 108 blocks auctioned during 2015-2021(6 years), 131 auctions were held between 2021-22 to 2022-23(till date). Further, the Ministry have devised an action plan with a target of 500 blocks to be auctioned by 2023-24.

2.6 When asked about the efforts being taken to promote self-reliance in the mining sector, the Ministry in a written reply have stated as under:-

"Self-reliance in minerals is dependent on factors such as resource endowment, exploration, production and demand from user sector(s). The Government has taken steps to promote exploration activity and handed over the number of geological reports to States for auctioning of mineral blocks. The government has made several policy reforms to make India self-reliant in the mineral sector. The government has amended the Mines and Minerals (Development and Regulation) Act, 1957 in 2015 and brought the mega reforms in the sector with resolution of legacy issues, thereby making a large number of mines available for auctions. With these reforms in the Indian mining and mineral sector, the government has embarked on increasing the sectoral contribution to the Indian GDP and also to increase the competitiveness, ease of doing business and creating a favorable investment environment for the sector.

The amendment to the Mines and Minerals (Development and Regulation) Act, 1957 in 2015 and in 2021 has been aimed at increasing the production of minerals and time bound operationalization of mines, maintaining continuity in mining operations even after change of lessee and increasing the pace of exploration and auctioning of mineral resources. These amendments result in enhancement of mineral production across the spectrum and will be a major boost to many industries which are primarily dependent upon key raw materials provided by the mining sector. The above measures are intended to

enhance the self-reliance in mineral sector.

India continued to be wholly or largely self-sufficient in minerals which constitute primary mineral raw materials that are supplied to many industries, such as, iron & steel, aluminium, cement, refractories, ceramic, glass, chemical, etc. India is self-sufficient or near to self sufficient in bauxite, chromite, iron ore, kyanite, limestone, sillimanite, etc. which are imported mainly for either blending with locally available mineral raw materials and/ or to meet special requirement for manufacturing special qualities of mineral based products. India is deficient in magnesite, manganese ore, rock phosphate (Phosphorite), etc. which were imported to meet the domestic demand."

2.7 On being asked about any existing provisions addressing Recycling, Reusing, and Repurposing (R3) technologies in mining sector, the Ministry in a written reply submitted as under:-

"Section 20A(2)(iv) of the MMDR Act, 1957 empowers the Central Government to issue directions *inter-alia* for promotion of recycling of materials.

Ministry of Mines has published the National Non-Ferrous Metal Scrap Recycling Framework, 2020 in January, 2021 to promote a formal and well organized recycling ecosystem by adopting energy efficient processes for recycling leading to lower carbon footprints and to work towards sustainable development and intergenerational equity. Major objectives of the framework include: to minimize the effect of end-of-life products on landfills and environmental pollution by promoting an environmentally sound processing and recycling system for secondary industry; to work towards economic wealth creation, job creation and increased contribution to GDP through metal recycling; to shift towards a circular economy in the coming years for base metals, critical raw materials and other essential materials, etc. Thus, the National Non-Ferrous Metal Scrap Recycling Framework, 2020 seeks to use life cycle management approach for better efficiency in mineral value chain process.

Further, the Government has also nominated and authorized Jawaharlal Nehru Aluminium Research Development and Design Centre, Nagpur (JNARDDC), vide O.M. dated 05.07.2021, to carry out the functions earmarked for Metal Recycling Authority as stipulated in National Non-Ferrous Metal Scrap Recycling Framework, 2020, till a regular Metal Recycling Authority is notified.

Metal ores and minerals are non-renewable natural resources, which have an ever growing demand at global level and across sectors, making it imperative to reuse and recycle these metals. The National Mineral Policy 2019 envisages that though primary minerals will remain the principal source for fulfilling demand, efforts shall be made to augment supply by developing processes for recovery of metal through recycling. The reusable nature of metals contributes to conservation of natural resources and includes other benefits in terms of energy conservation, environmental and economic benefits."

2.8 According to the Economic Survey in order to ensure the mineral security of the nation and to attain self-reliance in the area of critical and strategic minerals, the Ministry of Mines has created a Joint Venture company, namely Khanij Bidesh India Ltd (KABIL), with participating interests of NALCO, HCL and MECL. The Ministry of Mines, Government of India and the Department of Industry, Science, Energy and Resources (DISER), Government of Australia, signed a MoU on June 3, 2020 for cooperation in the field of mining and processing of critical and strategic minerals. Further, KABIL has also signed a detailed MoU with a collaborative framework with the Critical Minerals Facilitation Office under the DISER on March 10, 2022 to identify lithium and cobalt mineral assets for final joint investment decisions and acquisition of the assets in Australia catering to the critical and strategic ecosystem of both the countries.

2.9 When asked to elaborate on how the MoU will be beneficial for the mining sector and any other such MoUs being signed, in a written reply the Ministry have replied as under:-

"With the advent of current economic developments of the country, assured supply of critical and strategic minerals is vital for the defense and security of India as well as its transition to a more advanced low fossil fuel based industrial economy.

'Khanij Bidesh India Limited (KABIL)' is a JV Company with NALCO, HCL and MECL to identify, explore, acquire, develop, mine, process, procure and sell strategic minerals and other overseas minerals for commercial use in and outside India. KABIL is mandated to identify and acquire overseas mineral assets for 12 critical & strategic minerals viz. Lithium (Li), Cobalt (Co), Germanium (Ge), indium (In), Beryllium (Be), Niobium (Nb), Selenium (Se), Gallium (Ga), Tantalum (Ta), Tungsten (W), Bismuth (Bi) and Tin (Sn). ~~Transitioning to a low-carbon economy requires significant amounts of critical minerals. These critical~~ minerals are identified broadly based on their economic development, nationally available resources, vulnerability of supply chain and technology choice.

At present, KABIL is focusing on identifying overseas mineral assets and sourcing battery minerals like Lithium and Cobalt for the Country. Engagement of KABIL is underway with select source countries such as Argentina, Bolivia, Chile and Australia etc. which are endowed with the cited critical & strategic minerals. The main objective is to ensure mineral security of the country through supply side assurance of these minerals.

Through this MoU, KABIL and Critical Minerals Office (CMO) have agreed to engage a

commercial advisor, who will do due diligence of the available Lithium blocks in Australia. The diligence report prepared by the Commercial Advisor will help India to take an informed decision to invest in acquiring Lithium blocks in Australia.”

2.10 When asked about the other efforts which are being taken to secure the mineral infrastructure/industry of the Country, the Ministry in a written reply informed the Committee as under:-

“At present, KABIL is completely focused on addressing the challenges related to import dependency of critical and strategic minerals. However, a multi-dimensional approach is required to secure the supply of these minerals.

In order to achieve estimated non-fossil energy capacity by 2030, the Ministry of Mines is exploring other aspects as well so that the challenges of supply of critical and strategic minerals can be addressed more effectively.

Under the aegis of G-20, the Ministry of Mines through KABIL and its knowledge partners has carried out a study on “Addressing the vulnerability in the supply chain of critical minerals through international collaboration”. This study has identified four priorities to address vulnerability with respect to critical mineral demand for clean energy technologies, which are as follows:

- a. Identifying and scaling up the mining of minerals important for the global energy transition;
- b. Increasing mineral processing capabilities and develop markets to meet the increased demand for minerals;
- c. Reduction of the share of critical minerals and develop new alternatives; and
- d. Addressing geopolitical uncertainties across supply chain of Critical Minerals.”

CHAPTER-III

Geological Survey of India(GSI)

Founded in 1851, the Geological Survey of India (GSI) started its voyage to search for and assess coal and mineral resources of the country with regional level exploration. In later years, GSI diversified into various geo-scientific activities, and made contributions in geosciences and resultantly, in the economic growth of India. The key functions of GSI are creation and updation of national geoscientific information and assessment of mineral resources. GSI has taken up ground, air-borne and marine surveys, mineral exploration, multi-disciplinary geoscientific, geotechnical, geo-environmental and natural hazard studies, glaciology, seismotectonics, and fundamental research. The activities of GSI are carried out through five Missions viz. Baseline Geoscience Data Generation (Mission-I); Natural Resources Assessment (Mission-II); Geo-informatics (Mission-III); Fundamental, Multi-disciplinary Geoscience and Special Studies (Mission- IV), and Training and Capacity Building (Mission-V). Besides these, three Support Systems viz. Policy Support System (PSS), S&T Support System (STSS) and Administrative Support System (Ad. SS) have been created to provide support and cross-cutting co-ordination in GSI.

3.2 The detailed Head wise break-up of allotted Budgetary Grant to GSI for the Financial Year 2023-24 is given as under:-

(₹. in lakhs)

GEOLOGICAL SURVEY OF INDIA			
Head	GSI	NER	Total
Establishment Expenditure			
Administrative Support (Object Class I)			
Salary	46550.00	3450.00	50000.00
Allowance	28000.00	2000.00	30000.00

Leave Travel Concession	850.00	150.00	1000.00
Wages	1700.00	0	1700.00
Rewards	200.00	0	200.00
Medical treatment	750.00	0	750.00
Total	78050.00	5600.00	83650.00
Administrative Support Activities (ASA) (Object Class III)			
Domestic Travel Expenses (DTE)	3750.00	250.00	4000.00
Foreign Travel Expenses (FTE)	100.00	0	100.00
Office Expenses (OE)	2450.00	250.00	2700.00
Rents, Rates and Taxes (RRT) for land & building	370.00	30.00	400.00
Professional Services	98.00	2.00	100.00
Total (A)	6768.00	532.00	7300.00
Other Expenditure (Object Class III)			
Materials & Supplies	76.00	4.00	80.00
Advertising & Publicity	145.00	5.00	150.00
Minor civil & electrical works	2500.00	0	2500.00
Repair & Maintenance	100.00	0	100.00
Other Revenue Expenditure	390.00	10.00	400.00
Total (B)	3211.00	19.00	3230.00
Total ASA + Total Other Expenditure (A +B)	9979.00	551.00	10530.00
Other Central Expenditure			
Activities / Mission			
Survey & Mapping (Mission-I) (Object Class III)			
Wages	470.00	30.00	500.00
Fuels and Lubricants	82.00	8.00	90.00
Other Revenue Expenditure	12885.00	25.00	12910.00
Total	13437.00	63.00	13500.00
Mineral Exploration (Mission-II) (Object Class III)			
Wages	1440.00	60.00	1500.00
Fuels and Lubricants	780.00	20.00	800.00
Other Revenue Expenditure	3940.00	60.00	4000.00
Total	6160.00	140.00	6300.00
Information Dissemination (Mission-III) (Object Class III)			
Other Expenditure			
Printing and Publication	296.00	4.00	300.00

Digital Equipment	2060.00	0	2060.00
Total	2356.00	4.00	2360.00
Specialized Investigation (Mission-IVA&B) (Object Class III)			
Wages	128.00	12.00	140.00
Fuels and Lubricants	32.00	8.00	40.00
Other Revenue Expenditure	150.00	10.00	160.00
Total (C)	310.00	30.00	340.00
Other exploration (Antarctica) (Mission-IV B) (Object Class III)			
Other Revenue Expenditure (D)	10.00	0.00	10.00
Total Spl. Investigation + Antarctica (C+D)	320.00	30.00	350.00
Research & Development (Mission-IVC) (Object Class III)			
Wages	108.00	12.00	120.00
Material &Supplies	638.00	12.00	650.00
Fuels and Lubricants	30.00	0	30.00
Other Revenue Expenditure	830.00	20.00	850.00
Total	1606.00	44.00	1650.00
Training (Mission-V) (Object Class III)			
Training Expenses	202.00	8.00	210.00
Tribal Sub Plan (TSP) (Object Class V)			
Other Revenue Expenditure	1750.00	0.00	1750.00
Scheduled Caste Sub Plan (SCSP) (Object Class V)			
Other Revenue Expenditure	3350.00	0.00	3350.00
Total (Revenue)	117210.00	6440.00	123650.00
Capital Expenditure (Object Class VI)			
Motor Vehicle	200.00	0	200.00
Machinery & Equipment	5450.00	50.00	5500.00
Information, Computer, telecommunication (ICT) equipments	1460.00	40.00	1500.00
Furniture and fixture	10.00	0	10.00
Total (Capital)	7120.00	90.00	7210.00
GRAND TOTAL (Revenue +Capital)	124330.00	6530.00	130860.00

3.3 Asked about the activity-wise financial performance of GSI during the last three financial years (2020-21, 2021-22 and & 2022-23), the Committee were informed as under:-

Activity (Mission)	2020-21			2021-22			2022-23		
	BE Grant	RE Grant	Actual Expend.	BE Grant	RE Grant	Actual Expend.	BE Grant	RE Grant	Actual Expend. (up to Dec,22)
Survey and Mapping (M-I)	149.00	132.85	132.28	131.40	95.00	94.93	108.92	115.75	99.58
Mineral Exploration (M-II)	43.00	32.05	31.91	51.00	54.60	54.47	52.70	63.00	48.15
Information Dissemination (M-III)	77.26	48.85	48.73	56.60	50.20	48.68	45.50	35.00	23.32
Special Investigation & Antarctica (M-IV)	2.50	1.99	1.91	2.40	3.05	2.97	3.48	3.08	2.10
Research & Development (R&D) (M-IV)	17.80	8.95	8.71	12.60	10.55	10.38	15.50	16.37	11.93
Human Resource Development (HRD) (M-V)	3.30	0.60	0.60	2.00	8.30	8.30	2.00	2.00	1.68
TSP	22.00	23.23	23.14	14.40	17.50	17.48	20.00	20.70**	14.54
SCSP	42.20	42.20	40.69	27.60	31.56	31.55	31.10	32.45**	31.17
Administrative Support Activity+ Minor Works	111.90	84.50	82.78	94.97	88.61	87.54	99.86	90.26	81.03
Establishment Expenditure	772.72	688.60	688.47	722.71	759.71	759.28	768.61	817.85	681.50
Total Revenue	1241.68	1063.82	1059.22	1115.68	1119.08	1115.58	1147.67	1196.46	995.00
Capital (Modernization & Replacement)	108.30	52.42	51.72	65.90	51.30	50.96	57.50	57.50	31.30
Total (Rev. + Capital)	1349.98	1116.24	1110.94	1181.58	1170.38	1166.54	1205.17	1253.96	1026.30
% of Fund Utilisation against RE in GSI			99.53%			99.67%			81.85%
Rev. Fund re-appropriated by MOM from RE grant	-	-		-	4.40*				
Total (Rev + Capital)	1349.98	1116.24	1110.94	1181.58	1174.78	1166.54	1205.17	1253.96	1026.30

*An amount of ₹.3.00 crore under IT (OE) and ₹.1.40 crore under Mission-II- Other Charges Head was re-appropriated by the Ministry vide re-appropriation Order dated 18.01.2022 from RE-2021-22 (₹.1174.78 crore)

**Total RE grant received ₹. 1251.91 crore for financial year 2022-23. An additional amount of ₹.2.05 crore (SCSP- ₹.1.35 crore and TSP- ₹.0.70 crore) has been provided to GSI vide IFD re-appropriation dated 16.12.2022 over BE/RE 2022-23.

3.4 As regards, percentage-wise increase/decrease of budget outlay in various heads over the last three financial years (2020-21, 2021-22 & 2022-23), the Committee have been apprised as under:-

(₹. in crore)

Activity (Mission)	RE for FY 2020-21	RE for FY 2021-22	RE for FY 2022-23	BE for FY 2023-24	% increase (+) or decrease (-) of RE 2021-22 in comparison to RE 2020-21 (%)	% increase (+) or decrease (-) of RE 2022-23 in comparison to RE 2021-22 (%)	% increase (+) or decrease (-) of BE 2022-23 in comparison to RE 2022-23 (%)
1	2	3			6 [(3-2)/2 *100]	7 [(4-3)/3 *100]	8[(5-4)/4 *100]
Survey & Mapping (M-I)	132.85	95.00	115.75	135.00	-28.49	21.84	16.63
Mineral Exploration (M-II)	32.05	54.60	63.00	63.00	70.36	15.38	0.00
Information Dissemination [IT & Publication] (M-III)	48.85	50.20	35.00	23.60	2.76	-30.28	-32.57
Special Investigation & Antarctica (M-IV)	1.99	3.05	3.08	3.50	53.27	0.98	13.64
R & D (M-IV)	8.95	10.55	16.37	16.50	17.88	55.17	0.79
HRD (M-V)	0.60	8.30*	2.00	2.10	1283.33	-75.90	5.00
TSP	23.23	17.50	20.70	17.50	-24.67	18.29	-15.46
SCSP	42.20	31.56	32.45	33.50	-25.21	2.82	3.24
Establishment Expenditure & Other Expenditure	773.10	848.32	908.11	941.80	9.73	7.05	3.71
Total (Rev.)	1063.82	1119.08	1196.46	1236.50	5.19	6.91	3.35
Modernization & Replacement [Capita head: M&E + MV]	52.42	51.30	57.50	72.10	-2.14	12.09	25.39
TOTAL (Revenue + Capital)	1116.24	1170.38\$	1253.96**	1308.60	4.85	7.14	4.36

* Includes fresh allocation of ₹.7.00 crore as Grant-in-aid General at RE 2021-22 earmarked for 36th IGC- 2020 and the fund was transferred to IGC society.

\$An amount of ₹.4.40 crore [Mission-II- ₹.1.40 crore + Mission-III-₹.3.00 crore] was re-appropriated by the Ministry vide re-appropriation Order dated 18.01.2022 from RE-2021-22 (₹.1174.78 crore)

**Total RE grant received ₹. 1251.91 crore for financial year 2022-23. An additional amount of ₹.2.05 crore (SCSP- ₹.1.35 crore and TSP- ₹.0.70 crore) has been provided to GSI vide IFD re-appropriation dated 16.12.2022 over BE/RE 2022-23.

3.5 The Committee have been informed that the budgetary allocation to GSI in BE 2020-21 was ₹.1349.98 crore which was reduced at RE stage to ₹.1115.01 crore. The actual utilization of funds during 2020-21 had been ₹.1108.84 crore.

3.6 It has been observed that the budgetary allocation to GSI in BE 2021-22 was ₹.1181.58 crore which was reduced at RE stage to ₹.1174.78 crore. The actual utilization of funds during 2021-22 had been ₹.1162.68 crore. The BE for the year 2022-23 was ₹.1205.17 crore which was enhanced at RE stage to ₹.1251.91 and actual expenditure upto 13th February, 2023 has been reported as ₹.1117.75 crore and percentage wise utilization is around 89.28% of the funds allocated.

3.7 The Committee desired to know the reasons for increase in allocations of funds to GSI at RE 2022-23. In reply, the Ministry of Mines have informed the Committee that during FY 2022-23, GSI received Budget Estimate (BE) grant of ₹.1205.17 crore which was enhanced to ₹.1251.91 crore i.e. 4.74% increase over BE 2022-23 at RE stage. This additional fund will be utilized to meet the enhanced expenditure in Survey & Mapping, mineral exploration and establishment expenditure heads. Accordingly, allocations under different object heads were revised keeping in view of their changed requirements / priorities. It is anticipated that all committed expenditure of FY 2022-23 will be cleared with this additional fund and there is bleak chance of any pendency in clearing bill of FY 2022-23. However, it has been informed in the written replies that GSI has faced problem in getting forest clearance in few mineral exploration projects.

3.8 During Financial Year 2023-24, GSI has been allotted ₹.1308.60 crore (Rev - ₹.1236.50 crore & Capital- ₹.72.10 crore) at BE stage. Out of this total allotted budget grant of ₹.1308.60 crore, ₹.65.30 crore has been allotted for activities of NER. The allotted outlay for Establishment Expenditure is ₹.836.50 crore and ₹.105.30 crore for administrative support activities & other expenditure. The allotted outlay for GSI Missions activities is ₹.294.70 crore and Capital outlay is ₹.72.10 crore for modernization &

replacement activities of GSI. When asked about the measures that are proposed to be taken to ensure full utilization of BE during the year 2023-24, the Ministry in a written reply have stated the following steps that have been taken by GSI to ensure full utilisation of funds during Financial Year 2023-24:-

- a) GSI has critically reviewed the demand of fund submitted by the operational units for execution of all activities during F.Y. 2023-24 and budget grant has been judiciously proposed in all heads giving priority on the committed expenditures and for execution of operational activities so that physical targets of F.Y. 2023-24 can be achieved with the available fund.
- b) Monitoring of fund utilization under different heads is done periodically in synergy with all regions / missions of GSI, Controller of Accounts and Ministry of Mines.
- c) For effective planning and management of funds, the heads of the regions/missions/support systems have been communicated well in advance about the budget grant allotted for execution of all activities of GSI under Revenue and Capital heads during F.Y.2023-24.
- d) Priority will be given to clear the pending dues of F.Y. 2022-23 if any immediately with the approved budget grant of F.Y. 2023-24 for smooth functioning of GSI activities.
- e) Periodic review of the utilisation of budget grant will be undertaken with regional / mission / support system to frame the timeline for utilisation of fund. Further senior officers from Ministry of Mines also take periodic review on both physical and financial performance of GSI.
- f) All financial transactions are done electronically under PFMS module of Government of India so that status of fund utilization can be monitored by all concerned authorities.

Modernisation of GSI

3.9 When asked about the details of the financial allocation *vis-a-vis* utilisation of funds for the modernisation programme of GSI during the last three years and the reasons for under-utilisation of funds, the Ministry in a written reply has informed the Committee that

the capital fund allocated for modernization activities have been optimally (~ 99%, of RE) utilized in last three years. The details of utilization of the capital fund for the modernization programme of GSI during the last three years and likely utilization of funds during 2022-23 and allocation of funds during 2023-24 is given below:-

F.Y.	2019-20			2020-21			2021-22			2022-23			2023-24
Capital Head	BE	RE	Expenditure	BE	RE	Expenditure	BE	RE	Expenditure	BE	RE	Expenditure Till 08.02.23	BE
₹.in crore	101.40	80.70	79.75 (98.82%)	108.30	52.42	51.72 (98.66%)	65.90	51.30	50.96 (99.33%)	57.50	57.50	37.43 (fund will be optimally utilized by March,23) i.e. 65%	72.10

3.10 With regard to the present status with regard to the modernization programme of GSI, the Ministry informed that In order to establish GSI as a world class geo-scientific institute, the modernization Programme have been initiated long back to improve the capabilities in the field and laboratories; high end machineries and equipment are being procured in a phased manner to improve the capabilities in generating vital geo-science data and their processing, interpretation as well as to support the operational activities of GSI. In this line, GSI is procuring various geological / geophysical / chemical laboratory and field based instruments as well as hydrostatic drill rigs in phased manner; with an aim to achieve paperless office, GSI has implemented Online Core Business Integrated System (OCBIS) portal. GSI has introduced e-office for official file movement as a part of e-governance. GSI has taken initiative for setting up of National Geoscience Data Repository (NGDR) to make available all geoscience data on a single platform for use of stakeholders in a single window platform; the important machineries which have been procured in recent years and functional in different laboratories of GSI include Laser Raman Spectroscopy, Trinocular Polarising Microscope, Laser Ablation Multi Collector Inductively Coupled Plasma Mass Spectrometer (LA-MC-ICP-MS), Electron probe micro

analyzer (EPMA), Scanning Electron Microscope (SEM) with EDX,DT-TGA unit, DGPS, Gravimeter, Magnetometer, geophysical loggers etc. All these high end equipment generates quality data and cater the need of GSI as well as other Geological institutes of country; and during Financial Year 2022-23, the major geological chemical, geophysical and drilling instruments procured / planned for procurement.

3.11 The Ministry have further informed that during Financial Year 2023-24, the major geological chemical, geophysical and drilling instruments planned for procurement includes EPMA, Rock Section cutting Machine, Petrological microscope, XRD unit with Micro-diffraction with ancillaries, Isotope Ratio Man Spectrometer(IRMS), FESEM with variable pressure mode & SE, BSE, EDS and CL detector, Gravimeter, Magnetometer, WD-XRF, Scanning Electron Microscope (SEM-EDX), ICPMS with accessories, X-ray diffractometer, Direct Mercury Analyzer, AAS, Planetary Ball mill, Gradiometer, Scintillometer, Fume Hoods with Scrubbers, Ultra Wideband MT System, instrument for NLFC Project, Campaign Mode GPS/DGPS, DGPS, Total field Magnetometer Resistivity equipment, 3D TLS, Hand held Portable Gamma Ray Spectrometer, Hydrostatic rigs, drilling accessories, field vehicles etc.

GSI projects in North Eastern Region(NER)

3.12 The Committee have been informed that GSI carries out all mission (1-V) activities in North Eastern Region (NER) As per Ministry of Finance (MoF) guideline 10% of GBS is allotted for North Eastern Region (NER) in every financial year for execution of all activities in NER.

3.13 The details of Physical and financial performance of GSI in NER for the last 3 years and current year are given below:-

Physical Performance of GSI, NER for past three years and present FY 2022-23:

	2019-20		2020-21		2021-22		2022-23	
Type of activities	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement till Jan,2023
MISSION-I : BASELINE GEOSCIENCE DATA GENERATION								
Specialized Thematic Mapping (sq. km.)	1000	1163	1540	2118	1700	2278	1100	1027
Geochemical Mapping (sq. km.)	1300	2055	4200	5731	7000	11867	15000	16870
Geophysical Mapping (sq. km.)	2800	4035	2800	1800	2800	2800	2800	1832.5
MISSION-II : NATURAL RESOURCE ASSESSMENT								
Large Scale Mapping (LSM) (sq. km.)	600	860	500	516.15	400	465	500	683.2
Detailed mapping (DM) (sq. km.)	20	24.13	4.0	5.3	5	11.35	4	7.70
Drilling (meter)	8000	5287.18	4500	2081.00	3000	2360.06	1500	2752.25
MISSION-III : GEOINFORMATICS								
Map & Publication (No. of Projects)	5	6	5	7	5	08	7	7 in progress
MISSION-IV : FUNDAMENTAL AND MULTIDISCIPLINARY GEOSCIENCE								
Fundamental and multi-disciplinary geosciences (No. of Projects)	25	33	18	30	20	32	20	20 in progress
MISSION-V : TRAINING AND CAPACITY BUILDING								
Training and capacity building (No. of courses)	10	21	14	15	14	16	13	13 completed

Note: The projects of Field Season(FS) 2022-23 are scheduled to be completed by March, 2023.

3.14 Financial Performance of GSI, NER (Activity-wise) for past three years and present FY 2022-23:-

Sl. No.	Name of GSI Mission / Activity	Allocati on for NER in BE/RE (2019-20)	Actual expendit ure in NER (2019-20)	Allocati on for NER in BE/RE (2020-21)	Actual expend iture in NER (2020-21)	Allocati on for NER in BE/RE (2021-22)	Actual expendi ture in NER (2021-22)	Allocati on for NER in BE (2022-23)	Actual expendi ture in NER (2022-23) till Jan,

									2023
1	Survey & Mapping Scheme (Mission-I)	0.80	0.53	0.80	0.73	0.60	0.86	0.60	1.19
2	Mineral Exploration Scheme (Mission-II)	1.65	1.66	1.70	3.75	1.15	3.77	1.35	2.86
3	Information Dissemination Scheme (Mission-III)	1.25	0.56	0.55	0.51	1.04	3.21	0.54	0.33
4	Spl. Investigation Scheme & Other Exploration (Antarctica) (Mission-IV)	0.45	0.41	0.40	0.38	0.45	0.58	0.45	0.42
5	Research & Development Scheme (Mission-IV)	0.46	0.28	0.63	0.48	0.37	0.50	0.37	0.42
6	Human Resource Development Scheme (Mission-V)	0.17	0.16	0.15	0.15	0.08	0.10	0.08	0.14
7	Special Component Plan for Schedule Caste (SCSP)	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00
8	Tribal Area Sub Plan Scheme (TSP)	0.00	2.70	0.00	1.89	0.00	1.12	0.00	2.23
9	Modernisation & Replacement Scheme (MV and M&E)	1.40	1.66	1.20	1.20	0.60	3.36	0.60	0.98
10	Direction & Administration	63.17	67.12	68.07	72.60	59.61	72.08	60.51	71.21
	Total	69.35	75.17	73.50	81.69	63.90	85.58	64.50	79.78

Note: As per MoF guideline, 10% of GBS is allotted for North Eastern Region (NER) in every financial year. However additional fund is allotted from GSI Budget to NER budget for execution of all activities as per requirement in NER, During FY 2019-20, ₹. 5.82 crore, FY 2020-21 Rs 8.19 crore, FY 2021-22 ₹. 21.68 crore additional fund from Non NER budget grant were allocated to NER. During current FY 2022-23, ₹. 24.51 crore additional fund totalling ₹. 89.01 crore has been allotted till date.

CHAPTER-IV

Indian Bureau of Mines (IBM)

As per the Annual Report of the Ministry, Indian Bureau of Mines (IBM) is a subordinate office under the Ministry of Mines. It is engaged in the promotion of scientific development of mineral resources of the country, conservation of minerals, protection of environment in mines, other than coal, petroleum and natural gas, atomic minerals and minor minerals. It performs regulatory functions with respect to the relevant provisions of Mines and Minerals (Development and Regulation) Act, 1957 and enforcement of the rules framed there under, namely Mineral Conservation and Development Rules, 1988/2017 and Mineral Concession Rules, 1960/ 2016 and Environmental (Protection) Act, 1986 and Rules made there under. It undertakes scientific, techno-economic, research-oriented studies in various aspects of mining, geological studies, ore beneficiation and Environmental studies.

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4.2 Trend of Expenditure

	(₹. in crore)		
Year	2020-21	2021-22	2022-23
BE	128.31	110.00	113.00
RE	94.00	103.14	105.25
Actual Expenditure	85.67	93.18	84.29 (upto 13.02.2023)
% of Expenditure	91.14	90.34	80.09

4.3 It may be seen from above that there was a downward revision of allocated funds for IBM at RE stage during 2020-21, 2021-22 and 2022-23. A similar trend has been observed in the actual expenditure incurred during these years.

4.4 On being enquired about the reasons for reduction of the allocated funds at RE stage from BE stage to IBM in the years 2021-22 and 2022-23, the Ministry have informed the Committee that the reason for reduction of the allocated funds at RE, 2021-22 from BE,

2021-22 is due to non-filling up of vacant posts; halting of the process of implementation of MTS due to termination of services of M/S WIPRO/NISG, due to less number of official tours, no transfers and no offline training programmes due to Covid-19; no scope of incurring expenditure under Special Component Plan for Scheduled Caste (SCPSC), Tribal Area Sub Plan (TASP) and the object heads (OCE) (NER) etc. Further, the Ministry informed that the reason for reduction of ₹. 9.80 crores in the allocated funds at RE 2022-23 (₹.103.20 Crore) from BE 2022-23 (₹.113.00 crore) is mainly due to reduction in Object Head Salary of ₹.7.00 crores due to non-filling of vacant posts and funds of ₹.2.05 crore transferred to GSI under the object heads SCPSC & TASP.

4.5 On being asked about the reasons for under-utilisation of funds in the years 2021-22 and 2022-23, it has been informed that under utilisation is due to non-materialisation of pending direct recruitment and deputation requisition at UPSC & SSC and increase of VRS cases, receipt of less claims towards LTC, MACP arrears, leave encashment, less number of official tours, transfer advances and training activities due to COVID 19, non-deputation of officers as delegates for foreign visit due to COVID 19, and also due to less expenditure incurred by CPWD against the LOA issued by IBM, delay in implementation of Mining Tenement System (MTS) project due to stoppage of work by implementing agency M/s Wipro & termination of services of M/s NISG as Project Monitoring Unit (PMU) and reallocation of work for implementation to NIC.

4.6 When asked about the steps proposed by IBM to ensure full utilization of budgeted amount for the year 2023-24, the Ministry informed the Committee in a written reply that to ensure that budgeted outlays are fully utilized for the year 2023-24, utilization of funds and percentage of expenditure is being monitored at the senior most level. They further submitted that IBM carry out its activities as per its Charter of mandated functions, as given for

notification in Official Gazette vide Resolution No. 31/ 49/ 2014 – M. III, dated 3rd November, 2014 and published in the Gazette of India on 22nd November, 2014.

4.7 Following are the scheme-wise activities being taken up during 2023-24:-

S. No.	Scheme No. & Name of the Scheme	Activities being taken up in 2023-24
1	Scheme No. 1: Inspection of mines for scientific and systematic mining, mineral conservation and mines environment.	<ol style="list-style-type: none"> 1. Inspection of mines for MCDR/MPI/MSI 2. Mining Plan / Review of Mining Plan / FMCP disposal 3. Star Rating of Mines
2	Scheme No. 2: Mineral Beneficiation Studies – utilization of low grade and sub-grade ores and analysis of environmental samples	<ol style="list-style-type: none"> 1. Ore Dressing Investigations 2. Mineralogical Examinations 3. Chemical Analysis 4. In plant studies
3	Scheme No. 3: Technological upgradation and Modernisation	<ol style="list-style-type: none"> 1. Technical Consultancy & Assignments Mining Research subject to availability of manpower 2. Conducting Training Courses 3. Implementation of MSS and Sudoor Drushti 4. Generation of Land use classification of mining leases on GIS platform 5. Processing and Analysis of Digital Aerial Images and Mining Plan Data on GIS platform for the mines having annual excavation plan of more than two millions tones.
4	Scheme No. 4: Collection, processing, dissemination of data on mines and minerals through various publications	<ol style="list-style-type: none"> 1. Release of Publications on Mines & Minerals including flagship publication IMYB 2. Publication of monthly ASP for Minerals & Metals 3. Completion of Updation of NMI as on 1.4.2020 4. Advisory Services
5	Scheme No. 5: Computerized Online Register of Mining Tenements System (MTS)	Development of Phase I & II Modules of MTS

4.8 The Ministry further informed that preparation of detailed Annual Plan 2023-24 is in progress.

4.9 On being enquired about the new projects proposed to be undertaken during 2023-24 and efforts to be made for optimal achievements of the financial as well as physical targets during the year, the Ministry has informed that IBM has not proposed to undertake any new project during 2023-24. They further informed that efforts being made by IBM for optimal achievements of the financial as well as physical targets during the particular year are in the form of following "Monitoring Mechanism":

- i. Annual Plan is prepared in accordance with the charter of functions of IBM and as per the objectives of the schemes to finalize the financial as well as physical targets during the year.
- ii. As per Annual Plan for a particular year, a detailed Action Plan with Month-wise/ Quarter-wise activities fixing responsibilities for the officers is prepared, intimated to Ministry of Mines at the beginning of the year and implemented.
- iii. Monthly progress as per Action Plan is monitored at level of IBM through monthly performance report and the monthly progress is conveyed to Ministry.
- iv. Ministry of Mines monitors the performance through Review Meetings.
- v. Standing Parliamentary Committee on Coal & Steel monitors the performance of IBM on yearly basis at the time of Demands for Grants for a particular year.
- vi. The Schemes are evaluated by an independent Agency for continuation in next Plan/Finance Commission.

4.10 When asked about the projects undertaken by IBM in North Eastern Region(NER), the Ministry in a written reply informed the Committee that IBM is having a miniscule presence in NER, where only one Regional Office of IBM is located at Guwahati, Assam. In the Budget Estimates for the year 2022-23, ₹.1.62 crore have been allocated for North Eastern Region including ₹.1.43 crore under Revenue and ₹.0.19 crore under capital Head. The revenue part of the NER budget is utilized at the Regional Office located at Guwahati and expenditure up to Jan., 2023 is ₹.122.00 lakhs. But for the capital allocation there is no scope of expenditure.

4.11 As such IBM has taken up the issue with Ministry of Mines in recent years to take up the matter with the Department of DoNER for exemption from the mandatory 10% of Plan Allocation towards North-East Region. Further, IBM is regularly taking up with ministry for the transfer of allocated funds under OCE (NER) to GSI for effective utilization of funds.

4.12 Regarding Physical Performance during 2022-23, the Regional Office of IBM at Guwahati continued to undertake inspection of mines and studies on development of

resources in North-Eastern Region. During the year 2022-23, 14 nos. of inspections were carried out in NER for enforcement of provisions of MCDR, 2017 and for processing and disposal of mining plan/review of mining plan.

CHAPTER-V

S&T and other Programmes

With a view to promote R&D in the mining sector, Ministry of Mines has launched a comprehensive Science & Technology Programme which includes (i) R&D component, (ii) Information, Education and Communication (IEC), (iii) onetime capital component for up-gradation of R&D facilities of Jawaharlal Nehru Aluminium Research Development & Design Centre and National institute of Rock Mechanics.

5.2 During FY 2022-23, an amount of ₹.30.19 crore allocated for S&T Programme at BE 2022-23 {including National Mineral Award (NMA) and International Cooperation(IC)} which was enhanced to ₹.32.45 crore at RE stage. The actual expenditure during the year is ₹.27.83 as on 13.02.2023. When asked about the likely expenditure on S&T programmes of the Ministry during the year 2022-23, the Ministry informed that an amount of ₹.29.14 crore was allocated for S&T Programme (excluding NMA and IC) at BE 2022-23 which was enhanced to ₹.30.77 crore at RE 2022-23.

5.3 The Ministry in a written reply have further informed that the funds under S&T programme include salary and capital grants to grantee autonomous institutions under administrative control of Ministry of Mines viz. National Institute of Rock Mechanics (NIRM), ~~Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC)~~, S&T Projects, and IEC component under the Science and Technology Programme Scheme of Ministry of Mines.

5.4 The details of likely expenditure of the S&T Programme during the year 2022-23 is given as under:

(₹. in crore)			
Sl. No.	Organization	Item	2022-23
1	NIRM	Grants-in-aid Salary	6.75
		Grants for creation of capital assets	2.42
2	JNARDDC	Grants-in-aid Salary	7.6
		Grants for creation of capital assets	4
3	Other Research Programmes (S&T Scheme)	Grant-in-aid General	10
Total			30.77

5.5 On being asked about the reasons for enhanced allocation for S&T Programme during 2022-23 at RE stage and details of the activities proposed to be taken in the light of increased allocation, the Ministry in a written reply have stated that for the last 3 years, the Project proposals are being received online through Satyabhama Portal (Science and Technology Yojana for Atmanirbhar Bharat in Mining Advancement) and it has been seen that the number and quality of projects in thrust areas of mining is increasing gradually. The increased allocation represents more Research & Development (R&D) activity in country which ultimately aims to optimum utilization and conservation of the mineral resources of the country, for the benefit of the nation and its people.

5.6 Under S&T Programmes of the Ministry, an amount of ₹.28.82 crore has been allocated at BE 2023-24(including NMA and IC). When asked about the reasons of variations between allocation during 2022-23 and 2023-24, the Ministry in a written reply have informed the Committee as under:

"Funds requirement depends upon the demand towards salary and capital grants to grantee autonomous institutions (JNARDDC and NIRM) and the number of quality project proposals approved for grants in the year. Further, due to the decision of rationalisation of grantee Autonomous Bodies, less amount of fund is being allocated towards salary grants. Hence, the demand driven nature of funds

and the decision of rationalisation of grantee Autonomous Bodies are the reasons of variation between BE 2022-23 and BE 2023-24.”

5.7 When asked about the physical targets *vis-a-vis* achievements during 2021-22 and 2022-23, the Ministry in a written reply have stated as under:-

“As regards grant-in-aid Salary and grant-in-aid Capital to grantee autonomous institutions under administrative control of Ministry of Mines *viz.* NIRM and JNARDDC, the amount allocated was sufficient to meet the demand.

In respect of S&T programme scheme, the selection of the quality projects is based on a process involving different stages of evaluation including shortlisting of project proposals, presentation of shortlisted proposals by respective institutions before the Project Evaluation and Review Committee (PERC) and final approval of an inter-ministerial Standing Scientific Advisory Group (SSAG) chaired by Secretary (Mines). The number of projects approved during a particular year depends on the number of quality project proposals received during that year.”

CHAPTER-VI

National Mineral Exploration Trust (NMET)

As per the Annual Report of the Ministry, The National Mineral Exploration Trust (NMET) was established by the Central Government by notification dated 14th August, 2015 in pursuance of sub section (1) of Section 9C of Mines and Minerals (Development & Regulation) Amendment Act, 2015 with the objective to expedite mineral exploration in the country. The NMET Rules were also notified on 14.08.2015. As per the Act, the holders of Mining Lease and Prospecting Licence-cum-Mining Lease shall pay to the Trust, a sum equivalent to 2 percent of the royalty paid in terms of the Second Schedule of the Act to the State Government, simultaneously with payments of royalty.

6.2 NMET has two-tier structure. The overall control, periodical reviews and policy directions of the Trust vest with the Governing Body (GB) and the Executive Committee (EC) is managing, administering and supervising the day-to-day activities of the Trust. The GB is chaired by Hon'ble Minister of Mines and the EC is chaired by the Secretary, Ministry of Mines. Besides, a Technical-cum-Cost Committee (TCC) has also been constituted to evaluate the technical as well as cost parameters of the project proposals submitted by Notified Exploration Agencies (NEAs) for NMET funding. The TCC recommends the suitable proposals to EC for approval.

6.3 The total NMET fund accrued as on 30.11.2022 is ₹.4266 Cr. and total expenditure of NMET till 30.11.2022 is ₹.520 Cr., out of which ₹.75 Cr. has been incurred during the financial year 2022-23 (till 30.11.2022).

6.4 The details with regard to BE, RE and actual expenditure for the years 2020-21, 2021-22 and 2022-23 are as under:-

(₹. in crore)			
Year	2020-21	2021-22	2022-23
BE	150.00	100.00	100.00
RE	90.00	125.00	250.00
Actual, %	83.11, (92.34%)	124.71, (99.77%)	85.26, (34.10%)

6.5 It is evident from the above that during 2020-21, against BE and RE of ₹.150.00 crore and ₹.90.00 crore, NMET could spent ₹.83.11. During 2021-22 against BE and RE of ₹.100.00 crore and ₹.125.00 crore, NMET could spent ₹.124.71 crore.

6.6 During 2022-23 an amount of ₹.100 crore was allocated to NMET. It was increased to ₹.250.00 crore at RE 2022-23, whereas an amount of ₹.85.26 crore has been utilised till 13.02.2023.

6.7 The Ministry in a written reply has stated that the National Mineral Exploration Trust primarily provides financial support to Notified Exploration Agencies (NEAs) for carrying-out mineral exploration activities and baseline geoscience in the country. Accordingly, the utilisation of NMET budget depends on the pace of activities of NEAs during the year.

6.8 Further, it has been stated that the main reasons for enhanced allocation of ₹250 crore for RE 2022-23 was on account of fund requirement details submitted by NEAs, specially by Geological Survey of India (GSI) and Mineral Exploration Consultancy Limited (MECL) in September, 2022 during RE stage for incurring expenditure during remaining period of financial year 2022-23. The details submitted by GSI and MECL are as under:-

(₹. in crore)			
Agency Name	Fund projection (submitted in September 2022 at RE 2022-23 stage)	Revised fund projection submitted in December, 2022 after finalisation of RE 2022-23	Balance fund (not to be utilised during 2022-23)
GSI	84.64	13.28	71.36
MECL	76.38	47.77	28.61
Total	161.02	61.05	99.97

6.9 The enhanced allocation of ₹250 crore was estimated on the basis of information received from NEAs including GSI and MECL in September, 2022. However, due to revised fund projections submitted by GSI and MECL as mentioned above, NMET will be able to utilise the budget to the tune of ₹160 crore during 2022-23.

6.10 When asked about how many projects have been approved by NMET during the year 2022-23 carried out by exploration agencies, the Ministry has replied that 66 projects were approved by NMET in 2022-23 till January 2023.

6.11. As regards, the advance measures taken by NMET to ensure achievement/ utilisation of physical/financial targets during 2023-24, the Ministry of Mines have informed the Committee as under:-

“NEA’s are being asked to provide period-wise and stage-wise projections regarding work to be carried out along with milestones and corresponding financial implications; Periodic progress reports of ongoing projects are being obtained from NEAs for regular monitoring of project work; Technical reviews of the ongoing projects are being carried out on regular basis through Technical-cum-Cost Committee of NMET. The State Governments are being provided financial assistance for strengthening of mineral exploration infrastructure for enhancement of mineral exploration activities in the State.”

6.12 When asked about the justification of the funds allocated to the tune of ₹.400 crore to NMET for the year 2023-24, the Committee have been informed that advance measures are being undertaken to ensure that budget outlays are fully utilised and set targets for the projects are achieved. In this regard, the Ministry further submitted as under:-

“For the year 2023-24, NMET has received BE of ₹400 crore. The fund was estimated on the basis of requirements submitted by NEAs in respect of NMET approved projects during previous financial year 2021-22 and current financial year 2022-23 as per following details:

Sl. No.	Implementing agency	2020-21		2021-22		2022-23		Total	
		No.	Amount (in crore)	No.	Amount (in crore)	No.	Amount (in crore)	No.	Amount (in crore)
1	GSI	16	451.47	3	667.20	4	110.17	23	1228.84
2	MECL	100	413.07	16	43.88	19	25.57	135	482.52

3	Others	49	75.04	13	40.35	43	147.06	105	262.45
TOTAL		165	939.58	32	751.43	66	282.80	263	1973.81

6.13 On being asked whether fund will also be provided to private exploration agencies notified by Ministry of Mines for carrying out exploration activities in NMET approved projects. The Ministry informed in a written reply that the private exploration agencies have to be first notified by the Ministry of Mines. Till date, Ministry of Mines has notified 12 private exploration agencies as NEA and that 12 Notified Private Exploration Agencies (NPEAs) have submitted 91 nos. of mineral exploration project proposals.

6.14 On being asked regarding details of estimated target – Physical and Financial – that are to be set for such private exploration projects, the Ministry in their written reply submitted that the State Governments will submit the exploration projects of Notified Private Exploration Agencies(NPEAs) to Technical-cum-Cost Committee (TCC) of NMET for evaluation. The estimated physical and financial targets will be finalised after technical and financial evaluation of the mineral exploration proposals.

CHAPTER-VII

Hindustan Copper Ltd. (HCL)

As per the Annual Report, the Hindustan Copper Limited (HCL), a Miniratna Category-I, Government of India (GoI) Enterprise under the administrative control of the Ministry of Mines, was incorporated on 9th November 1967 under the Companies Act., 1956. It was established as a Govt. of India Enterprise to take over all plants, projects, schemes and studies pertaining to the exploration and exploitation of copper deposits from National Mineral Development Corporation Ltd. It is the only company in India engaged in mining of copper ore and owns all the operating mining lease of Copper ore and also the only integrated producer of refined copper (vertically integrated company). Major activities of HCL include mining, ore beneficiation, smelting, refining and converting of refined copper metal into Continuous Cast Rod (CCR) as downstream product. HCL has acquired assets of Jhagadia Copper Limited (JCL) from M/s ARCIL (Asset Reconstruction Company (India) Limited) in 2015-16 and renamed as GCP (Gujarat Copper Project). With this acquisition, HCL now have five operation units -one each in the states of Rajasthan, Jharkhand, Madhya Pradesh, Gujarat and Maharashtra.

7.2 As regards BE, RE and Actual Utilization of funds for various activities of HCL during 2020-21, 2021-22 and 2022-23, the following information was provided to the Committee :-

2020-21

(₹ in crore)

Particulars	FY 2020-21		
	BE	RE	Actual
Expansion Projects	235.00	170.00	188.73
Green Field Exploration	10.00	5.00	8.62
Replacement & Renewal	15.00	15.00	5.71
Mine Development	340.00	170.00	169.30
Total	600.00	360.00	372.36

2021-22

(₹ in crore)

Particulars	FY 2021-22		
	BE	RE	Actual
Expansion Projects	170.00	170.00	108.76
Green Field Exploration	10.00	10.00	18.35
Replacement & Renewal	10.00	10.00	49.08
Mine Development	160.00	160.00	251.87
Total	350.00	350.00	428.06

2022-23

(₹ in crore)

Particulars	FY 2022-23		
	BE	RE	Actual (upto Jan'23)
Expansion Projects	169.00	169.00	38.95
Green Field Exploration	56.00	56.00	19.07
Replacement & Renewal	25.00	25.00	27.95
Mine Development	100.00	100.00	161.52
Total	350.00	350.00	247.50

7.3 It has been also informed that the financial requirements are being met from Qualified Institutional Placement (QIP) fund raised from market, from borrowings and from internal accruals and no budgetary support has been sought for the financial year 2022-23. The likely figure of utilisation of fund during 2022-23 upto 31st March, 2023 would be ₹.351.45 crore.

7.4 The details of scheme/ project-wise Annual Plan for BE 2023-2024 are given as below:

(₹ in crore)

Particulars	BE-2023-24
Expansion Projects	225.00
Green Field Exploration	55.00
Replacement & Renewal	10.00
Mine Development	60.00
Total	350.00

7.5 The Physical Targets fixed *vis-à-vis* actual achievement during financial year 2020-2021 of HCL are as follows:

Particulars	FY 2020-21	
	Target	Actual

Ore (Lakh Tonnes)	43.00	32.73
Metal-in-Concentrate (Tonnes)	34000	23866

7.6 It has been informed that the reasons for variations in the physical achievements are Ore and Metal-in-Concentrate (Tonnes) (MIC) production was less compared to the target due to lockdown and maintaining social distancing protocol of COVID-19 Pandemic, suspension of production at Surda Mine at Ghatsila, Jharkhand due to non-renewal of mining lease which has expired on 31.3.2020 by the State Government of Jharkhand, low grade of Ore and water shortage at Khetri Copper Complex (KCC), Rajasthan, low grade of Ore in the open pit mine at MCP, MP which has reached its ultimate depth and was in a transition phase from open pit to underground mining, heavy rains affecting mining in lower benches at MCP etc.

7.7 As far as the Physical Targets fixed vis-à-vis actual achievement during financial year 2021-2022 are concern, the Ministry in a written reply have submitted as under:-

Particulars	FY 2021-22	
	Target	Actual
Ore (Lakh Tonnes)	39.3	35.70
Metal-in-Concentrate (Tonnes)	32439	24741

The reasons for variation given in target-fixed and actual achievement during 2021-22 are more or less same which were in 2020-21.

7.8 Physical Targets fixed vis-à-vis actual achievement during financial year 2022-2023 (upto January, 2023) are as follows:-

Particulars	FY 2022-23	
	Target	Actual
Ore (Lakh Tonnes)	42.4	26.4
Metal-in-Concentrate (Tonnes)	30000	20312

7.9 The Ministry have further informed the Committee about the reasons for variations in targets and actual achievement during 2022-23 (as on 13.02.2023) as under:-

“The ore production at Banwas block of Khetri mine was affected due to low availability of the contractors' equipment. One LHD machine from Malanjkhand Copper Project is being shifted to KCC in order to improve equipment availability. The ore production from Kolihan Mine has been impacted due to 60 days shut-down of underground crusher (replacement/repair & maintenance);

The ore production at Malanjkhand Copper Project has been impacted due to non-availability of sufficient ore in the open pit mine and production from underground mine is in its initial phase. Production from Underground mine was delayed due to delay in mobilization of equipment by the contractor. The grant of stoping permission from DGMS to produce ore from stope is also taking considerable time; and

The ore production at Surda Mine is impacted due to non-execution of Mining Lease (ML) deed as Govt. for Jharkhand mandated to have similarity between ML area (388.58 ha) and Environmental Clearance (EC) grant area (323.16 ha) as balance 65.52 ha of forest land is yet to be diverted though NPV of said forest land has been paid. The current status is that the application for Stage-I Forest clearance of balance 65.52 ha forest area within mining lease, for which NPV has already been paid, is under process at PCCF(Nodal) Jharkhand.”

7.10 The Physical Targets fixed for various activities by HCL during financial year 2023-2024 are as follows:-

Particulars	FY 2023-24
	Target
Ore (Lakh Tonnes)	42.4
Metal-in-Concentrate (Tonnes)	30000

7.11 When asked whether the outlay of ₹. 350.00 crore for HCL for 2023-24 would be sufficient for achieving the set targets and details of the projects under implementation, estimated cost and their targeted schedule of completion, the Ministry in their written reply have informed the Committee that outlay of Rs 350 Cr for HCL for 2023-24 would be sufficient for achieving the set targets.

7.12 On being asked about the details of the new projects/schemes targeted and implemented by the company during the last 3 years, the Ministry have informed that

during last three years, HCL has completed re-opening of closed Kendadih Mine in Jharkhand and development of new underground mine in Banwas Block of Khetri Mining Lease in Rajasthan. The ore production from Malanjkhand underground mine has also been commenced in the year 2022.

7.13 As regards major projects and new projects proposed by HCL during 2023-24, the Ministry of Mines in a written reply have informed the Committee as under:-

The details of major project under implementation, estimated cost and their targeted schedule are as:

(₹. in crore)		
Description of the Project Under implementation	Estimated Cost (Contract Awarded Value)	Targeted Schedule
Mine Development (Residual Work) of North Section of Malanjkhand Copper underground Mine	₹ 199.80	30.04.2026
Mine Development (Residual Work) of South Section of Malanjkhand Copper underground Mine	₹ 197.13	31.12.2025
Erection & Commissioning of Paste Fill Plant at Malanjkhand Copper Project	₹ 199.50	04.07.2024

7.14 HCL has proposed to take-up following new project during FY 2023-24. The cost and plan of implementation are tabulated below:

Description of the Project Under implementation	Estimated Cost	Plan of Implementation
Design, Supply, Erection, commissioning and site testing of 6 number of Main Mechanical Ventilators (MMV)	₹ 20.48 Crore	16 month
Construction of Medium Voltage (MV) power distribution system package for Malanjkhand Copper Underground mine	₹ 81.12 Crore	48 months
Shaft furnishing and men/material hoisting system for Malanjkhand Copper Underground mine	₹ 294.8 Crore	43 months
Underground Crushing and Pumping System for Malanjkhand Copper underground mine.	₹ 92.7 Crore	42 months
Selection and engagement of Mine Developer cum Operator (MDO) for 3.00 Mtpa ore production from Rakha Mining Lease with Commissioning of a new matching capacity Concentrator Plant at Indian Copper Complex (ICC), Ghatsila, Jharkhand	The tender published on Jan 17, 2023. The date of opening is March 15, 2023	

7.15 The plan of implementation of the aforementioned project is from 16 to 48 months from the zero date i.e. award of work. The tendering process of all project are under progress.

Further, HCL has appointed M/s Price Waterhouse Coopers Private Limited (PWC) for selection of Mine Developer cum Operator (MDO) for Re-Opening & Expansion of Rakha Copper Mining Lease for production of 3 million tonne of copper ore and Commissioning of a New Concentrator Plant at ICC. M/s PWC has submitted the draft NIT and Mine Service Agreement for selection of MDO. The tender published on Jan 17, 2023. The date of opening is March 15, 2023.

CHAPTER-VIII
National Aluminium Company Ltd.(NALCO)

National Aluminium Company Limited (NALCO) is a Schedule 'A' Navratna CPSE established on 07.01.1981 having its registered office at Bhubaneswar. It is one of the largest integrated Bauxite - Alumina - Aluminium Power Complex in the Country. NALCO has been declared as the National winner of prestigious Golden Peacock Award – 2021 for sustainability in the Mining & Metal Sector. At present, Government of India holds 51.28% of paid up equity capital. The Company has been operating its captive Panchpatmali Bauxite Mines for the pit head Alumina refinery at Damanjodi in the District of Koraput in Odisha and Aluminium Smelter & Captive Power Plant at Angul. As a part of green initiative, NALCO has installed 198 MW Wind Power Plants at various locations in India and 800 kWp roof top Solar Power Plants at its premises to join hands for carbon neutrality. From the days of first commercial operation since 1987, the Company has continuously earned profits for last 35 years. Despite the Global COVID-19 pandemic, NALCO has posted highest ever sales revenue of Rs.14,181 Crore and highest ever PAT of Rs. 2,952 Crore in FY 2021-22. The Company achieved full capacity production of 4.6 lakh tonne, with all 960 Pots in operation in its Aluminium Smelter in FY 2021-22, a milestone of achieving 100% capacity utilization for the first time. The Company has also achieved highest ever Bauxite production of 75.11 lakh tonne in FY 2021-22. The Company is neither availing, nor proposes to avail any budgetary support from Government of India. The plan outlay is being managed entirely through internal resources only.

8.2 When asked about the statement showing BE, RE, Actual utilization of funds in respect of projects of NALCO, during, 2020-21, 2021-22 and likely utilization during 2022-23 and the reasons for variations/shortfall in CAPEX w.r.t. BE, the Ministry in a written

reply have furnished the following information:-

(₹ in Crore)

FY 2020-21:

Sl. No.	Schemes	2020-21		
		BE/ Outcome	RE	Actual
1. New and on-going Schemes.				
A	Coal Mines - UTKAL -D & E	40	40	37.55
B	5 th stream refinery and Pottangi / new Bauxite Mines	202.10	202.10	439.01
C	Bauxite Transportation System from South Block	80.12	80.12	-
D	Green Energy projects (Wind Power Plant)	18.04	18.04	-
E	JV Projects	40	76	36
F	Other Miscellaneous projects (Rolled product, Foil Plant etc.)	2.50	2.79	1.34
2. Addition, Modification & Replacement (AMRs)				
A	AMR	629.45	608.87	510.95
	Total	1,012.21	1027.92	1024.85

8.3 It has been stated that there was no shortfall of Capex in the FY 2020-21. The Company achieved Capex of ₹.1,024.85 Cr (including JV) for the year against a target of ₹.1012 Cr.

FY 2021-22:

Sl. No.	Schemes	2021-22		
		BE/ Outcome	RE	Actual
1. New and on-going Schemes.				
A	Coal Mines - UTKAL -D & E	16.00	40.50	124.78
B	5 th stream refinery and Pottangi / new Bauxite Mines	842.55	835.04	747.42
C	Bauxite Transportation System from South Block	8.37	35.90	20.57
D	Green Energy projects (Wind Power Plant)	9.81	1.0	-
E	JV Projects	-	-	-
F	Other Miscellaneous projects (Rolled product, Foil Plant etc.)	2.50	0.15	-
2. Addition, Modification & Replacement (AMRs)				
A	AMR	620.76	587.40	595.39
	Total	1499.99	1499.99	1488.16

The Company achieved 99.2% of it's targeted Capex in the year 2021-22.

FY 2022-23:

Sl. No.	Schemes	2022-23		
		BE/ Outcome	RE	Actual (upto January, 2023)
1.	New and on-going Schemes.			
A	Coal Mines - UTKAL – D & E	25.00	26.58	123.49
B	5 th stream refinery and Pottangi / new Bauxite Mines	1056.03	1057.0	690.68
C	Bauxite Transportation System from South Block	50.00	86.33	88.35
D	Green Energy projects (Wind Power Plant)	1.00	0.0	0.0
E	JV Projects	1.00	28.2	12.0
F	Other Miscellaneous projects (Rolled product, Foil Plant etc.)	0.15	-	-
2.	Addition, Modification & Replacement (AMRs)			
A	AMR	666.82	630.09	377.45
	Total	1800.00	1828.20	1291.97

8.4 The Ministry in a written reply have informed the Committee that the Company achieved Capex of Rs.1,291.97 crore (including JV) up to Jan'2023 against a BE target of Rs.1800 crore in the year. The Company is hopeful of achieving the targeted Capex by March 2023.

8.5 NALCO's capital outlay for the FY 2023-24 is given as under:

Sl. No	Name of Scheme/ Programme	Outlay 2023-24 (Rs. Crore)
1	New Projects	
A	Utkal "D" & "E" Coal Blocks	60.00
B	5th Stream Alumina Refinery Project	1056.95
C	Bauxite Transportation System from South Block (Alternate sourcing of Bauxite)	50.00
D	25 MW Wind Power	1.00
E	JV Projects (KABIL)	27.00
2	Additions, Modifications Replacements	632.05
	Total	1827.00

8.6 The Ministry has further submitted that NALCO has kept Rs. 1827 crore during 2023-24 and the Company is hopeful of utilizing the above Capex amount.

8.7 When asked about the physical targets *viz-a-viz* achievement in respect of NALCO during the year 2020-21, 2021-22 and 2022-23, the Ministry has furnished the following statement:

FY 2020-21

S. No.	Name of the Scheme/ programme	2020-21	
		BE Target (Outcome Budget)	Actual
a)	Bauxite (Lakh Tonnes)	73.00	73.65
b)	Alumina Hydrate (Lakh Tonnes)	21.60	20.86
c)	Metal (Lakh Tonnes)	4.40	4.19

FY 2021-22

S.No.	Name of the Scheme/ programme	2021-22	
		BE Target (Outcome Budget)	Actual
a)	Bauxite (Lakh Tonnes)	74.00	75.11
b)	Alumina Hydrate (Lakh Tonnes)	21.20	21.22
c)	Metal (Lakh Tonnes)	4.60	4.60

FY 2022-23

S.No.	Name of the Scheme/ programme	2022-23	
		BE Target (Outcome Budget)	Actual
a)	Bauxite (Lakh Tonnes)	74.50	61.38
b)	Alumina Hydrate (Lakh Tonnes)	21.61	17.31
c)	Metal (Lakh Tonnes)	4.60	3.83

8.8 For the Financial Year 2022-23, the Ministry have submitted that all out efforts are being taken to achieve all the physical targets set.

8.9 During 2023-24, Physical targets fixed in respect of NALCO are as under:

MoU physical target for FY 2023-24	
Alumina Hydrate	21.61 Lakh MT
cast metal	4.6 Lakh MT

8.10 The Committee have been informed that NALCO will request the Ministry for

assistance and intervention in issues relating to Utkal-D & E Coal Mines Project and Pottangi Bauxite Mines which are given as under :-

(a) Utkal-D& E Coal Mines Project:

- (i) Forest clearance for balance 13 Ha of Forest land of Utkal-E: FC is awaited from MoEF & CC, Gol.
- (ii) Rehabilitation & Resettlement of Project Displaced Families of Utkal-D & E Coal Mine to be expedited and made on fast track basis.
- (iii) Land Acquisition for Utkal-E(Govt Land): Support is sought from GoO. Issuance of Permissive Possession of 13.56 Ha of land may be expedited.
- (iv) Physical possession of 41.71 Acres private land for railway siding and acquiring additional 10 acres of land in Angul district: GoO is requested to expedite handing over 41.71 Acres to NALCO and acquisition of additional 10 Acres of land through IDCO.
- (v) Road corridor for transportation of coal: GoO is requested to expedite the development of the road corridor connecting the coal blocks for transportation of coal.
- (vi) Execution of Mining Lease Deed of Utkal-E: As Forest clearance of 13 Ha forest land is yet to be obtained by NALCO till date from MoEF, GoO is requested to allow execution of mining lease deed pending the above said balance forest clearance. NALCO will submit the Forest clearance after the same is granted.
- (vii) Construction of MCRL (Mahanadi Coal Rail Ltd): Evacuation of coal for NALCO captive power plant from Utkal D & E Coal block will be through MCRL. MoC is requested to expedite the execution of the Project.

b) Pottangi Bauxite Mines:

- (i) Issuance of Grant of lease of Pottangi Bauxite Mines: GoO is requested by NALCO, to allow issuance of mining lease grant order before the expiry of extended reservation period.

8.11 On being asked about the steps being taken or proposed to be taken by the Ministry with regard to assistance requested by NALCO, the Ministry in a written reply have stated as under:-

“Ministry of Mines is taking up the matter with respective State Governments/departments and other Ministries like MoEF&CC, Ministry of Steel, Ministry of Coal, DPIIT and Department of Expenditure for expediting the resolution of all the issues pertaining to NALCO.”

CHAPTER IX

Role of Private Sector in Mining

The Economic Survey also puts emphasis on promoting private sector as a co-partner in country's development and states that opening the strategic sectors, such as defence, mining and space, for the private sector has enhanced the business opportunities in the economy

9.2 When asked about the scope and potential of private sector in the mining sector and the efforts being taken in this direction, the Ministry in a written reply has stated as under:-

“The country is endowed with huge mineral resources of fuel, metallic and nonmetallic minerals including minor minerals. Mining sector is an important segment of the Indian economy. Since independence, there has been a pronounced growth in the mineral production both in terms of quantity and the value as well. India produces as many as 95 minerals, which includes 4 fuel, 10 metallic, 23 non-metallic, 3 atomic and 55 minor minerals (including building and other materials).

As per Section 5(1) of MMDR Act, 1957, State Government shall not grant a mineral concession to any person unless such person is an Indian national, or a company as defined in Section 2(20) of the Companies Act, 2013 and satisfies such conditions as may be prescribed. Thus, scope and potential for private sector in the mining sector is widely available. Further, the National Mineral Policy, 2019 envisaged that the private sector would be encouraged to take up exploration activities. Besides, NMP 2019 and the recent reforms undertaken by the Government encourage the investment by private sector in the mineral sector.

There are adequate provisions in the MMDR Act, 1957 for allowing participation of private sector in the mining sector.”

~~9.3 The Ministry in its written replies have further stated that as per the List of Mines maintained by IBM (as on 01.04.2022) based on information received from the respective State Governments, there are 3095 mining leases (Other than atomic, minor and hydrocarbon energy minerals) in the country.~~

9.4 As on 1.04.2022 there are 94 Mines with CPSUs, 144 Mines with State PSU, 2857 Mines with Private Sector against the total no. of 3095 Mines.

9.5 The Ministry have further informed that the private sector plays a dominant role in mineral production and accounted for about 58.54% or ₹. 77713 crore in the total value of production in 2021-22(P). During 2021-22(P), the entire production of Garnet, Iolite, Lead & Zinc Ore, Lead Concentrate, Limeshell, Marl, Moulding Sand, Siliceous Earth, Sillimanite, Wollastonite and Zinc Concentrate, was from private sector. Besides, private sector contribution in term of value of Bauxite 51%, Chromite 69%, Iron Ore 61%, Kyanite 54%, Limestone 97%, Manganese Ore 54%, Vermiculite 77%, Graphite 37%, and Magnesite 46%.

PART – II

OBSERVATIONS/RECOMMENDATIONS

BUDGETARY PROVISIONS AND UTILIZATION

Plan Outlays

1. The Committee note that for the different schemes implemented by GSI, IBM, S&T programme, Secretariat (proper), Grants-in-Aid to Autonomous bodies, etc., the Ministry of Finance has allocated the BE of ₹1911.60 crore for the year 2023-24 to the Ministry of Mines. From the analysis of the previous years' utilization of BE, the Committee find that Budget Estimates during 2021-22 were increased from ₹1466.82 crore to ₹ 1480 crore at RE stage and during 2022-23 against the BE of ₹ 1508 crore, the Revised Estimates were ₹ 1689.95 crore.

The Committee while appreciating the utilization of 98.15% and 99.19% of RE during 2020-21 and 2021-22, recommend the Ministry of Mines to ensure proper and full utilization of the Revised Estimates during the current year *i.e.* 2022-23. While observing that Ministry of Mines are almost fully utilising the funds allocated at RE stage, the Committee recommend the Ministry to ensure that assessment of required funds for different activities should be made on realistic basis to make budgetary exercise prudent and effective.

Self –reliant and sustainable Mining practices

2. The Committee are happy to note that the country continues to be wholly or largely self-sufficient in minerals production. The Mineral production in the country constitutes primary mineral raw materials that are supplied to many industries, such as, iron & steel, aluminium, cement, refractories, ceramic, glass, chemical, etc. The country is, however, deficient in magnesite, manganese ore, rock phosphate (Phosphorite), etc. which are imported to meet the domestic demand. The Committee also observe that Self-reliance in minerals is dependent on factors such as resource endowment, exploration, production and demand from user sector(s).

The Committee further note that the Government has taken steps to promote exploration activity and handed over the number of geological reports to States for auctioning of mineral blocks. The Government have also made several policy reforms to make India self-reliant in the mineral sector, such as amendments in the MMDR Act, 1957. With these reforms, the government has embarked on increasing the sectoral contribution to the Indian GDP and also to increase the competitiveness, ease of doing business and creating a favorable investment environment for the sector.

The Committee also observe a positive impact of the amendments in MMDR Act with significant increase in pace of auction since 2015. The auctions per year have increased four times and against 108 blocks auctioned in 6 years (i.e. from 2015 to 2021), 131 auctions were held between 2021-22 and 2022-23(till date). Further, the Committee note that the Ministry of Mines have devised an action plan with a target of 500 blocks to be auctioned by 2023-24. While appreciating these remarkable steps taken by the Government to ensure self-reliant and sustainable practices, the Committee are hopeful that the Ministry will continue to introduce

reforms as and when necessary to optimize the performance of mining sector.

3. With regard to efforts being made towards creating an inclusive mineral policy, the Committee are satisfied to note that as per the National Mineral Policy, 2019, thrust will be given to extraction of mineral resources in which the country is well endowed so that the needs of domestic industry are fully met keeping in mind both present and future needs. In this regards, the Committee are happy to note that GSI has for the first time established Lithium inferred resources (G3) of 5.9 million tonnes in J&K recently. The Committee hope that GSI will continue to make remarkable achievements to enable the country to become self-reliant in mineral production.

4. The Committee further agree that metal ores and minerals are non-renewable natural resources, which have an ever growing demand at global level and across sectors, making it imperative to reuse and recycle these metals. In this regard, the Committee observe that the National Mineral Policy 2019 envisages that though primary minerals will remain the principal source for fulfilling demand, efforts shall be made to augment supply by developing processes for recovery of metal through recycling. The reusable nature of metals contributes to conservation of natural resources and includes other benefits in terms of energy conservation, environmental and economic benefits.

The Committee also appreciate that the Ministry of Mines have published the National Non-Ferrous Metal Scrap Recycling Framework, 2020 in January, 2021 to promote a formal and well organized recycling ecosystem by adopting energy efficient processes for recycling leading to lower carbon footprints and to work towards sustainable development and intergenerational equity.

The Committee are happy with the economically and environmentally conscious choices that are being taken in the mining sector and Government have also nominated and authorized Jawaharlal Nehru Aluminium Research Development and Design Centre, Nagpur (JNARDDC), vide O.M. dated 05.07.2021, to carry out the functions earmarked for Metal Recycling Authority as stipulated in National Non-Ferrous Metal Scrap Recycling Framework, 2020, till a regular Metal Recycling Authority is notified. The Committee recommend that more steps should be taken by the Government for use of Recycling, Reusing, and Repurposing (R3) technologies by the industries to boost self-reliant mining activity in the country and they be apprised of the same.

Khanij Bidesh India Ltd (KABIL)

5. The Committee are happy to note that in order to ensure the mineral security of the nation and to attain self-reliance in the area of critical and strategic minerals, the Government have created a Joint Venture company, namely Khanij Bidesh India Ltd (KABIL), with participating interests of NALCO, HCL and MECL. The Ministry of Mines and the Department of Industry, Science, Energy and Resources (DISER), Government of Australia, signed an MoU on June 3, 2020 for cooperation in the field of mining and processing of critical and strategic minerals.

The Committee further observe that with the advent of current economic developments of the country, assured supply of critical and strategic minerals is vital for the defence and security of India as well as its transition to a more advanced low fossil fuel based industrial economy. At present, KABIL is focusing on identifying overseas mineral assets and sourcing battery minerals like Lithium and Cobalt for the Country. Engagement of KABIL is underway with select source countries such as Argentina, Bolivia, Chile and Australia etc. which are endowed with the cited critical; strategic minerals.

While appreciating the Government's objective to ensure mineral security of the country through supply side assurance of these minerals and address the challenges related to import dependency of critical and strategic minerals, the Committee hope that the Ministry of Mines and the joint venture like KABIL established to ensure mineral security in the country would achieve it's target. The Committee would like to be apprised of the achievements so far and perspective planning of KABIL for the next five years to reduce trade dependencies in mining sector.

Geological Survey of India (GSI)

6. The Committee note that for Financial Year 2023-24, GSI has been allocated ₹1308.60 crore (Revenue- ₹1236.50 crore & Capital- ₹ 72.10 crore) at BE stage. Out of this, budgetary grant of ₹ 1308.60 crore, ₹65.30 crore has been allotted for activities in North Eastern Region. The allotted outlay for Establishment Expenditure is ₹ 836.50 crore and ₹ 105.30 crore for administrative support activities & other expenditure. The outlays for GSI missions activities are ₹294.70 crore and Capital outlay is ₹72.10 crore for modernization & replacement activities of GSI.

From the financial performance of GSI during the previous year, the Committee are happy to note that funds have been utilised at a rate of 99.45% for FY 2020-21 (i.e., ₹ 1108.84 crore out of ₹ 1115.01 crore allocated at the RE stage); 98.97% for FY 2021-22 (i.e., ₹1162.68 crore out of ₹1174.78 crore allocated at the RE stage); and 89.28% for FY 2022-23 (i.e., ₹ 1117.75 crore out of ₹1251.91 crore allocated at the RE stage), as on 13.02.2023.

The Committee also observe that GSI is taking multiple steps such as critically reviewing the demand of fund submitted by the operational units for execution of all activities, periodical monitoring, prioritising clearing pending dues, etc. to ensure full utilisation of funds as targeted during 2023-24. The Committee are aware of the fact that GSI is the largest establishment of Ministry of Mines and plays a significant role in creation and updation of national geoscientific information and assessment of mineral resources and resultantly, in the economic growth of the country. The Committee hope and trust that the remaining 10.72% of allocated funds to GSI for the FY 2022-23 will be optimally utilized by 31st March, 2023. As regards the problem being faced by GSI in getting forest clearance in few

mineral exploration projects, the Committee recommend the Ministry of Mines/GSI to take pro-active steps to resolve these issues and the Committee be apprised of the same.

Modernization Programme of GSI

7. The Committee note that in order to establish GSI as a world class geo-scientific institute, the modernization Programme was initiated long back to improve the capabilities in the field and laboratories. The Committee are happy to note that high end machineries and equipment are being procured in a phased manner to improve the capabilities in generating vital geo-science data and their processing, interpretation as well as to support the operational activities of GSI.

With an aim to achieve paperless office, GSI has implemented Online Core Business Integrated System (OCBIS) portal and has introduced e-office for official file movement as a part of e-governance. The Committee also note that GSI has taken initiative for setting up of National Geo-science Data Repository (NGDR) to make available all geo-science data on a single platform for use of stakeholders in a single window platform. The Committee, note that during 2022-23, the allocations for modernization programme both at BE and RE stage are ₹ 57.50 crore. While stressing for full utilization of funds for modernization programme by GSI during 2022-23, the Committee would also like to be apprised of the action plan of GSI for utilization of budgetary allocations of ₹ 72.10 crore for modernization programme during 2023-2024.

GSI Activities in North Eastern Region (NER)

8. The Committee note that GSI carries out all mission (1-V) activities in North Eastern Region(NER). As per Ministry of Finance (MoF) guideline, 10% of Gross Budgetary Support is to be allocated for North Eastern Region in every financial year for execution of activities in NER. Further, additional fund to the tune of ₹ 2.05 crore Special Component Plan for Scheduled Caste (SCSP) ₹ 135 crore and Tribal Area Sub-Plan(TSP) ₹ 0.70 crore has been provided to GSI vide IFD re-appropriation dated 16.12.2022 over BE/RE 2022-23. As regards the physical performance of GSI in NER for last 3 years, the Committee observe that activities like Specialized Thematic Mapping, Geochemical Mapping and Geophysical Mapping under Mission-I (Baseline Geoscience Data Generation) have exceeded the proposed targets. While appreciating the achievements, the Committee hope that GSI will maintain this performance in the coming years.

Indian Bureau of Mines (IBM)

9. The Committee note that IBM is engaged in the promotion of scientific development of mineral resources of the country, conservation of minerals, protection of environment in mines, other than coal, petroleum and natural gas, atomic minerals and minor minerals. It performs regulatory functions with respect to the relevant provisions of Mines and Minerals (Development and Regulation) Act, 1957 and enforcement of the rules framed there under, namely Mineral Conservation and Development Rules, 1988/2017 and Mineral Concession Rules, 1960/2016 and Environmental (Protection) Act, 1986 and Rules made there under. The Committee observe that for the FY 2023-24, IBM has been allocated a fund of ₹ 122.48 crore at BE stage. The Committee are hopeful that the Ministry/ IBM will fully utilize the allocated funds of ₹ 122.48 crore during 2023-24.

IBM in North Eastern Region

10. The Committee note that IBM has one Regional Office of IBM is located at Guwahati, Assam. In the Budget Estimates for the year 2022-23, ₹ 1.62 crore have been allocated for North Eastern Region including ₹ 1.43 crore under Revenue and ₹ 0.19 crore under capital Head. The revenue part of the NER budget is utilized at the Regional Office located at Guwahati and expenditure up to Jan., 2023 is ₹ 1.22 crore. IBM is reported to be regularly taking up the matter with Ministry for the transfer of allocated funds under Other Capital Expenditure (NER) to GSI for effective utilization of funds. The Committee are hopeful that the matter will be resolved soon and the Ministry, IBM and GSI will lay out a clear plan of action to transfer the funds and find the best way to utilise them in the region.

Monitoring Mechanism in IBM

11. The Committee find that efforts are being made by IBM for optimal achievements of the financial as well as physical targets during the year 2023-24 by "Monitoring Mechanism" which entails the preparation of an Annual Plan with month-wise and quarter-wise activities in accordance with the charter of functions of IBM and as per the objectives of the schemes during the year. The Committee note with satisfaction that as a result of initiatives taken up by the Ministry, IBM will be able to achieve physical and financial targets set for their various schemes like Inspection of mines for scientific and systematic mining, mineral conservation and mines environment; Mineral Beneficiation Studies - utilization of low grade and sub-grade ores and analysis of environmental samples; Technological upgradation and Modernization and Computerized Online Register of Mining Tenements System (MTS) during 2023-24. The Committee trust that the Ministry will constantly endeavor to improve the performance of IBM through said schemes in the coming years and apprise them about the outcome of such efforts.

Science and Technology Programme

12. The Committee note that an amount of ₹ 30.19 crore was allocated for S&T Programme at BE 2022-23 which was enhanced to ₹ 32.45 crore at RE stage. Out of this increased outlays, ₹ 27.83 crore were utilized up to 13.02.2023, accounting for 85.76% of the allocated funds. The likely expenditure for FY 2022-23 is reported to be ₹ 30.77 crore. Further, an amount of ₹ 28.82 crore has been allocated at BE 2023-24(included NMA & IC) against the proposed funds of ₹ 23.47 crore. According to the Ministry of Mines, fund requirement for Science and Technology depend upon the demand towards salary and capital grants to grantee autonomous institutions (JNARDDC and NIRM) and the number of quality project proposals approved for grants in the year. Further, due to the decision of rationalisation of grantee Autonomous Bodies, less amount of fund is being allocated towards salary grants.

The Committee are happy to note that for the last 3 years, the Project proposals are being received online through Satyabhama Portal (Science and Technology Yojana for Atmanirbhar Bharat in Mining Advancement) and the number and quality of projects in thrust areas of mining is increasing gradually. The Committee appreciate that the increased allocation in Research & Development (R&D) activities in the country would ultimately result in optimum utilization and conservation of the mineral resources for the benefit of the nation and its people.

The Committee are hopeful that S&T and R&D activities will increase progressively in the coming financial year with selection of the quality projects based on a process involving different stages of evaluation including shortlisting of project proposals, presentation of shortlisted proposals by respective institutions before the Project Evaluation and Review Committee (PERC) and final approval of an inter-ministerial Standing Scientific Advisory Group (SSAG) chaired by Secretary

(Mines). The Committee would like to be apprised of the new projects shortlisted and approved under S&T programme of Ministry of Mines during 2022-23.

National Mineral Exploration Trust NMET

13. The Committee observe that during 2020-21 and 2021-22, NMET received RE of ₹ 90 crore and ₹ 125 crore respectively. Further, an amount of ₹ 83.11 crore (i.e., 92.34%) and ₹ 124.71 crore (i.e., 99.77%) respectively were utilized during 2020-21 and 2021-22. According to the Ministry of Mines, total expected expenditure for the year 2022-23 (upto March 2023)is likely to be ₹ 160 crore. The Committee also note that during 2023-24, an allocation of ₹ 400.00 crore has been made to NMET. According to the Ministry of Mines certain advance measures are being taken by NMET to ensure achievement/utilisation of physical/financial targets such as period-wise and stage-wise projections being asked from Notified Exploration Agencies (NEAs); periodic progress reports and technical reviews of ongoing projects being obtained; financial assistance to State Governments for strengthening of mineral exploration infrastructure. Taking note of these advance and effective measures being taken by the Ministry and NMET, the Committee expect that the plan expenditure of ₹ 400 crore for 2023-24 will be fully utilized as envisaged.

14. The Committee also observe that funds will also be provided to private exploration agencies notified by the Ministry of Mines for carrying out exploration activities in NMET approved projects. The Committee find that the Ministry of Mines have notified 12 private exploration agencies as NEA, who have submitted 91 number of mineral exploration project proposals. As regards the physical and financial target for exploration projects, the Committee observe that State Governments will submit the exploration projects of Notified Private Exploration Agencies (NPEAs) to Technical-cum-cost Committee of NMET for evaluation.

While appreciating such initiatives of the Government, allowing both public and private NEAs to carry out exploration activities and recognizing their role in the country's economic development in general and in mining sector, in particular, the Committee would like to be apprised of the progress made in the matter by NEAs (both public and private sector) during 2022-23 and action plan for the year 2023-24.

Hindustan Copper Limited

15. The Committee note that Hindustan Copper Limited (HCL) has achieved expenditure targets of ₹ 247.50 crore (Upto January 2023) during the Financial Year 2022-23. According to the Ministry of Mines, the likely figure of utilisation of fund during 2022-23 upto 31st March, 2023 would be ₹ 351.45 crore. During the examination of Demands for Grants (2022-23) of the Ministry of Mines, the Committee were assured that HCL will achieve production from Kendadiah Mines and from newly under construction Malanjkhand Copper Project (MCP) underground mines during 2022-23. The Committee are happy to note that HCL has completed re-opening of closed Kendadih Mine in Jharkhand and development of new underground mine in Banwas Block of Khetri Mining Lease in Rajasthan. The ore production from Malanjkhand underground mine has also commenced in the year 2022. Taking note of the likely utilization of ₹ 351.45 crore during 2022-23, the Committee hope that HCL will achieve physical targets of Ore and Metal-in-concentrate production during the year.

16. The Committee observe that for the year 2023-24, HCL has set a target for 42.4 Lakh Tonnes Ores and 30000 Tonnes Metal-in-Concentrate. The Committee were also informed that the company has proposed a plan outlay of ₹ 350 crore each in financial years 2023-24 & 2024-25 respectively for achieving maximum mine output from MCP, KCC& ICC Units, Greenfield Exploration/Development of New mines and various expansion projects in order to achieve long term growth and becoming self-sufficient. The Committee observe that during 2023-24, the company is implementing ongoing projects of Mine Development (Residual Work) of North Section of Malanjkhand Copper underground Mine, Mine Development (Residual Work) of South Section of Malanjkhand Copper underground Mine ; Erection and

Commissioning of Paste Fill Plant at Malanjkhand Copper Project at estimated costs of ₹ 199.80 crore, ₹ 197.13 crore and ₹ 199.50 crore respectively.

The new projects proposed to be taken by the company include Design, Supply, Erection, Commissioning and site testing of 6 number of Main Mechanical Ventilators (MMV), Construction of Medium Voltage (MV) power distribution system package for Malanjkhand Copper Underground mine, Shaft furnishing and men/material hoisting system for Malanjkhand Copper Underground mine and Underground Crushing and Pumping System for Malanjkhand Copper Underground Mine.

The Committee have been informed that HCL has planned to meet the entire expenditure from Qualified Institutional Placement (QIP) fund raised from market, long term/short term borrowings and internal accruals and no budgetary support has been sought for. Considering that HCL is the only company in India engaged in mining of copper ore and owns all the operating mining lease of Copper ore and also the only integrated producer of refined copper(vertically integrated company), the Committee recommend the Ministry of Mines/HCL to take all required steps to ensure optimum utilization of financial outlays and achieve the annual plan targets so that all ongoing and new projects are completed in time as targeted.

National Aluminium Company Limited NALCO

17. The Committee are happy to note that NALCO has been declared as the National Winner of prestigious Golden Peacock Award-2021 for Sustainability in the Mining & Metal sector. The Committee further observe that NALCO is neither availing nor proposes to avail any budgetary support and that their plan outlay is being managed entirely through internal resources and that the financial requirements are being met from Qualified Institutional Placement (QIP) fund raised from market, from borrowings and from internal accruals. The Committee note that the Capex of ₹ 1,291.97 crore (including JV) was achieved by the company (up to January, 2023) against a BE target of ₹ 800 crore during 2022-23. The Committee appreciate that similar performance was shown by NALCO in the previous years, wherein there was no shortfall of Capex in the FY 2020-21 and the Company achieved Capex of ₹ 1,024.85 Crore (including JV) for the year against the targeted RE of ₹ 1027.92 crore during the year.

As regards physical targets for the year 2022-23, the Ministry of Mines have informed the Committee that all out efforts are being made to achieve projected targets for producing Bauxite, Alumina Hydrate, and Metal. It is also noted that during 2021-22, NALCO achieved full capacity production of 4.6 lakh tone with all its 960 nos. of pots at its Aluminium Smelter Plant, a milestone of achieving 100% capacity utilization for the first time. While appreciating the outstanding performance by NALCO, the Committee desire the company to maintain its performance in the coming years.

18. The Committee also observe that NALCO has requested assistance and intervention of Ministry of Mines in respect of certain issues concerning two of their projects, namely, Utkal-D& E Coal Mines Project and Pottangi Bauxite Mines. With

regard to Utkal-D& E Coal Mines Project, the issues to be addressed are forest clearance of forest land of Utkal-E and land acquisition for Utkal-E, physical possession of 41.71 Acres private land for railway siding, the development of the road corridor connecting the coal blocks, construction of Mahanadi Coal Rail Ltd (MCRL), etc. With regard to Pottangi Bauxite Mines and the issuance of grant of lease, the Committee observe that grant order for execution of Mining Lease was issued by Dept of Steel & Mines, Government of Odisha on 02.02.2023.

The Committee note that the Ministry of Mines are taking up the matter with respective State Governments/departments and other Ministries like MoEF&CC, Ministry of Steel, Ministry of Coal, DPIIT and Department of Expenditure for expediting the resolution of all the issues pertaining to NALCO. The Committee would like to be apprised of the outcome of the efforts of the Ministry and desire that all pending issues be resolved at the earliest and they be apprised of the progress made in the matter.

Role of Private Sector in Mining

19. The Committee have been informed that the scope and potential for private sector in the mining sector is widely available in the existing legislation. Further, the National Mineral Policy(NMP), 2019 envisages that the private sector would be encouraged to take up exploration activities. Besides, NMP 2019, the recent reforms undertaken by the Government also encourage the investment by private sector in the mineral sector. The Committee find that private sector plays a dominant role in mineral production and accounted for about 58.54% or ₹ 77713 crore in the total value of production in 2021-22(Provisional). In this regard, the Committee would like to be apprised of the data for FY 2022-23 as well for the private sector mining/exploration activities.

As on 1.04.2022, there are 94 Mines with CPSUs, 144 Mines with State PSU, 2857 Mines with Private Sector against the total no. of 3095 Mines. During 2021-22(P), the entire production of Garnet, Iolite, Lead & Zinc Ore, Lead Concentrate, Limeshell, Marl, Moulding Sand, Siliceous Earth, Sillimanite, Wollastonite and Zinc Concentrate, was from private sector. Besides, private sector contribution in term of value of Bauxite 51%, Chromite 69%, Iron Ore 61%, Kyanite 54%, Limestone 97%, Manganese Ore 54%, Vermiculite 77%, Graphite 37%, and Magnesite 46%.

The Committee have been given to understand that the amendment to the Mines and Minerals (Development and Regulation) Act, 1957 in 2015 and in 2021 has been aimed at increasing the production of minerals and time bound operationalization of mines, maintaining continuity in mining operations even after change of lessee and increasing the pace of exploration and auctioning of mineral resources. These amendments have resulted in enhancement of mineral production across the spectrum and will be a major boost to many industries which are

primarily dependent upon key raw materials provided by the mining sector. The above measures are intended to enhance the self-reliance in mineral sector by involving the private sector as a co-partner in country's development and enhances business opportunities in the economy.

The Committee while acknowledging the efforts of the Ministry of Mines to accommodate the private sector to help the mining sector reach new heights also recommend that factors like increase in competitiveness, ease of doing business be looked into to boost a favourable investment environment for the mining sector.

Achievements of the Ministry

20. While acknowledging the quantum of Reforms, legislative work, policy matters and its implementation by the Ministry of Mines during the recent years, the Committee appreciate the role of Ministry of Mines for making sincere efforts to double the production of important minerals in the next five years. The Committee are also hopeful that GSI will continue making remarkable discoveries in the mining sector and NMET will pave the way for both public and private sector agencies for exploration in mining. The role of joint ventures like KABIL and PSUs under administrative control of Ministry of Mines ensuring mineral security in the country is also applaudable. The Committee are hopeful that with concentrated efforts of the Ministry, all physical and financial targets set will be achieved efficiently.

NEW DELHI;
15 March, 2023
24 Phalguna, 1944 (Saka)

RAKESH SINGH
Chairperson,
Standing Committee on Coal,
Mines and Steel

ANNEXURE-I

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2022-2023) HELD ON MONDAY, THE 27TH FEBRUARY, 2023 IN COMMITTEE ROOM No. '2', BLOCK-A, FIRST FLOOR, EXTENSION TO PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1315 hrs. to 1410 hrs.

PRESENT

Shri Rakesh Singh- Chairperson

Lok Sabha

2. Shri Chunni Lal Sahu
3. Shri Khan Saumitra
4. Shri Sunil Kumar Singh
5. Shri Sushil Kumar Singh
6. Shri Pashupati Nath Singh

Rajya Sabha

7. Smt. Mahua Maji
8. Shri Rungwra Narzary
9. Shri Samir Oraon
10. Ms. Saroj Pandey
11. Shri Dhiraj Prasad Sahu

SECRETARIAT

- | | | |
|-----------------------|---|------------------|
| 1. Shri J.M. Baisakh | - | Joint Secretary |
| 2. Shri Arvind Sharma | - | Director |
| 3. Smt. Savita Bhatia | - | Deputy Secretary |

WITNESSES

MINISTRY OF MINES

1. Shri Vivek Bharadwaj, Secretary (Mines)
2. Shri Sanjay Lohiya, Additional Secretary & CG, IBM
3. Smt. Nirupama Kotru, JS&FA
4. Shri S. Raju, DG, GSI
5. Shri Upendra Chandra Joshi, Joint Secretary
6. Smt. D.Veena Kumari, Joint Secretary
7. Shri Sakesh Prasad Singh, CCA (Mines)
8. Smt. Farida M. Naik, Joint Secretary
9. Shri Pankaj Kulshreshtha, Chief Controller of Mines, In Charge MES Division

MINES PSUs

10. Shri Sridhar Patra, CMD, NALCO
11. Shri Ghanshyam Sharma, CMD, MECL and Director(Finance), HCL
(Additional Charge)
12. Shri Arun Kumar Shukla , CMD, HCL

2. At the outset, the Hon'ble Chairperson welcomed the Secretary and other representatives of the Ministry of Mines and its Public Sector Undertakings to the sitting of the Committee convened to examine the Demands for Grants for the year 2023-24. The Hon'ble Chairperson drew their attention to Direction 55 of the 'Directions by the Speaker, Lok Sabha' regarding confidentiality of the proceedings.

3. Thereafter, Joint Secretary & FA, Ministry of Mines made a power point presentation on the performance of the Ministry of Mines during 2022-23; planning for optimum utilization of allocated funds by GSI, Indian Bureau of Mines (IBM) and Mine PSUs and other organisation under the Ministry of Mines.

4. Hon'ble Chairperson while appreciating the efforts being made by the Ministry/GSI in the mining sector, raised various queries on the issues related to Demands for Grants of the Ministry of Mines for the year 2023-24 and under-utilisation of funds allocated during 2022-23 by the various organisations of the Ministry.

5. The Members also sought clarifications on detailed DFG (2023-24) of the Ministry and raised their concerns on the implementation of the schemes under the Ministry of Mines. The Committee also deliberated on issues like auctioning of mining blocks; utilization of DMF funds, etc. The representatives of the Ministry replied to some of the queries of the Members. The Hon'ble Chairperson directed the Secretary, Ministry of Mines to furnish written replies to the queries raised by the Members, which remained unanswered during the sitting of the Committee, within five days.

A copy of verbatim record of the sitting has been kept.

The Committee then adjourned.

ANNEXURE-II

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2022-2023) HELD ON 15.3.2023 FROM 1530 HRS. TO 1630 HRS. IN HON'BLE CHAIRPERSON'S CHAMBER, ROOM NO. '210', B-BLOCK, PHA EXTENSION BUILDING, NEW DELHI.

PRESENT

Shri Rakesh Singh - Chairperson

Lok Sabha

2. Dr. Venkata Satyavathi Beesetti
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Chandra Prakash Joshi
6. Shri Ajay Nishad
7. Shri S. R. Parthiban
8. Smt. Riti Pathak
9. Shri Komati Reddy Venkat Reddy
10. Shri Sunil Kumar Singh
11. Shri Pashupati Nath Singh
12. Shri Ashok Kumar Yadav

Rajya Sabha

13. Shri Rwngrwa Narzary
14. Shri Samir Oraon
15. Shri Deepak Prakash
16. Shri Aditya Prasad
17. Shri B. Lingaiah Yadav

SECRETARIAT

1. Shri J.M. Baisakh - Joint Secretary
2. Shri Arvind Sharma - Director
3. Smt. Savita Bhatia - Deputy Secretary

2. At the outset, Chairperson welcomed the Members to the sitting of the Committee.

3. The Committee, thereafter, considered and adopted the following draft reports with slight modifications:-

- (i) *** **;
- (ii) Draft Report on Demands for Grants (2023-24) relating to the Ministry of Mines;

(iii) *** *** *** ***

4. The Committee then authorized the Chairperson to finalise the Reports in the light of the factual verification received from the concerned Ministries and present/lay the same in both the Houses of Parliament.

5. *** *** *** ***

The Committee, then, adjourned.

*Not related to the Report.