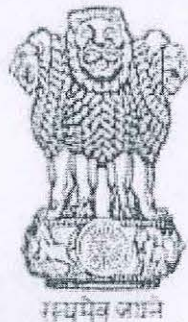


44

STANDING COMMITTEE ON
COAL, MINES AND STEEL (2022-2023)
SEVENTEENTH LOK SABHA

MINISTRY OF MINES

[Action Taken by the Government on the Observations/Recommendations
contained in the Thirty- Ninth Report (Seventeenth Lok Sabha) of the Standing
Committee on Coal, Mines and Steel on Demands for Grants (2023-24) of the
Ministry of Mines]



FORTY-FOURTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI
AUGUST 2023/SRAVANA 1945(Saka)

FORTY- FOURTH REPORT

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

(SEVENTEENTH LOK SABHA)

MINISTRY OF MINES

**[Action Taken by the Government on the Observations/Recommendations
contained in the Thirty- Ninth Report (Seventeenth Lok Sabha) of the Standing
Committee on Coal, Mines and Steel on Demands for Grants (2023-24) of the
Ministry of Mines]**

Presented to Lok Sabha on 01.08.2023

Laid in Rajya Sabha on 01.08.2023



**LOK SABHA SECRETARIAT
NEW DELHI
AUGUST 2023/SRAVANA 1945(Saka)**

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COMPOSITION OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL
(2022-23)

Chairperson- Shri Rakesh Singh

Lok Sabha

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

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

#Vacant w.e.f. 30.05.2023 due to sad demise of Shri Balubhau Dhanorkar alias Suresh Narayan, on 30.05.2023 vide Bulletin – Part-II, Para no. 6752 dated 01.06.2023.

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 authorised by the Committee to present the Report on their behalf, present this Forty-fourth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations contained in the Thirty-Ninth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel on "Demands for Grants (2023-2024)" relating to the Ministry of Mines.

2. The Thirty-Ninth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel was presented to Lok Sabha on 21.03.2023. Replies of the Government to all the Observations/ Recommendations contained in the Report were received on 01.04.2023.

3. The Standing Committee on Coal, Mines and Steel considered and adopted this Report at their sitting held on 27.07.2023.

4. An analysis on the Action Taken by the Government on the Observations/ Recommendations contained in the Thirty-Ninth Report (Seventeenth Lok Sabha) of the Committee is given at Annexure-II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Chapter-I of the Report.

NEW DELHI;
31 July, 2023
09 Sravana, 1945(Saka)

RAKESH SINGH
Chairperson
Standing Committee on Coal, Mines and Steel

REPORT CHAPTER I

This Report of the Committee deals with Action Taken by the Government on the observations/recommendations contained in the Thirty-Ninth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel on "Demands for Grants (2023-24)" of the Ministry of Mines which was presented to Lok Sabha and laid in Rajya Sabha on 21.03.2023.

2. The Report contained 20 Observations/Recommendations. The Action Taken Replies have been received from the Ministry of Mines on 01.04.2023 in respect of all the 20 observations/recommendations contained in the Report. These have been categorized as follows:

(i) Observations/Recommendations which have been accepted by the Government:

Sl. Nos. 1,2,3,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19 and 20 (Total: 19)
(Chapter-II)

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government :

Sl. No. Nil (Total: NIL)
(Chapter III)

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:

Sl. No. Nil (Total: NIL)
(Chapter IV)

(iv) Observations/Recommendations in respect of which final replies of the Government are still awaited :

Sl. No. 04 (Total: 01)
(Chapter V)

3. The Committee do hope and trust that utmost importance would be accorded for implementation of the Observations/Recommendations accepted by the Government. In case, where it is not feasible for the Ministry to implement the recommendations in letter and spirit for any reason, the

matter must be reported to the Committee with reasons for non-implementation. The Committee desire that final Action Taken Notes on the Observations/ Recommendations contained in Chapter – I and final action taken notes on the recommendation contained in Chapter-V of this Report be furnished to them within three months.

4. The Committee will now deal with the action taken by the Government on some of their observations/recommendations contained in the Thirty-Ninth Report.

Self –reliant and sustainable Mining practices

Recommendation Serial No.2

5. The Committee were 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 had observed that Self-reliance in minerals is dependent on factors such as resource endowment, exploration, production and demand from user sector(s).

The Committee had further noted 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 observed 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 noted 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.

6. In their action taken reply, the Ministry of Mines have stated that the observation of the Committee has been noted. It is submitted that Ministry undertakes reform measures from time to time to provide a conducive legal framework in the mining sector to facilitate the industries in this sector to evolve constantly to meet the growing mineral demand of the country.

7. The Committee observe that Government have taken steps to promote exploration activities and handed over the geological reports of exploration of minerals to states for auctioning of mineral blocks. The Government have also taken several policy reforms to make India self-reliant in the mineral sector. While appreciating the initiatives being taken by Ministry of Mines to make the country self-reliant in mining production, the Committee hope that the Ministry will continue to introduce reforms and they would like to be apprised of the resultant impact of these steps in production of minerals in the country.

Self –reliant and sustainable Mining practices

Recommendation Serial No. 4

8. The Committee further agreed 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 observed 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 appreciated 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 were 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 had recommended 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.

9. In their action taken reply, the Ministry of Mines have stated that the recommendation of the Committee has been noted for augmenting Recycling, Reusing and Repurposing (R3) technologies by the industries to boost self-reliant mining activity in the country.

10. While appreciating the efforts of the Ministry to promote a formal and well organised recycling ecosystem with energy efficient process for recycling leading to lower carbon footprint by publishing the National Non-Ferrous Metal Scrap Recycling Framework 2020, the Committee were informed that the 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.

While reiterating their earlier recommendation for the Government to take more steps towards Recycling, Reusing, and Repurposing (R3) technologies and their use by the industries to boost self-reliant mining activities in the country, the Committee would also like to be apprised of the present status of notification of a regular Metal Recycling Authority.

Geological Survey of India (GSI)

Recommendation Serial No. 6

11. The Committee had noted 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 were 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 had also observed 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 were 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 hoped and trusted 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 recommended the Ministry of Mines/GSI to take

pro-active steps to resolve these issues and the Committee be apprised of the same.

12. In their action taken reply, the Ministry of Mines have stated as under:-

"a) During financial year 2022-23, GSI received Budget Estimate (BE) grant of Rs.1205.17 crore (Revenue: Rs.1147.67 crore & Capital: Rs.57.50 crore) which was increased to Rs.1251.91 crore at RE stage. Further, an additional amount of Rs.6.95 crore {Special Component Plan for Scheduled Castes (SCSP)- Rs.1.35 crore, Tribal Area Sub Plan (TSP)- Rs.0.70 crore; Salary-Rs.4.00 crore and Other Expenditure (OE)-Rs.0.90 crore} has been provided to GSI over and above RE-2022-23 by the Ministry to meet the enhanced expenditure in Survey & Mapping, Mineral Exploration and Establishment Expenditure heads. Hence, the total available fund with GSI was increased to Rs.1258.86 crore (Revenue: Rs.1201.36 crore & Capital: Rs.57.50 crore). The overall utilisation of the fund is Rs.1254.76 crore (99.67%) including minor works authorization of Rs.22.72 crore to MoUD and assigned physical targets of financial year 2022-23 under all missions have been achieved.

b) GSI is actively engaged in Mapping and Mineral Exploration in the whole country with an aim to augment resources of minerals including coal and lignite. Some projects fall in the forest cover areas where any geological activity is subject to availability of forest permission. In recent past, GSI has faced problem in getting forest clearance in few mineral exploration projects.

c) To resolve the forest clearance issue, GSI coordinates with State Forest department as well as state mines & mineral department and administrative heads of the states. Also correspondence with MoEFCC are made to facilitate mineral exploration activities in forested land. Online applications through proper channels have been filed for grant of forest permission to initiate mineral exploration projects involving drilling.

d) The major forest related issues faced by the various exploration agencies including GSI have been taken up on regular basis with the MoEF&CC. Also, an Inter-ministerial Coordination and Monitoring Committee

for FC, EC and Wildlife (ICMC) have been constituted in the Ministry which conducts meetings with MoEF&CC periodically."

13. While appreciating the proactive efforts of the Ministry of Mines and GSI to address the major forest related issues faced by the various exploration agencies on regular basis with the MoEF&CC and also, an Inter-ministerial Coordination and Monitoring Committee for FC, EC and Wildlife (ICMC) have been constituted in the Ministry which conducts meetings with MoEF&CC periodically, the Committee hope that all the environmental issues will be resolved at the earliest.

Utilisation of funds in North Eastern Region

Recommendation Serial No.10

14. The Committee had noted 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 were 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.

15. In their action taken reply, the Ministry of Mines have stated that the recommendation of the Committee has been noted for effective utilization of funds allocated under North Eastern Region (NER) by Indian Bureau of Mines (IBM) and Geological Survey of India (GSI)."

16. The Committee note that North Eastern Region (NER) is an important region of the country and needs special attention for proper development.

The Committee in their original report had observed that IBM & GSI should take earnest efforts for effective utilisation of funds allocated under NER component. The Ministry of Mines in their Action Taken Reply have informed that the recommendation has been noted for effective utilization of funds allocated under North Eastern Region (NER) by Indian Bureau of Mines (IBM) and Geological Survey of India (GSI). Considering the persistent nature of challenges faced by the Ministry and its establishments to fulfill their commitments in North Eastern Region, the Committee would like to be apprised of the action plan in this regard.

Role of Private Sector in Mining

Recommendation Serial No.19

17. The Committee had 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 found 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 liked 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 had 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 recommended that factors like increase in competitiveness, ease of doing business be looked into to boost a favourable investment environment for the mining sector.

18. In their action taken reply, the Ministry of Mines have stated as under:-

"The observations of the Committee have been noted. The Ministry of Mines has introduced several other reforms through amendment in the Rules in last 2 years to promote 'Ease of Doing business' increase competitiveness and boost investment environment. Some of the major reforms are as following:

(i) The Mineral (Auction) Rules were amended w.e.f. 17.03.2021 to provide incentive for early production & dispatch of mineral from the auctioned mines.

(ii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules were amended w.e.f. 24.03.2021 to enable transfer of letter of Intent (LoI) granted to preferred bidders of mines auctioned for mining lease or composite licence.

(iii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules were amended w.e.f. 10.06.2021 to provide for payment on shortfall in dispatch by the successful bidders of working mines which were auctioned after expiry of their previous mining lease.

(iv) The Minerals (Evidence of Mineral Contents Amendment Rules, 2021) were notified on 18.06.2021. As per the amended rules limestone, iron ore and bauxite blocks having surficial deposits can be auctioned for mining lease at G3

level of exploration (previously G2 level was mandated). Further, auction for composite license for all minerals has been allowed at G4 level of exploration (previously G3 level was mandated).

(v) The Mineral (Auction) Second Amendment Rules, 2021 were notified on 18.06.2021. The amended Rules provide for cap on net worth requirement for mining lease and composite license, filled up gap in the timelines for execution of ML after auction, providing auction parameters for mines for composite license where value of estimated resource cannot be assessed, etc.

(vi) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Amendment) Rules, 2016 were amended vide notification dated 02.11.2021 for making major amendments such as rationalization of penalty provisions; clarifying minimum area of ML; allowing par surrender of leased area in all cases; allowing disposal of overburden/waste rock/ mineral below the threshold value; providing for mutation of ML/CL in favour legal heirs on death of the lessee or licensee; etc.

(vii) The Minerals (Evidence of Mineral Contents) Second Amendment Rules, 2021 were notified on 14.12.2021 which provides that any person intending to obtain composite licence in respect of an area may submit a proposal to the State Government on the specified format along to grant with available geo-science data for notification of the area for auction to grant a composite license. Simultaneously, the Mineral (Auction) Fourth Amendment Rules, 2021 were notified on 14.12.2021 which provide that in case the area proposed by a person is put up for auction to grant a composite license, such person shall be required to submit the bid security of only 50% of the amount specified for participating in the auction for the said area.

(viii) The Mineral conservation and Development (Amendment) Rules, 2021 were notified w.e.f. 03.11.2021 which brought several reforms such as rationalization of amount of financial assurance, periodic submission of drone images of leased area by large mines and high resolution satellite images by other mines, providing clarity in provisions related to star rating; removing burden of submission of daily returns, empowering IBM for taking action against incomplete/wrong/false information in returns in addition to State Governments, rationalization of penalties, etc.

(ix) 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 license is proposed to be granted through auction. Further, the requirement of classification of area to be auctioned for composite license into forests land, land owned by the State Government, and land not owned by the Stated Government has been removed.

19. The Committee note with satisfaction that the Ministry of Mines is actively and efficiently engaging with the potential of the private sector in the mining industry. The Ministry of Mines have reportedly introduced several reforms through amendment in the Rules in last 2 years to promote 'Ease of Doing business', increase competitiveness and boost investment environment which includes Amendment to the Mineral (Auction) Rules, The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Amendment) Rules, 2016, and notification of The Minerals (Evidence of Mineral Contents) Amendment Rules, 2021, The Minerals (Auction) Second Amendment Rules, 2021, The Minerals (Evidence of Mineral Contents) second Amendment Rules, 2021, The Mineral Conservation and Development (Amendment) Rules, 2021, and The Mineral (Auction) Amendment Rules, 2022.

The Committee hope that these efforts will definitely increase participation of private sector in the Mining Industry. The Committee would also like to be apprised of the data for Financial Year 2022-23 for the private sector mining/exploration activities.

CHAPTER-II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No.1)

Plan Outlays

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.

Action taken

The observation of the Committee has been noted to make budgetary exercise realistic, prudent and effective.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.2)

Self –reliant and sustainable Mining practices

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.

Action taken

The observation of the Committee has been noted. It is submitted that Ministry undertakes reform measures from time to time to provide a conducive legal

framework in the mining sector to facilitate the industries in this sector to evolve constantly to meet the growing mineral demand of the country.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Comments of the Committee

(Please see para 7 of Chapter-I of the Report)

Recommendation (Serial No.3)

Self –reliant and sustainable Mining practices

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.

Reply of the Government

The observation of the Committee has been noted for compliance.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.5)

Khanij Bidesh India Ltd (KABIL)

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.

Action taken

In order to attain self reliance in the field of strategic & critical minerals, KABIL is in the process of exploring the possibility in many countries and there is significant development in Australia and Argentina. The present status has been mentioned below:-

Australia: A follow up MoU with detailed collaborative framework was signed on *10 March 2022* between KABIL, India and Critical Minerals Office (CMO), Department of Industry, Science and Resources (DISER), Australia for carrying out joint due diligence and joint investment in Lithium and Cobalt mineral assets of Australia. Under the ambit of MoU, both KABIL and CMO, Australia are jointly working towards investment in the identified critical mineral i.e. Lithium and Cobalt projects in Australia. Both CMO and KABIL have identified 5 projects (2 Lithium and 3 Cobalt projects) on which due diligence is being carried out.

The identified projects in Australia are under different stages of development from prospecting to exploration stage to production of lithium and cobalt.

Argentina: KABIL has signed three MoUs with Catamarca Minera y Energética Sociedad del Estado (CAMYEN), Jujuy Energía y Minería Sociedad del Estado (JEMSE), and Yacimientos Petrolíferos Fiscales (YPF) (all state owned companies of Argentina) in July – December, 2020 to explore sourcing of lithium and other mineral assets in Argentina. On the basis of these MoUs, further discussions are under progress to explore sourcing of lithium and other mineral assets from Argentina. A two member team of geologist from GSI and KABIL visited Catamarca province in Argentina in November, 2022 to evaluate and assess prospective lithium projects for exploration in cooperation with CAMYEN, Argentina.

Chile: KABIL is also in discussion with a state owned company in Chile for cooperation in Lithium projects. Based on these, KABIL is planning its activities to reduce trade dependencies in critical minerals for the Country.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.6)

Geological Survey of India (GSI)

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.

Action taken

GEOLOGICAL SURVEY OF INDIA (GSI)

- a) During financial year 2022-23, GSI received Budget Estimate (BE) grant of Rs.1205.17 crore (Revenue: Rs.1147.67 crore & Capital: Rs.57.50 crore) which was increased to Rs.1251.91 crore at RE stage. Further, an additional amount of Rs.6.95 crore {Special Component Plan for Scheduled Castes (SCSP)- Rs.1.35 crore, Tribal Area Sub Plan (TSP)- Rs.0.70 crore; Salary-Rs.4.00 crore and Other Expenditure (OE)-Rs.0.90 crore} has been provided to GSI over and above RE-2022-23 by the Ministry to meet the enhanced expenditure in Survey & Mapping, Mineral Exploration and Establishment Expenditure heads. Hence, the total available fund with GSI was increased to Rs.1258.86 crore (Revenue: Rs.1201.36 crore & Capital: Rs.57.50 crore). The overall utilisation of the fund is Rs.1254.76 crore (99.67%) including minor works authorization of Rs.22.72 crore to MoUD and assigned physical targets of financial year 2022-23 under all missions have been achieved.
- b) GSI is actively engaged in Mapping and Mineral Exploration in the whole country with an aim to augment resources of minerals including coal and lignite. Some projects fall in the forest cover areas where any geological activity is subject to availability of forest permission. In recent past, GSI has faced problem in getting forest clearance in few mineral exploration projects.
- c) To resolve the forest clearance issue, GSI coordinates with State Forest department as well as state mines & mineral department and administrative heads of the states. Also correspondence with MoEFCC are made to facilitate mineral exploration activities in forested land. Online applications through proper channels have been filed for grant of forest permission to initiate mineral exploration projects involving drilling.
- d) The major forest related issues faced by the various exploration agencies including GSI have been taken up on regular basis with the MoEF&CC. Also, an Inter-ministerial Coordination and Monitoring Committee for FC, EC and Wildlife (ICMC)

have been constituted in the Ministry which conducts meetings with MoEF&CC periodically.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Comments of the Committee

(Please see para 13 of Chapter-I of the Report)

Recommendation (Serial No.7)

Modernization Programme of GSI

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.

Action taken

In order to establish GSI as a world class geoscientific institute, the modernization Programme have been initiated long back to improve the capabilities in the field and laboratories.

- a) High end machineries and equipment are being procured in a phased manner to improve the capabilities in generating vital geoscience 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 in phased manner.
- b) During financial year 2023-24, the major geological chemical, geophysical and drilling instruments planned for procurement includes Research Grade Petrological microscope, X-ray diffractometer with Micro-diffraction with ancillaries, Isotope Ratio Mass Spectrometer(IRMS) , FESEM with variable pressure mode & SE, , ICPMS with accessories, Direct Mercury Analyzer, AAS, Planetary Ball mill, Gradiometer, Scintillometer, Fume Hoods with Scrubbers, Ultra-Wideband MT System, National Landslide forecasting Centre (NLFC), Resistivity equipment, 3D TLS, , Hydrostatic drilling rigs, drilling accessories, field vehicles etc.
- c) Immediately after getting the BE grant, the fund has been allocated to all regions / missions / support systems to initiate the procurement process and monitoring of fund utilization under different heads will be done periodically with all regions / missions of GSI, Controller of Accounts and Pay and Accounts Office (PAO).
- d) GSI has in place a Scientific & Technical Support System (STSS) to coordinate major central procurements. There is a close co-ordination of STSS with finance division, Region/Mission of GSI for procurement.
- e) GSI is regularly conducting Central Procurement Committee (CPC) meeting at central level and Regional Approval Committee (RAC) at regional level to finalize the procurement proposals of financial year 2023-24 for its scheduled procurement.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.8)

GSI Activities in North Eastern Region (NER)

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.

Action taken

The allocated BE fund for NER has been provided to NER Region/State unit offices to initiate all activities in NER and review of fund utilization under different heads will be done periodically with NER and as per requirement of the projects additional fund will be allocated so that envisaged target can be fully achieved during financial year 2023-24. Compared to target of GSI in all mission activities in financial year 2022-23, GSI has enhanced the target set for financial year 2023-24 especially in mapping and mineral exploration activities with an aim to find out more mineral potential areas in different parts of NER.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No. 9)

Indian Bureau of Mines (IBM)

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.

Action taken

It is assured that IBM would take all possible efforts to fully utilize the allocated funds of Rs.122.48 crore during 2023-24.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation Serial No.10

IBM in North Eastern Region

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.

Action taken

The recommendation of the Committee has been noted for effective utilization of funds allocated under North Eastern Region (NER) by Indian Bureau of Mines (IBM) and Geological Survey of India (GSI).

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated,01/04/2023]

Comments of the Committee

(Please see para 16 of Chapter-I of the Report)

Recommendation (Serial No.11)

Monitoring Mechanism in IBM

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.

Action taken

Observations of the Committee are noted for compliance. IBM will take all possible steps to achieve physical and financial targets set for their various schemes during 2023-24.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.12)

Science and Technology Programme

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.

Action taken

New Projects approved under Science and Technology Programme Scheme during 2022-23 are as under:-

S.No.	Project Title	Institution
1	Conversion of natural mineral based tetrahedrite compounds into high performance thermoelectric devices used in the conversion of waste heat into electricity	Indian Institute of Technology Bhubaneswar
2	Nano Ion-Chromatograph in Action - Sustainable and Scalable Quantum Dots Paves a Facile Route for Rare-Earth Ions Separation Through Advanced Hydrometallurgy	Banaras Hindu University and IIT-BHU, Varanasi
3	Development of supercapacitor devices for grid-level energy storage application based on natural mineral Chalcopyrite and bauxite residue	Indian Institute of Technology Bhubaneswar
4	Techno Economic survey of copper recycling industry in India	JNARDDC, Nagpur
5	Techno-economic Survey of Lead recycling Industry in India	JNARDDC, Nagpur
6	Development of a sustainable material using chromite mine overburden and other industrial wastes for stowing or backfilling of underground mines in Sukinda Valley, Odisha.	National Institute of Technology Rourkela
7	Development and scale up -TRL 5 – of cost effective Copper Graphene materials using in-situ synthesis and coating in Fluidized Bed Process systems	CSIR AMPRI, Bhopal, Punjab Engineering College, Chandigarh and NFTDC
8	Techno-economic Survey of Zinc recycling Industry in India	JNARDDC, Nagpur

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation Serial No.13

National Mineral Exploration Trust NMET

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.

Action taken

All efforts would be made to utilize the Budgetary outlay of Rs.400 crore for the financial year 2023-24.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.14)

National Mineral Exploration Trust NMET

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.

Action taken

NMET has approved 67 mineral exploration projects costing Rs.165.00 crore for the financial year 2022-23 (including 03 projects of NPEAs costing Rs.4.32 crore). Ministry has notified 14 private exploration agencies as NPEAs (Notified Private Exploration Agencies).

During 2022-23, three State Governments (namely CGM Gujarat, DGM Maharashtra and DMG Karnataka) have submitted 08 projects of 03 NPEAs for NMET funding. The details of projects are as follows:

S. No.	Name of the State	Name of the NPEAs	No. of Project Submitted	No. of Projects Approved	Cost (Rs. in crore)
1	CGM Gujarat	M/s Geovale Services Pvt. Ltd.	03	01	2.63
2	DGM Maharashtra	M/s Gemcokati Exploration Pvt. Ltd.	03	-	0.00
3	DMG Karnataka	M/s Geoexpore Pvt. Ltd.	02	02	1.65

Total no. of 64 mineral exploration projects were approved by NMET during financial year 2022-23 which include CPSEs, State Government and State Public Sector Undertakings. The details of the projects are as follows:-

S. No.	Name of the Agency	No. of Projects Approved	Cost (₹ in Cr.)
1	CMPDI Limited	21	81.94
2	DGM Odisha	03	4.39
3	DMG Karnataka	01	1.25
4	DGM Maharashtra	02	1.64
5	KIOCL	02	3.81
6	MECL	29	55.32
7	NMDC	01	2.46
8	OMECL	05	9.87
Total		64	160.68

In addition to the above, the following advance measures are being taken by NMET to ensure achievement/utilization of physical/financial targets.

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

Additionally, it is submitted that NMET had utilized Rs.159.87 crore out of total budget of Rs.160 crore during the year 2022-23. This is 99.92% of the total budget. Further, during the financial year 2023-24, sanctions of Rs.30 crores are issued for payment and sanctions of Rs.10 crores are under process for the month of April, 2023.

All efforts are being made to achieve the financial targets during the current financial year 2023-24.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.15)

Hindustan Copper Limited

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 29% utilization 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.

Action taken

Hindustan Copper Limited (HCL) has achieved CAPEX expenditure target of Rs. 385.27 crore (Provisional) during the financial year 2022-23. The Ore and Metal-in-concentrate production achieved by HCL during the year is 33.46 Lakh tonnes and 24760 tonnes respectively.

Reasons for variations in Actual achievement against Target during financial year 2022-23: -

- (i) The ore production at Surda Mine has been impacted due to non-execution of Mining Lease deed for which amendment of Environmental clearance

granted by MoEF&CC, New Delhi is mandated by Directorate of Mining and Geology, Govt. of Jharkhand. Further, for grant of amendment of Environmental Clearance, grant of Stage-I Forest Clearance of balance forest area is required for which online application has been submitted and the proposal has already been recommended by concerned DFO, CF and PCCF(Nodal) and presently with Govt. of Jharkhand for further recommendation to MoEF&CC.

(ii) The ore production at Banwas block of Khetri mine was affected due to low availability of the contractors' equipment. The ore production from Kolihan Mine has been impacted due to 60 days shut-down of underground crusher (replacement/repair & maintenance).

(iii) The ore production at Malanjkhand Copper Project has been impacted due to non-availability of sufficient ore in the open pit mine being in the last phase of its life and production from underground mine is in its initial phase.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.16)

Hindustan Copper Limited

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.

Action taken

HCL has got approval from Cabinet Committee on Economic Affairs (CCEA) for raising 15% of paid up equity capital of the company through Qualified Institutional Placement (QIP) method from the market, for funding its Capex/expansion plans of the company.

In April 2021, the Company has raised Rs.500 crore equivalent to 4.52% of paid up share capital through QIP from the market. The balance available of QIP fund with the company, is expected to be spent in the next few months for the ongoing projects. Hence, the company plans to raise in financial year 2023-24 further equity capital through QIP equivalent to another 5% of paid up capital, out of the approval of CCEA.

The company also has approved borrowing limits from the Board for meeting Capex/expansion projects in addition to the internal accruals being generated.

Hence, the company proposes to take all required steps to ensure optimum utilization of financial outlays and achieve the annual plan targets so that all the ongoing and new projects are completed in time.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.17)

National Aluminium Company Limited NALCO

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.

Action taken

Financial Year 2022-23

- a) In the financial year 2022-23, NALCO's Mines unit has achieved the bauxite excavation of 75,50,670 tonne, which is highest ever since inception surpassing the previous highest of 74,14,100 MT in 2018-19. Mines unit has also achieved Bauxite production of 74,56,776 MT for the financial year 2022-23 against the target of 74,50,000 MT.
- b) In financial year, 2022-23, NALCO achieved Alumina Hydrate, Production of 21,30,000 MT against the normative capacity of 21,00,000 MT i.e. 101% capacity utilization.
- c) The Company achieved 4,60,000 MT of cast metal production with full capacity utilization, which is the target for the financial year 2022-23 also. NALCO also operationalized all its 960 nos. of pot at its Smelter Plant for achieving 100% capacity utilization for the 2nd successive year.
- d) NALCO has achieved Capex of Rs.1809.13 crore (Excluding JV) for the financial year 2022-23, thereby achieved the BE target of Rs.1800 crore for the year.

Financial Year 2023-24.

- a) For the financial year 2023-24, the company plans to produce 75,25,000 MT of Bauxite, 21,50,000 MT of Alumina Hydrate and 4,60,000 MT of Aluminium cast metal.
- b) All out efforts shall be made to achieve the Capex BE target of Rs.1,827 crore during financial year 2023-24.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.18)

National Aluminium Company Limited NALCO

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.

Action taken

Inter Ministerial Coordination Meetings (IMCM) are held periodically to expedite the pending issues of Utkal D & E Coal Mines Project.

Programme Monitoring Group (PMG) and Department for Promotion of Industry and Internal Trade (DPIIT) conduct regular review meetings with State Govt. of Odisha to resolve the issues. With regard to Pottangi Bauxite Mines, Stage-I Forest Clearance (FC) has been granted by MoEF&CC and compliance activities for Stage-II FC are in progress. Execution of Mining Lease will be done after grant of stage-II FC and Environment Clearance.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Recommendation (Serial No.19)

Role of Private Sector in Mining

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.

Action taken

The observations of the Committee have been noted. The Ministry of Mines has introduced several other reforms through amendment in the Rules in last 2 years to

promote 'Ease of Doing business' increase competitiveness and boost investment environment. Some of the major reforms are as following:

- (i) The Mineral (Auction) Rules were amended w.e.f. 17.03.2021 to provide incentive for early production & dispatch of mineral from the auctioned mines.
- (ii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules were amended w.e.f. 24.03.2021 to enable transfer of letter of Intent (LoI) granted to preferred bidders of mines auctioned for mining lease or composite licence.
- (iii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules were amended w.e.f. 10.06.2021 to provide for payment on shortfall in dispatch by the successful bidders of working mines which were auctioned after expiry of their previous mining lease.
- (iv) The Minerals (Evidence of Mineral Contents Amendment Rules, 2021 were notified on 18.06.2021. As per the amended rules limestone, iron ore and bauxite blocks having surficial deposits can be auctioned for mining lease at G3 level of exploration (previously G2 level was mandated). Further, auction for composite license for all minerals has been allowed at G4 level of exploration (previously G3 level was mandated).
- (v) The Mineral (Auction) Second Amendment Rules, 2021 were notified on 18.06.2021. The amended Rules provide for cap on net worth requirement for mining lease and composite license, filled up gap in the timelines for execution of ML after auction, providing auction parameters for mines for composite license where value of estimated resource cannot be assessed, etc.
- (vi) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Amendment Rules, 2016 were amended vide notification dated 02.11.2021 for making major amendments such as rationalization of penalty provisions; clarifying minimum area of ML; allowing par surrender of leased area in all cases; allowing disposal of overburden/waste rock/ mineral below the threshold value; providing for mutation of ML/CL in favour legal heirs on death of the lessee or licensee; etc.
- (vii) The Minerals (Evidence of Mineral Contents) Second Amendment Rules, 2021 were notified on 14.12.2021 which provides that any person intending to obtain composite licence in respect of an area may submit a proposal to the State

Government on the specified format along to grant with available geo-science data for notification of the area for auction to grant a composite license. Simultaneously, the Mineral (Auction) Fourth Amendment Rules, 2021 were notified on 14.12.2021 which provide that in case the area proposed by a person is put up for auction to grant a composite license, such person shall be required to submit the bid security of only 50% of the amount specified for participating in the auction for the said area.

- (viii) The Mineral conservation and Development (Amendment) Rules, 2021 were notified w.e.f. 03.11.2021 which brought several reforms such as rationalization of amount of financial assurance, periodic submission of drone images of leased area by large mines and high resolution satellite images by other mines, providing clarity in provisions related to star rating; removing burden of submission of daily returns, empowering IBM for taking action against incomplete/wrong/false information in returns in addition to State Governments, rationalization of penalties, etc.
- (ix) 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 license is proposed to be granted through auction. Further, the requirement of classification of area to be auctioned for composite license into forests land, land owned by the State Government, and land not owned by the Stated Government has been removed.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Comments of the Committee

(Please see para 19 of Chapter-I of the Report)

Recommendation (Serial No. 20)

Achievements of the Ministry

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 the 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.

Action taken

The observation of the Committee has been noted. All efforts would be made to achieve all physical and financial targets efficiently.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

CHAPTER-III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE
DO NOT DESIRE TO PURSUE IN VIEW OF THE
GOVERNMENT'S REPLIES

-NIL-

CHAPTER-IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
THE GOVERNMENT HAVE NOT BEEN
ACCEPTED BY THE COMMITTEE

-NIL-

CHAPTER-V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation (Serial No. 4)

Self –reliant and sustainable Mining practices

The Committee further agreed 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 observed 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 appreciated 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 were 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 had recommended 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.

Action Taken

The recommendation of the Committee has been noted for augmenting Recycling, Reusing and Repurposing (R3) technologies by the industries to boost self-reliant mining activity in the country.

[Ministry of Mines O.M. No. F.No.5/2/2023-IF (555) dated 01/04/2023]

Comments of the Committee

(Please see para 10 of Chapter-I of the Report)

NEW DELHI;
31 July, 2023
09 Sravana, 1945(Saka)

RAKESH SINGH
Chairperson
Standing Committee on Coal, Mines and Steel

ANNEXURE-I

MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2022-23) HELD ON 27 JULY, 2023 FROM 1530 HRS TO 1640 HRS IN HON'BLE CHAIRPERSON'S CHAMBER, ROOM NO. '210', B-BLOCK, PHA EXTENSION BUILDING, NEW DELHI

The Committee sat from 1530 hrs. to 1640 hrs.

PRESENT

Shri Rakesh Singh - Chairperson

Lok Sabha

2. Dr. Venkata Satyavathi Beesetti
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Smt. Kavitha Maloth
6. Shri S. Muniswamy
7. Shri S. R. Parthiban
8. Smt. Riti Pathak
9. Shri Chunni Lal Sahu
10. Shri Arun Sao
11. Shri Sunil Kumar Singh
12. Shri Sushil Kumar Singh
13. Shri Pashupati Nath Singh
14. Shri Ashok Kumar Yadav

Rajya Sabha

15. Smt. Mahua Maji
16. Shri Rwngrwa Narzary
17. Shri Samir Oraon
18. Ms. Saroj Pandey
19. Shri Deepak Prakash
20. Shri Aditya Prasad
21. Shri B. Lingaiah Yadav

SECRETARIAT

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

2. At the outset, Chairperson welcomed the Members to the sitting of the Committee. The Committee, thereafter, considered and adopted the following draft Reports without any amendments/changes:-

(i) **** **** **** **** ****

(ii) **** **** **** **** ****

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

(iv) Action Taken by the Government on the Observations/ Recommendations contained in the 39th Report (Seventeenth Lok Sabha) on Demands for Grants (2023-24) relating to the Ministry of Mines.

(v) **** **** **** **** ****

3. The Committee then authorized the Chairperson to finalise the Reports and present the same to both the Houses of Parliament.

4. **** **** **** **** ****

The Committee, then, adjourned.

***Not related to the Report.**

(Vide Para IV of Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE THIRTY NINTH
REPORT OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL
(SEVENTEENTH LOK SABHA)**

I.	Total No. of Recommendations made:	20
II.	Observations/Recommendations that have been accepted by the Government (<i>vide</i> recommendation at Sl. Nos. 1,2, 3, 5, 6,7, 8,9,10,11,12,13,14,15,16,17,18,19 and 20):	19
	Percentage of total	95.00%
III.	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies (<i>vide</i> Recommendation at Sl. No. Nil):	00
	Percentage of total	0%
IV.	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee (<i>vide</i> recommendation at Sl. No. Nil):	00
	Percentage of total	0%
V.	Observations/Recommendations in respect of which final replies of the Government are still awaited (<i>vide</i> recommendation at Sl. No. 04):	01
	Percentage of total	5.00%

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

1. Title of the report

2. Author(s)

3. Date

4. Summary

5. Abstract

6. Introduction

7. Experimental

8. Results and Discussion

9. Conclusions

10. References

11. Appendix

12. Acknowledgments

13. Notes

14. Bibliography

15. Index

16. Glossary

17. Tables

18. Figures

19. Other