

SECOND REPORT  
STANDING COMMITTEE ON  
COAL AND STEEL  
(2014-2015)

(SIXTEENTH LOK SABHA)

MINISTRY OF MINES

DEMANDS FOR GRANTS  
(2014-2015)

*Presented to Lok Sabha on 22.12.2014*

*Laid in Rajya Sabha on 22.12.2014*



LOK SABHA SECRETARIAT  
NEW DELHI

*December, 2014/Pausa, 1936 (Saka)*

**CC&S No. 88**

*Price : ₹ 82.00*

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifteenth Edition) and printed by Jainco Art India, New Delhi-110 005.

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COMPOSITION OF THE STANDING COMMITTEE  
ON COAL AND STEEL (2014-15)

Shri Rakesh Singh\* – *Chairperson*

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*Lok Sabha*

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3. Shri Kalyan Banerjee
4. Shrimati Jyoti Dhurve
5. Shri Faggan Singh Kulaste
6. Shri Shailesh Kumar
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18. Shri Sunil Kumar Singh
19. Shri Sushil Kumar Singh
20. Shri Rama Kishore Singh
21. Shri Krupal Balaji Tumane

*Rajya Sabha*

22. Shri Ali Anwar Ansari
23. Dr. Pradeep Kumar Balmuchu

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\*Shri Rakesh Singh appointed w.e.f. 27.11.2014 vice Shri Hansraj G. Ahir appointed Minister.

24. Shri Srinjoy Bose
25. Shri B.K. Hariprasad
26. Shri Jugul Kishore
27. Shri Avinash Pande
28. Dr. Satyanarayan Jatiya<sup>#</sup>
29. Shri Sanjay Raut
30. Shri Nand Kumar Sai
31. Shri Dilip Kumar Tirkey

SECRETARIAT

- |                       |   |                                |
|-----------------------|---|--------------------------------|
| 1. Shri Shiv Singh    | — | <i>Joint Secretary</i>         |
| 2. Shri Arvind Sharma | — | <i>Additional Director</i>     |
| 3. Smt. Madhu Tandon  | — | <i>Sr. Committee Assistant</i> |

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<sup>#</sup>Dr. Satyanarayan Jatiya nominated w.e.f. 25.09.2014 vice Shri Basawaraj Patil.

## INTRODUCTION

I, the Chairperson, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Second Report (Sixteenth Lok Sabha) on Demands for Grants (2014-15) 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 04.08.2014. Under rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal 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. Thereafter the Demands are considered by the House in the light of the Report of the Committee. However, this year the Demands for Grants (2014-15) of Ministry of Mines were passed by Lok Sabha on 23.07.2014, prior to their consideration by the Standing Committee on Coal and Steel. Nonetheless, in pursuance of the observations made by the Chair, the Committee examined Demands for Grants (2014-15) of the Ministry of Mines and issues arising therefrom.

3. The Committee took evidence of the representatives of the Ministry of Mines on 16th October, 2014.

4. The Report was considered and adopted by the Committee at their sitting held on 19.12.2014.

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;  
19 December, 2014  
28 Agrahayana, 1936 (Saka)

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





## **REPORT**

### **PART I**

#### **CHAPTER I**

##### **INTRODUCTORY**

Minerals are valuable natural resources. They constitute the vital raw materials for many basic industries and are a major resource for development. The history of mineral extraction in India dates back to the days of the Harappan civilization. The wide availability of the minerals provides a base for the growth and development of the mining sector in India.

1.2 The country is endowed with huge resources of many metallic and non-metallic 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 value. India produces as many as 89 minerals, which includes 4 fuel, 11 metallic, 49 non-metallic, 3 atomic and 22 minor minerals (including building and other materials).

1.3 The Ministry of Mines is responsible for survey and exploration of all minerals, other than natural gases, petroleum and atomic minerals; for mining and metallurgy of non-ferrous metals like aluminium, copper, zinc, lead, gold, nickel etc. and for administration of the Mines and Minerals (Development & Regulation) Act, 1957 in respect of all mines and minerals other than coal, natural gas and petroleum. A list of subjects allocated to the Ministry of Mines, attached office, subordinate office, Public Sector Undertakings and Research Institutions under the administrative control of the Ministry is given below:—

- (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, 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, Diamond, Lead and Nickel.
- (d) Planning, development, and assistance to, all institutions 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 have jurisdiction over the following attached/subordinate offices, namely:

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

1.5 The Ministry of Mines have the following three Public Sector Undertakings (PSUs) under its jurisdiction, namely:

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

1.6 The Ministry of Mines have the following three Research Institutions which are the Autonomous Bodies under its jurisdiction, namely:

- (i) Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur
- (ii) National Institute of Rock Mechanics (NIRM), Kolar Gold Fields, (Karnataka)
- (iii) National Institute of Miners' Health (NIMH), Nagpur

1.7 In addition to the above, two registered Societies, namely, the Non-ferrous Materials Technology Development Centre, Hyderabad (NFTDC) and the Centre for Techno-Economic Policy Option, New Delhi (C-Tempo), both non-grant institutions, are within the administrative purview of the Ministry of Mines.

1.8 The detailed Demands for Grants of the Ministry of Mines were presented to Lok Sabha on 04.08.2014. In the succeeding chapters, the Committee have analyzed the detailed Demands for Grants of the Ministry of Mines for the year 2014-15, utilization of Plan Outlays of attached/subordinate offices and Public Sector Undertakings under the administrative control of the Ministry during 2013-14, etc.

## CHAPTER II

### ANALYSIS OF DEMANDS FOR GRANTS (2014-15)

The Ministry of Mines have presented the detailed Demands for Grants No. 67 for the year 2014-15 to the Lok Sabha. The Demand includes provision for Plan and Non-Plan expenditure under Revenue and Capital Sections for the Ministry, its attached/subordinate offices and Public Sector Undertakings under its administrative control. The details of Demands under various heads during the last two years and 2014-15 are at **Annexure-I**.

2.2 When asked about the reasons for variations between BE and RE during 2013-14 and BE 2014-15, the Ministry of Mines have informed the Committee as follows:—

“The reasons for variation between BE and RE for the year 2013-14 and BE for the year 2014-15 are as under:-

<b>PLAN</b>		(Rs. in crore)	
2013-14		2014-15	
BE	RE	Actuals	BE
467.00	548.14	537.14	650.00

The variation between BE and RE 2013-14 is due to the fact that an additional allocation of Rs. 103.14 crore was obtained through Supplementary Demands for payment of the 6th and final instalment of an Oceanographic Research Vessel (ORV) procured by the GSI from an international supplier. This amount could not be provided by the Ministry of Finance during the process of finalization of BE 2013-14. It was assured that the same would be considered during the Supplementaries, and the same was done, leading to a concomitant increase in the RE figures. The small variation between RE 2013-14 and BE 2014-15 is due to maintenance related requirements (of nearly Rs. 121.00 crore) of GSI vessels (OGRV and two Coastal vessels) and aircrafts (TOASS and Heliborne). In addition, the Planning Commission has allotted Rs. 50.00 crore for restoration of GSI's Heritage building in Kolkata.

<b>NON-PLAN</b>		(Rs. in crore)	
2013-14		2014-15	
BE	RE	Actuals	BE
537.08	496.26	505.72	537.26

The variation between BE and RE 2013-14 is due to scaling down of Non-Plan allocations by the Ministry of Finance at the RE stage. The allocation in BE 2014-15 is more or less same as of BE 2013-14, thus, there is no increase over BE 2013-14.”

2.3 The Organization-wise break up of funds allocation for the XII Five Year Plan Period (2012-17) is as follows:—

(Rs. in crore)

Sl. No.	Organization	GBS	I&EBR	Total	Funds allocated and actually spent during 3 years of the 12th Five Year Plan					
					2012-13		2013-14			2014-15
					BE	RE	Exp	BE	RE	BE
1.	NALCO	0.00	14233.00	14233.00	2343.00	1010.00	878.80	1737.00	542.50	1181.02
2.	HCL	0.00	3902.18	3902.18	341.14	292.99	260.28	688.37	383.50	522.16
3.	MECL									
	-Promotional	50.00	0.00	50.00	10.00	10.00	8.50	9.00	9.00	10.00
	-Capital	0.00	49.00	49.00	9.00	12.00	12.00	20.00	20.00	18.71
4.	GSI	1876.42	0.00	1876.42	194.00	283.59	271.50	392.00	495.14	483.70
5.	IBM	198.53	0.00	198.53	24.00	24.00	21.07	49.00	35.00	53.00
6.	S&T Programme	49.05	37.30	86.35	10.50	10.50	10.50	10.75	8.75	27.80
7.	Construction									
	GSI	128.00	0.00	128.00	10.00	10.00	10.00	10.00	5.00	80.00
	IBM	30.00	0.00	30.00	1.00	1.00	1.00	3.00	2.00	3.00
	Total	2332.00	18221.48*	20553.48*	2942.64	1654.08	1473.65	2919.12	1500.89	2379.39

\*The formal communication of IR&EBR has not been received from the Planning Commission. However, this is reflected in the XII Five Year Plan Document of the Planning Commission.

2.4 On being enquired about the details of amount proposed by the Ministry and amount actually provided for the projects in Annual Plans separately for the last three years and for the year 2014-15 along with the reasons for variations between the proposals, the Ministry of Mines informed the Committee in a note as under:—

“The amount proposed and actually provided for projects in Annual Plan for the last three years and for the year 2014-15 is as under:—

(Rs. in crore)

Sl. No.	Name of the Organization	2011-12		2012-13		2013-14		2014-15	
		Proposed	Approved	Proposed	Approved	Proposed	Approved	Proposed	Approved
1	2	3	4	5	6	7	8	9	10
1.	GSI	576.65	181.00	710.00	194.00	791.45	392.00	697.29	483.70

1	2	3	4	5	6	7	8	9	10
2.	IBM	21.86	22.00	31.88	24.00	61.61	49.00	60.85	53.00
3.	S & T	7.18	3.00	8.33	4.00	20.09	4.00	22.30	20.30
4.	MECL-Promotional	9.00	8.00	10.00	10.00	10.00	9.00	10.00	10.00
5.	Construction:								
	GSI	22.00	5.00	74.23	10.00	68.58	10.00	51.22	80.00
	IBM	5.00	1.00	5.00	1.00	5.00	3.00	3.00	3.00
	Total	641.69	220.00	839.44	243.00	956.73	467.00	844.66	650.00

**Following are the reasons for variations:**

- The most important reason for variations in the proposed allocation in 2012-13 and 2013-14 was due to the requirement for installment payments for ORV, proposed Online Core Business Information System (OCBIS) and outsourcing component of National Geo-Chemical Mapping (NGCM) and National Geo-Physical Mapping (NGPM).
- The allocation was curtailed at the BE stage and the additional funds were provided at the supplementaries/RE.
- The Annual Plan proposal by GSI during FY 2014-15 includes expenditure on maintenance of the research vessels and Twin Otter and Heliborne Survey Systems, OCBIS and proposed Geo-technical vessel.
- The variation between the IBM proposals is on account of Mining Tenement System and recommendation of the Report of the Committee for Review and Restructuring Role and Functions of IBM to be implemented in a phased manner.”

2.5 The amount earmarked during previous two Annual Plans, the amount spent and the achievements made against the targets (both physical and financial) fixed for various activities.

**Statement showing BE, RE and Actual during  
2012-13 and 2013-14**

(Rs. in crore)

Sl. No.	Name of the Organization	2012-13			2013-14		
		BE	RE	Actual	BE	RE	Actual
1	2	3	4	5	6	7	8
<b>PLAN (GBS)</b>							
1.	Geological Survey of India	194.00	283.59	271.50	392.00	495.14	494.39
2.	Indian Bureau of Mines	24.00	24.00	21.07	49.00	35.00	24.75

1	2	3	4	5	6	7	8
3.	MECL-Promotional	10.00	10.00	8.50	9.00	9.00	9.00
4.	Science & Technology	4.00	4.00	4.00	4.00	2.00	2.00
5.	Construction–GSI	10.00	10.00	10.00	10.00	5.00	5.00
	IBM	1.00	1.00	1.00	3.00	2.00	2.00
	Total	243.00	332.59	305.07	467.00	548.14	537.14
<b>I&amp;EBR</b>							
1.	NALCO	2343.00	1010.00	878.80	1737.00	542.50	523.41
2.	Hindustan Copper Limited	341.14	292.99	260.28	688.37	383.50	282.12
3.	MECL–Capital	9.00	12.00	12.00	20.00	20.00	8.72
4.	Autonomous Bodies	6.50	6.50	6.50	6.75	6.75	6.75
	Total	2699.64	1321.49	1157.58	2452.12	952.75	821.00

2.6 When asked about the reasons for variation under Plan and Non-Plan outlay at BE stage during 2014-15 as compared to 2013-14 (RE), the Ministry of Mines have informed the Committee as follows:–

“The main variation between BE 2014-15 as compared to RE 2013-14 is given below:–

<b>Plan</b>		<b>(Rs. in crore)</b>	
Sl. No.	Organization	RE 2013-14	BE 2014-15
1.	GSI	495.14	483.70
2.	IBM	35.00	53.00
3.	S&T Programme	2.00	20.30
4.	MECL-Promotional	9.00	10.00
5.	Construction GSI	5.00	80.00
	IBM	2.00	3.00
	Total	548.14	650.00

The BE 2014-15 is Rs. 650.00 crore as compared to RE 2013-14 which stood at Rs. 548.14 crore. Thus, there is an additional provision of Rs. 101.86 crore in BE 2014-15. This is mainly due to the projected requirements in the following core areas:–

- \* Rs. 15.00 crore for the ‘Mining Tenement System’ Scheme of IBM;

- \* Rs.13.70 crore under S&T Scheme as one-time capital infusion in the three autonomous bodies under the Ministry for replacement of their obsolete and near obsolete machineries/equipments;
- \* Rs. 50.00 crore for restoration to be carried out in the Heritage Building in Kolkata; and
- \* Rs. 30.00 crore for construction work to be undertaken by the GSI at Shillong, Bengaluru and Chennai.

**Non-Plan** (Rs. in crore)

<u>2013-14</u> RE	<u>2014-15</u> BE
496.26	537.26

As against the RE 2013-14 allocations, the increase in BE 2014-15 is minimal to take care of the inflation.”

2.7 When asked about the details of the budgetary support and Internal Extra Budgetary Resources component at BE, RE stage and actual expenditure during the years 2012-13 and 2013-14 of each PSUs under the administrative control of the Ministry of Mines, the Ministry provided the following information:—

“There are three PSUs under the administrative control of the Ministry of Mines namely National Aluminium Company Limited (NALCO), Hindustan Copper Limited (HCL) and Mineral Exploration Corporation Limited (MECL). Of these, budgetary support is only given to MECL for undertaking promotional work for the Government. However, the details of the budgetary support and IEBR component at BE, RE stage and actual expenditure during the year 2012-13 and 2013-14 of each PSU is given below:

**National Aluminium Company Limited (NALCO):**

(Rs. in crore)

Sl. No.	Name of the Organization NALCO	BE I&EBR Component*	RE I&EBR	Actual I&EBR
1.	2012-13	2343.00	1010.00	878.80
2.	2013-14	1737.00	542.50	523.41

\*NALCO's Annual Plans are being funded with its own internal resources and no budgetary support is provided.



**Hindustan Copper Ltd. (HCL):**

(Rs. in crore)

Sl. No.	Name of the Organization HCL	BE I&EBR Component*	RE I&EBR	Actual I&EBR
1.	2012-13	341.14	292.99	260.28
2.	2013-14	688.37	383.50	310.28

\*HCL's Annual Plans are being funded with its own internal resources and no budgetary support is provided.

**Mineral Exploration Corporation Ltd.(MECL):**

(Rs. in crore)

		MECL Promotional (through Budgetary Support)		
		BE	RE	Actual
1.	2012-13	10.00	10.00	8.50
2.	2013-14	9.00	9.00	9.00

(Rs in crore)

		MECL Capital (through I&EBR resources)		
		BE	RE	Actual
1.	2012-13	9.00	12.00	12.00
2.	2013-14	20.00	20.00	8.72

2.8 As regards the supplementary grants and excess grants presented to the House during 2013-14, the purpose and the amount spend so far, the Ministry of Mines have informed the Committee as under:—

“The brief note on Supplementary Grants received by this Ministry during FY 2013-14, the purpose and the amount spend so far is as under:

**First Supplementary Demands for Grants during FY 2013-14—**

- (a) Rs. 2.00 crore as Grant-in-aid to the Bharat Gold Mines Ltd. towards global tender related expenditure.
- (b) Rs. 98.14 crore for the committed expenditure of GSI towards payment of the 2nd phase of the 6th and final instalment for procurement of Oceanographic Research Vessel.

## Second Supplementary Demands for Grants during FY 2013-14—

Rs. 5.00 crore was sought and provisioned for meeting the additional requirement of payment of consultancy fees with regard to Oceanographic Research Vessel of GSI. Taking into account the surrender of savings available in the Revenue Section of the Grant, the above expenditure did not entail any additional cash outgo.

Rs. 1.40 crore was provided to GSI under the Tribal Sub-Plan head. The break-up of the funds granted to GSI during FY 2013-14 is as follows:

(Rs. in crore)

	BE	Grant		Total Grant	Expenditure
		1st Suppl.	RE/Re-app		
M & E head	Rs. 237.00 (Rs. 213.00 cr for ship payment + Rs. 24.00 crore for procurement of lab and drilling instruments)	Rs. 98.14 crore for payment of the 2nd phase of the 6th and final installment of OGRV	5.00	340.14	5th instl. Paid in April 2013 - Rs. 128.06 crore 6th inst 1st Phase paid in Aug., 13 - Rs. 83.66 crore 6th inst 2nd phase paid in Sept., 13 - Rs. 98.48 crore Consultancy charges - Rs. 4.72 crore Rest for procurement of equipments.
Tribal Sub-Plan Head	7.16		1.40	8.56	8.55 (Initially Rs. 7.16 crore was granted under TSP but in RE stage MoM granted another Rs. 1.40 crore to GSI thus taking the total grant to Rs. 8.56 crore and expenditure against the grant was Rs. 8.55 crore)

The statement indicating the scheme-wise/organization-wise statement of BE, RE and Actuals of 2012-13, 2013-14 and BE 2014-15 is enclosed at **Annexure-II**.

2.9 The statement indicating the physical and financial targets for the year 2014-15 as laid down in the plan/each scheme of each PSU are as under:—

**Physical and Financial Targets (2014-15)**

(Rs. in crore)

Sl. No.	Name of Scheme/Mission	Physical Targets	Financial Targets
1	2	3	4
I.	<b>National Aluminium Company Ltd. (NALCO)</b>		
1.	<b>Ongoing Schemes</b>		
i.	Upgradation of Alumina plant	To expand the fourth stream of alumina plant capacity from 5.25 to 7.0 Lakh ton by improving in technology taken from Alumina Pechiney (presently part of Rio Tinto Alumina).	21.00
ii.	Pottangi Bauxite Mine and 5th Stream Refinery	To cater the bauxite requirement of the alumina refinery when the production from fourth stream takes off.	1.00
iii.	220 KA Upgradation of Smelter potline	Upgradation of amperage in Smelter Pot lines from present 185 Ka to 220 Ka, including additional power generating Unit in CPP.	3.54
iv.	Utkal E-Coal Mine	Development of a captive coal mine (Utkal-E) to cater the coal requirement of 9th and 10th unit of the Captive Power Plant.	123.29
v.	Greenfield projects & Expansion Plans	Exploring the prospects of Greenfield Smelter plant and power plant, along with several related upstream and downstream projects such as Nuclear Power, Expansion in abroad.	592.16
vi.	Additions, Modifications Replacement and Sustainable Development Projects	To maintain the production/productivity in different segments of the Company	440.03
		Total (NALCO)	1181.02
II.	<b>Hindustan Copper Limited (HCL)</b>		
i.	Replacement & Renewal	For achieving maximum utilization of the existing plant and mines – machinery by replacement and renewals.	38.00

1	2	3	4
ii.	Mine Development Expenditure	For achieving maximum mine output from both KCC & MCP mines.	120.00
iii.	Mine Expansion	For achieving long term growth and becoming self-sufficient w.r.t. copper concentrate.	354.16
iv.	Green Field Exploration	New prospecting licenses/mining leases to become self-sufficient w.r.t. copper concentrate.	10.00
		Total (HCL)	522.16
<b>III. Mineral Exploration Corporation Ltd.</b>			
i.	Promotional	(i) Drilling : 7000mts (ii) Associated geological activities (mapping, survey, sampling, analysis, geological report and ore body modelling.)	10.00
ii.	Capital	Replacement of plants & equipment.	18.71
		Total (MECL)	28.71

2.10 When asked to furnish the total outlay in the XII Plan Period, year-wise/scheme-wise in respect of each PSU and the actual utilization thereof during 2012-13 and 2013-14, the Ministry of Mines have informed the Committee as under:—

“The total Outlay during the 12th Plan Period year-wise/scheme-wise with actual utilization during 2012-13 and 2013-14 in respect of the PSUs under this Ministry is as under:—

(Rs. in crore)

Sl. No.	Name of the schemes/projects/programmes	Total Outlay During Twelfth Plan (2012-17)	2012-13			2013-14			2014-15
			BE	RE	Actual	BE	RE	Actual	BE
1	2	3	4	5	6	7	8	9	10
<b>I. NATIONAL ALUMINIUM CO. LTD. (NALCO)</b>									
1.	II phase expansion	191.00	191.00	90.00	35.30	42.00	5.50	44.24	0.00
2.	Utkal-E coal mines	215.00	198.00	24.00	17.91	65.00	8.06	5.18	123.29

1	2	3	4	5	6	7	8	9	10
3.	Upgradation of Alumina refinery	289.00	160.00	95.00	115.89	50.00	37.78	55.28	21.00
4.	Greenfield Projects	6026.00	1182.00	226.00	153.30	1140.00	133.46	132.84	592.16
5.	Pottangi Bauxite mines and 5th Stream Refinery	2708.00	6.00	2.00	0.13	3.00	2.08	0.72	1.00
6.	Wind Power Plant	82.00	75.00	244.00	246.35	6.00	4.34	4.34	0.00
7.	220 Ka Upgradation on Smelter	817.00	100.00	6.00	0.00	22.00	0.08	0.00	354.00
	Schemes aimed at maximising benefits:								
8.	2x250 Power Plant		15.00	1.00	0.00	5.00	0.00	0.00	
9.	Addition modification and replacement	1684.00	416.00	322.00	309.92	404.00	351.20	280.81	440.03
10.	New Schemes								
	TOTAL (NALCO):	12012.00	2343.00	1010.00	878.80	1737.00	542.50	523.41	1181.02
<b>II. HINDUSTAN COPPER LTD. (HCL)</b>									
1.	Replacement & Renewals	190.00	38.00	38.00	19.40	38.00	38.00	40.05	38.00
2.	Mine Development Expenditure	270.00	85.00	85.00	185.56	70.00	150.00	204.17	120.00
3.	Mine Expansion	3401.70	208.14	159.99	55.32	570.37	185.50	57.00	354.16
4.	Green Field Exploration	40.00	10.00	10.00	0.00	10.00	10.00	9.06	10.00
	TOTAL (HCL):	3901.70	341.14	292.99	260.28	688.37	383.50	310.28	522.16
<b>III. MINERAL EXPLORATION CORPORATION LTD. (MECL)</b>									
	- PROMOTIONAL	50.00	10.00	10.00	8.50	9.00	9.00	9.00	10.00
	- CAPITAL	49.00	9.00	12.00	12.00	20.00	20.00	8.71	18.71
	TOTAL (MECL) :	99.00	19.00	22.00	20.50	29.00	29.00	17.71	28.71

## CHAPTER III

### GEOLOGICAL SURVEY OF INDIA (GSI)

The Geological Survey of India (GSI) setup in 1851, has not only grown into a repository of geo-science information required in various fields in the country over the years, but has also attained the status of a geo-scientific organisation of international repute.

3.2 The principal function of GSI relates to creation and Updation of national geoscientific data and mineral resource assessment, air-borne and marine surveys and to conduct multifarious geo-technical, geo-environmental and natural hazards studies, glaciology, seismotectonics, etc. and to nurture studies on fundamental research. The budget allocation to GSI for the years 2013-14 and 2014-15 are as under:—

(Rs. in crore)

Major head	Budget 2013-14			Revised 2013-14			Actuals 2013-14			Budget 2014-15		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2853	136.10	450.33	586.43	136.10	416.54	552.64	144.90	429.37	574.37	360.83	455.92	816.75
4853	238.00	—	238.00	341.14	—	341.14	344.06	—	344.06	86.50	—	86.50
Total	374.10	450.33	824.43	477.24	416.54	893.78	488.96	429.37	918.33	447.33	455.92	903.25

3.3 When the Committee desired to know the steps taken by GSI to improve the performance of GSI during 12th Five Year Plan Period, the Ministry of Mines in their written reply have stated as under:—

“After introduction of the High Powered Committee (HPC) the sanctioned strength of GSI has been increased from 11,420 to 12,369 and accordingly GSI has taken up the drive to recruit fresh manpower in a phased manner. The sanctioned strength of GSI will finally be achieved in 2018. With the availability of additional manpower GSI could take up additional items during its accredited field season programmes. GSI also has ambitious plans for development of its human resources through capacity building by imparting state-of-the-art training to its scientists to impart the latest knowledge base for better utilization of its facilities. Further, GSI has ambitious plans for procurement of high precision, sophisticated and state-of-the-art machinery to get better analytical

results. Hyperspectral mapping which is one of the sophisticated techniques for Mineral Exploration has been introduced in GSI. The induction of the research vessel R.V. SamudraRatnakar has added new dimensions to marine research and offshore exploration. The newly acquired heliborne survey system Garuda Vasudha has opened new areas of aerial survey and exploration work. GSI has already procured one Laser ablation Multi Collector ICPMS and another Laser Ablation ICPMS for its centers of excellence in Kolkata and Faridabad. Many new instruments like Integrated Geodetic Seismological System, DGPS, WD, XRF, Gravimeters are also in the pipeline to be procured. With the introduction of such sophisticated machinery GSI looks ahead to the future with great optimism for the development of the nation through the development of its natural resources.”

3.4 As regards the reasons for variation in demands for funds under Major Heads 2853 and 4853 during 2013-14 at BE/RE stage resulting in increased outlays of Rs. 893.78 crore as compared to BE of Rs. 824.43 crore, the Ministry of Mines replied as under:—

“The variation of Major Head 2853 and 4853 during 2013-14 at BE/RE stage resulting in increased Outlay of Rs. 893.78 crore as compared to BE of Rs. 824.43 crore was for GSI. The major reason for increase in outlays at the RE stage was due to the final payments for the ‘ORV’ the 5th and 6th installments of which were to be paid in FY 2013-14. GSI (Non-NER) had been granted a budget of Rs. 237.00 crore under the M&E head for FY 2013-14 of which Rs. 213.00 crore was earmarked for the ORV payment. The 5th installment of the ‘ORV’ to the tune of Rs. 128.06 crore was paid in April 2013. The 6th installment payment of the ‘ORV’ was divided into two phases. In the 1st phase Rs. 83.66 crore was paid from the available budget. The 2nd phase of the 6th installment payment of Rs. 98.48 crore was made after receipt of the 1st Supplementary grant of Rs. 98.14 crore. This resulted in major increase in outlay for GSI for FY 2013-14. Under the Non-Plan head there was a cut in funds in the RE stage when the BE of Rs. 450.33 crore was reduced to Rs. 416.54 crore.”

3.5 As regards the details of the ongoing schemes/projects of GSI with their present status, estimated cost, schedule of completion, time and cost escalation and reasons for delay, if any, the Ministry of Mines have stated as under:—

“The details of the on-going schemes/projects of GSI is enclosed as **Annexure-III**”

3.6 When enquired about the details of Modernization and Replacement Scheme of GSI, the Ministry of Mines have furnished the following information:—

“The Modernization & Replacement scheme of GSI entails M&E head expenditure for procurement of major laboratory and drilling equipments as well as for procurement of high cost items like the ORV. This scheme also includes repair and procurement of Motor vehicles, procurement of office equipment under Supply & Materials, procurement of clothing and tentages and repairing of GSI buildings through Minor Works. The funds allotted and expenditure under the Modernization and Replacement scheme during the last two years and the BE for the year 2014-15 is given below:

(Rs. in crore)							
Scheme	2012-13			2013-14			2014-15
	BE	RE	Actual	BE	RE	Actual	BE
Mod. & Replacement	74.91	163.05	152.48	249.31	352.45	351.49	105.63

The procurement of the Oceanographic Research Vessel R.V. Samudra Ratnakar has been the highlight of the scheme. The agreement for the Oceanographic Research Vessel (ORV) of GSI with M/s Hyundai Heavy Industries (HHI), South Korea for the building of the ship was signed on 4th March, 2011. First three installments were paid during XI Plan and the next three in the XII Plan. The fourth installment of Rs. 124.14 crore was paid in FY 2012-13, the first year of the XII Plan and fifth installment of Rs. 128.06 crore and sixth installment of Rs. 182.14 crore was paid in FY 2013-14, during the second year of the XII Plan. The sixth and final installment was paid in two phases. In the first phase an amount of Rs. 83.66 crore was paid from the allocated BE of 2013-14 under M&E head in August 2013. Thereafter, Supplementary grant to the tune of Rs. 98.14 crore was received from the Ministry of Finance and Rs. 98.48 crore was paid as the second phase of the sixth and final installment in September 2013. The total cost of the ship was Rs. 650.00 crore. The ship was handed over to GSI on 17th September, 2013 and was dedicated to the nation on 12th October, 2013. The ship has taken up cruises pertaining to regular FSP item of GSI in the Andaman Seas from January 2014. The other major laboratory and drilling procurements include Laser Ablation - Multi Collector- ICPMS (LA-MC-ICPMS), LA-ICPMS, Multi



parameter Borehole Logger, Atomic absorption Spectrometer Skid mounted diamond core drills of 600mts and 1000mts capacity, Planetary Ball Mills, Microscopes etc. GSI has proposals to procure further state-of-the art instruments during F.Y. 2014-15 which include Integrated Geodetic Seismological System, Gravimeters (14 nos.), WD- XRF (5 nos.), Differential Global Positioning System (DGPS), heavy duty diamond core drilling machines (4 nos.) besides microscopes, automatic cutting and grinding machines and several drilling spares.”

3.7 When asked whether the funds allocated for modernization and replacement of GSI is sufficient for the year 2014-15 and how and by when GSI would fully accomplish its modernization programme, the Ministry have furnished the following information:—

“The funds allocated for the modernization programme of GSI for the F.Y. 2014-15 would be sufficient to take up the procurements targeted during the current F.Y. 2014-15. However, GSI shall require additional funds under the M&E head to the tune of Rs.100.00 crore during the last two years of the XII Plan during F.Y. 2015-16 and 2016-17. The details of the requirement of funds is given below:

Modernisation & Replacement: Rs.100.00 crore will be required (Rs. 50.00 crore in each year) for the remaining period (FY 2015-16 & FY 2016-17) of XII Five Year Plan for procurement spare parts of heliborne system, 3 nos. drill machines (>1000m) and accessories; 14 nos. gravimeters, 6 nos. Portable XRF, 6 nos Hyperspectral Core logging System; 1 no.Mineral Liberation Analyzer (MLA), 1 no Micro DMS, 6 nos. Mini Pulverizes, 15 nos Automatic Core cutters; 12 Scintillometers, 6 Nos Petrological Microscopes and basic microscopes for all the State Units; Field equipments like Brunton, hammer, Pocket lenses, GPS etc.; 175 nos. Field Vehicles, 500 nos Computers for new recruits; Office furniture for new (300 geoscientists) officers; Tentages and camp item.

Regarding the procurement of the Geotechnical Vessel, as per the revised schedule and timelines, GSI already has provision for payment of the 1st installment from the budget provided in F.Y. 2014-15. Another Rs.107.00 crore shall be required during the XII Plan period and Rs.67.00 crore during the 1st year of the XIII Plan period. GSI may be able to garner its own resources from the allocation already made in the XII Plan period to meet the expenditure to be incurred for the Geotechnical vessel within the next two years of the XII Plan period [2015-16 – Requirement Rs. 50 crore; 2016-17– Requirement Rs. 57.00 crore].

Modernization is an ongoing process and it cannot be accomplished in full. However, with the introduction of these cutting-edge technology, GSI shall become equipped with the latest state of the art technology available which shall definitely upgrade the image of GSI and the country in general in the field of geosciences.”

## CHAPTER IV

### INDIAN BUREAU OF MINES (IBM)

The Indian Bureau of Mines (IBM) was established in 1948, as a subordinate Organization under Ministry of Mines. IBM has vision to evolve as National Technical Regulator and providing information on mines & minerals. IBM is engaged for ensuring scientific and systematic development of mineral resources, conservation of minerals and protection of environment in mines, other than coal, petroleum & natural gas, atomic minerals and minor minerals. IBM has mission to provide quality services to stakeholders and to ensure effective regulation of Indian Mineral Sector which promotes long term benefits for its sustainable growth. Towards this end it performs regulatory functions, namely enforcement of Mineral Conservation and Development Rules, 1988, relevant provisions of Mineral Concession Rules, 1960 framed under MM (DR) Act, 1957, and as a facilitator, it undertakes scientific and techno-economic research oriented studies in various areas such as geological appraisal, mining, ore-beneficiation, environmental protection, mineral resources data of the country and functions as a data bank of mines and minerals. It also advises the Central and State Governments on all aspects of mineral industry, trade and legislation.

The budget allocation to IBM for the years 2013-14 and 2014-15

(Rs. in crore)

Major head	BE 2013-14			RE 2013-14			BE 2014-15		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2853	42.95	52.50	95.45	29.45	49.00	78.45	46.99	53.52	100.51

4.2 When asked as to how much amount has actually been spent by IBM under Plan and Non-Plan during 2013-14 and what are the reasons for variations between BE and RE in 2013-14 and BE 2014-15, the Ministry have furnished the following information:—

“During 2013-14, amount actually spent by IBM under Plan and Non-Plan was as follows:

(Rs. in crore)

	2013-14			2014-15
	Budget Estimates	Revised Estimates	Actual Expenditure	Budget Estimates
PLAN	49.00	35.00	25.50	53.00
NON-PLAN	52.50	49.00	48.89	53.52

### **Reasons for variations:**

#### **PLAN**

The variation in BE 2013-14 and RE 2013-14 to the extent of Rs. 14.00 crore (Rs. 49.00 crore - Rs. 35.00 crore) in Plan was mainly due to scaling down of funds by the Ministry of Finance. The funds under the scheme 'Mining Tenement System' were surrendered due to non-selection of system integrator. As a result of reduction of Plan Outlay in RE stage, a proportionate reduction was also made in the Outlays for NER (10%) & Tribal Sub-Plan (4%) respectively.

The variation between RE 2013-14 and BE 2014-15 is mainly due to enhanced allocation under 'Mining Tenement System' scheme, which is expected to be spent in 2014-15. With regard to other schemes, there is nominal increase due to increase in electricity, water bills, TA/DA etc.

#### **NON-PLAN**

The variation between BE 2013-14 and RE 2013-14 in Non-Plan is due to imposing of 10 % mandatory cut on non-salary provisions in RE 2013-14.

The variation between RE 2013-14 and BE 2014-15 in Non-Plan is due to provision for increase in rate of DA, annual increment for employees, increase in cost of electricity and water bills etc. *i.e.* due to regular increase under different object heads for routine expenses."

4.3 When asked whether the budgeted funds during the year 2014-15 for IBM are sufficient and what steps have been initiated to ensure that budgeted outlays are fully utilized, the Ministry in their written reply have furnished as follows:—

"The budgeted funds during the year 2014-15 for IBM are sufficient to fulfill the present requirements. To ensure that budgeted outlays are fully utilized, all concerned have been advised to indicate action for utilization of funds and percentage of expenditure is being monitored at IBM as well at Ministry's level so as to comply with the provisions of FRBM Act."

4.4 The Committee in their 45th Report (15th Lok Sabha) had desired the Ministry to draw up a time-frame for the expeditious approval of restructuring proposal of IBM. Asked about the restructuring/

proposal of IBM, the Ministry of Mines have provided the following information:—

“The Review and Restructuring Committee of IBM which was formed in July 2009, submitted its report in May 2012 with 73 recommendations including a proposed human resource development to the tune of additional 933 posts and infrastructure development like new offices, new environmental laboratories, training centers etc. Some recommendation of the Committee is related to the MMDR Bill 2011. The MMDR Bill 2011 lapsed in 2013 due to dissolution of XV Lok Sabha. In the changed scenario, this Ministry constituted a Monitoring Committee in May 2014 to analyze the recommendations for the purpose of Administrative Approval and Financial Approval from the Competent Authority. Now the Committee is actively processing the recommendations of Review and Restructuring Committee of IBM.”

4.5 Regarding the total number of illegal mining cases identified during the last two years and steps taken by the Ministry/IBM to curb the illegal mining, the Ministry of Mines have furnished as under:—

“Cases of illegal mining (i) Referred by Ministry of Mines, (ii) Detected by IBM, and (iii) Detected by State Governments during the last two years are given below:

I. Cases of Illegal Mining referred by Ministry of Mines:

During 2012-13, including those pending from previous year, IBM dealt with 16 references from Ministry on illegal mining and all the 16 references have been disposed off.

During 2013-14, IBM dealt with 11 references from Ministry on illegal mining of which 09 references have been disposed off and 02 references are under processing.

II. Cases of Illegal Mining detected by IBM:

IBM constituted Task Force to check endemic areas of illegal mining in the year 2009-10. The Task force during the years 2009-10, 2010-11 & 2011-12 had inspected 454 mines in the States of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra and Odisha and suspended 161 mines under rule 13(2) of MCDR, 1988 due to serious violations. Suspension was revoked in 119 cases after due compliance and termination of ML was recommended in 18 cases.

Task Force- III has been constituted in 2013-14 in respect of Andhra Pradesh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Rajasthan and Tamil Nadu States. The Task Force have inspected 204 mines and suspended 49 mines (upto August, 2014) under rule 13(2) and 45 of MCDR, 1988 in view of serious violations. Suspension was revoked in 5 cases after due compliance

### III. Cases of Illegal Mining Detected by State Governments:

As per Quarterly Returns received from State Governments, cases of illegal mining detected by them are:

Year	Number of cases detected by the State Governments for major and minor minerals
2012-13	98597
2013-14	88689

Actions for lodging of FIR, filing of Court Cases, seizure of vehicles and imposing fines are being done by the State Governments.

### Steps taken by the Ministry/IBM to curb the illegal mining:

Section 23C of Mines and Minerals (Development and Regulation) Act, 1957, has empowered the State Governments to frame such rules for preventing illegal mining, transportation and storage of minerals and for the purposes connected therewith in the respective State.

In pursuance to the provisions of the above said Section, the Ministry of Mines have formulated a three-pronged strategy for prevention of illegal mining viz. constitution of Task Force by the State Governments at State and District Level having a representative of IBM, framing of rules under Section 23C of the MMDR Act, 1957 and furnishing of quarterly returns on illegal mining for review by the Central Government.

**1. Constitution of State Level Task Force:** All together, 22 State Governments have constituted the Task Force namely Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal. The function of the Task Force is to review the action taken by member departments for checking the illegal mining activities in their respective jurisdiction.

## **2. Framing of Rules under Section 23C of MM (D&R) Act, 1957:**

All together, 20 State Governments have framed the rules under section 23C of MM (D&R) Act, 1957 to curb illegal mining namely Andhra Pradesh, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal.

**3. Receipt of Quarterly returns on illegal mining:** The State Governments submit quarterly returns on prevention of illegal mining to IBM. The IBM consolidates the information and sent to the Ministry at the end of each quarter regularly.

Whenever, IBM detects illegal mining during the course of routine MCDR inspections, the same is reported to the concerned State Government to take suitable action with a request to report the compliance to IBM which is further reported to the Ministry of Mines.

**4. Formation of Task Force of IBM:** As directed by the Ministry *vide* letter No. 16/12/2009-MVI, dated 10.12.2009, IBM since 2009-10 have constituted Task Force to check illegal mining. The Task Force during the years 2009-10, 2010-11 & 2011-12 had inspected 454 mines in nine States and suspended 161 mines under rule 13(2) of MCDR, 1988 due to serious violations. Suspension was revoked in 119 cases after due compliance and termination of ML was recommended in 18 cases.

Task Force-III constituted in 2013-14 in respect of seven States have inspected 204 mines and suspended 49 mines (upto August, 2014) under rule 13(2) and 45 of MCDR, 1988 in view of serious violations. Suspension was revoked in 5 cases after due compliance.

## **5. Other efforts:**

- (i) **Central Coordination-cum-Empowered Committee (CCEC):** Government has set up the CCEC with representation from State Governments and Central Ministries concerned to consider all mining related issues including matters related to coordination of activities to combat illegal mining at regular interval. The State Governments have been advised to set up State Coordination-cum-Empowered Committee (SCEC) to coordinate efforts to control illegal mining. So far, thirteen States (Andhra Pradesh, Chhattisgarh, Gujarat, Goa, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Mizoram, Odisha, Rajasthan & West Bengal) have set up SCEC.

- (ii) **Registration of End Users:** In accordance with the amended Rule 45 (1) of MCDR 1988, the owner, agent, mining engineer or manager of every mine, or any person or company engaged in trading or storage or end-use or export of minerals, have to register with IBM. So far upto August, 2014, registration numbers have been allotted to 8841 lessees out of which 4801 are working lessees. Similarly as regards to the status of registration of end users, traders, stockiest and exporters, at the end of August, 2014, 2921 units of end-users, 4152 number of traders, 1461 number of stockiest and 766 number of exporters have been registered.
- (iii) **Constitution of Special Cell in State Police:** State Governments have been advised to set up special cells in the State Police to combat illegal mining.
- (iv) **Use of Satellite Imagery:** State Governments of Gujarat, Chhattisgarh, Karnataka, Tamil Nadu, Odisha and Rajasthan have reported to have commenced using Satellite imagery. Other States were also advised by the Ministry to use the facility of Satellite imagery to crack down illegal mining.
- (v) **Hologram-marking/bar coding of transport:** State Governments of Gujarat, Jharkhand, Karnataka, Odisha reported to have started hologram marking/bar coding of transport permit or some sort of security for transport permit. Other State Governments have been advised by the Ministry to start the said process immediately.
- (vi) **Special Measures Undertaken:** The State Government of Rajasthan has set up special camp at the sites and deployed Border Home Guards where there have been complaints about illegal mining. The State Government of Goa has devised a system of transferring information about trucks carrying iron ore in real time from weigh-bridge to the State Directorate of Mines and Geology so that any illegal transportation could be tracked down. Other State Governments have been asked to follow the suits.”



## CHAPTER V

### INVESTMENT IN PUBLIC SECTOR UNDERTAKINGS

#### I. HINDUSTAN COPPER LTD. (HCL):

The major activities of HCL are mining, beneficiation, smelting, refining and casting of finished copper metal into saleable products. The Plan Outlay is mainly meant for Mine Expansion, Mine Development and Replacement and Renewals (R&R) and Green field exploration, etc. The budget allocation to HCL for the years 2013-14 and 2014-15 are as under:

(Rs. in crore)				
Name of the Organization	BE 2013-14	RE 2013-14	Actual	BE 2014-15
HCL	688.37	383.50	310.28	522.16

The amount earmarked for the schemes to be undertaken through IEBR at BE 2013-14 was Rs. 688.37 crore which was revised at RE stage to Rs. 383.50 crore. Now for 2014-15, the BE for HCL has been kept at Rs. 522.16 crore.

5.2 As regards the reasons for drastic reduction in BE, RE and Actual outlays for HCL during the year 2013-14, the Committee were apprised as under:—

“The reasons for reduction in BE, RE and Actual outlays for HCL during the year 2013-14 are delay in getting environmental and forest clearances for expansion of Malanjkhand Copper Project (Madhya Pradesh), Chapri-Sidheswar and Rakha Mine Projects, Jharkhand of HCL. The status of environmental and forest clearance is as under:

Malanjkhand Copper Project: The environment clearance has been obtained on 17.06.2013. Clearance from Standing Committee of National Board of Wildlife is awaited.

Chapri-Sidheswar and Rakha Mine Projects: Environment clearance obtained on 1.8.2014. Stage-I Forest clearance granted. Stage-II Forest clearance is awaited.”

5.3 Regarding the details of the allocations and actual expenditure incurred by HCL in 2013-14 on account of Mine Development, Mine Expansion and R&R and Green Field exploration etc. with reasons for shortfall, the Ministry of Mines in their written reply have furnished the following information:—

(Rs. in crore)

Sl. No.	Name of the Scheme	BE 2013-14	RE 2013-14	Actual 2013-14	Reasons for Shortfall
1.	Mine Expansion	570.37	185.50	57.00	Due to delay in getting environmental and forest clearances for expansion of Malanjkhand Copper Project (Madhya Pradesh), Chapri-Sidheswar and Rakha Mine Projects, Jharkhand of HCL. The mine expansion projects of HCL could not be taken up in 2013-14.
2.	Green Field Exploration	10.00	10.00	9.06	
3.	Mine Development	70.00	150.00	204.17	
4.	Renewal & Replacement of existing assets	38.00	38.00	40.05	
Total		688.37	383.50	310.28	

5.4 As regards the schemes, which got affected due to reduction of outlays from Rs. 688.37 crore outlays to Rs. 310.28 crore (Actual utilization) during 2013-14, the Committee were apprised as under:—

“Mine Expansion Scheme got affected due to delay in getting environmental and forest clearances for Malanjkhand Copper Project, Madhya Pradesh, Chapri-Sidheswar and Rakha Mine Projects, Jharkhand.”

5.5 When asked about the physical and financial targets fixed during the last three years and achievement thereon together with reasons for variations, the Ministry of Mines have informed the Committee as under:—

“The physical and financial targets fixed during the last three financial years and achievement is given below:

**Physical targets and achievements**

Particulars	2011-12		2012-13		2013-14	
	Target	Actual	Target	Actual	Target	Actual
Ore (lakh tone)	36.00	34.79	40.00	36.57	40.00	38.27
Metal-in-Concentrate (MT)	35000	31377	35000	29285	35200	32276
Copper Cathode (MT)	29414	28358	29500	24210	33792	22825

Reasons for shortfall in Ore Production - Equipment breakdown at Khetri Copper Complex and Malanjkhand Copper Project affected ore production.

Reasons for shortfall in Metal-in-Concentrate (MIC) - Lower grade of mined ore and lower concentrator recovery due to treatment of complex ore for milling affected Metal-in-Concentrate (MIC) production.

Reasons for shortfall in Copper Cathode - Lower availability of Metal-in-Concentrate and also direct sale of MIC of Khetri Copper Complex, Malanjkhand Copper Project & Indian Copper Complex origin in the open market in line with business plan to maximize profit.

#### Financial targets and achievements

(Rs. in crore)

Particulars	2011-12		2012-13		2013-14	
	Target	Actual	Target	Actual	Target	Actual
Turnover	1320.00	1638.18	1540.50	1475.27	1651.06	1615.90
Gross Profit	319.58	474.48	332.49	407.90	404.17	432.97
Net Profit Before Tax	319.58	472.95	332.49	403.61	404.17	430.65
Net Profit After Tax	213.45	323.46	224.61	355.64	273.05	286.42"

## II. NATIONAL ALUMINIUM COMPANY LTD. (NALCO)

5.6 National Aluminium Company Ltd. was established on 7th January, 1981 in the Public Sector, with its registered office at Bhubaneswar, to exploit a part of the large deposits of bauxite discovered along the East Coast. Since inception, NALCO has not only addressed the need for self-sufficiency in aluminium, but has also given the country a technological edge in producing this important metal of global standards. At present, NALCO is the only Central Public Sector Undertaking (CPSU) exploiting bauxite for production of alumina and aluminium. Navratna status has been conferred on NALCO on 28.04.2008.

5.7 Plan Outlay of NALCO is mainly meant for Greenfield Project and expansion plans, captive coal Mine, Utkal E-Coal Mine, 2nd Phase expansion and Additions/Modification/Replacement.

#### Plan outlay of NALCO

(Rs. in crore)

Name of the Organization	BE	RE	Actual	BE	RE	Actual	BE
	2012-13	2012-13	2012-13	2013-14	2013-14	2013-14	2014-15
NALCO	2343.00	1010.00	878.00	1737.00	542.50	523.41	1181.02

The actual utilization of the Plan outlay during 2013-14 has been Rs. 523.41 crore against BE Rs. 1737.00 crore and RE Rs. 542.50 crore. The BE for the year 2014-15 has been increased to Rs. 1181.02 crore.

5.8 As regards the reasons for increased plan outlay (BE) to Rs. 1181.02 for the year 2014-15, the Ministry of Mines have apprised the Committee as below:—

#### Details of Budget allocations

(Rs. in crore)

Sl. No.	Project Details	BE 2013-14	RE 2013-14	Actuals 2013-14	BE 2014-15	Increase/decrease (in allocation)	Reason for Increase in allocation
1	2	3	4	5	6	7	8
1.	Phase II Expansion	42	6	44.24	-	(6)	N.A.
2.	Upgradation of Alumina Plant	50	38	55.28	21	(17)	N.A.
3.	Pottangi Mine & 5th Stream Refinery	3	2	0.72	1	(1)	N.A.
4.	220 Ka Upgradation	22	0	0.00	4	4	Allocation increased vis-à-vis BE for Preparation of the DPR.
5.	2 x 250 CPP	5	-	0.00	-	-	
6.	Coal Mine Utkal-E	65	8	5.18	123	115	Allocation increased for Construction of R & R colony and balance Land compensation at the Utkal-E coal block site.
7.	Wind Power Project-I	6	4	4.34	-	(4)	N.A.
8.	Wind Power Project-II	71	130	130.90	-	(130)	N.A.
9.	Other green field projects	1,069	3	1.94	592	589	A sum of Rs. 586 Crore was projected for Gujarat Refinery, expecting early investment decision.

1	2	3	4	5	6	7	8
10.	Addition Modification & Replacement	404	351	280.81	440	89	Additional sums are projected for: a. FLDC project b. Procurement of Equipments in Mines/Smelter and CPP. c. Logistics, Transmission line and Ash pond projects.
Total		1,737	543	523.41	1,181		

5.9 When asked as to whether NALCO would be able to expend the budgeted funds fully during 2014-15? If so, furnish the steps taken in this regard, the Ministry of Mines have informed the Committee as under:—

“Company will be able to spend the projected sum, except the sums allocated for Utkal-E coal block allocation, which has recently been de-allocated by Hon’ble Supreme court.”

5.10 When asked about the total installed capacity of NALCO and the actual production and also details of the physical and financial targets of NALCO during the last 3 years, the Ministry of Mines have furnished the following information:—

“Installed capacity of NALCO for the major facility and production in last 3 years are as under:—

#### Details of Installed Capacity and Production

Product	2011-12		2012-13		2013-14	
	Installed Capacity	Actual Production	Installed Capacity	Actual Production	Installed Capacity	Actual Production
Bauxite (Lakh MT)	63 <sup>(1)</sup>	50.03	63	54.19	63	62.93
Alumina Hydrate (Lakh MT)	21 <sup>(2)</sup>	16.87	21	18.02	21	19.25
Power (MW)	1200MW	6,200MU	1200MW	6,076MU	1200	4,989MU
Aluminium Metal (Lakh MT)	4.6	4.13	4.6	4.03	4.6	3.16

Note: (i) Capacity of Mines has been increased from 48.0 to 63.0 lakh TPY in August, 2011. Though name plate capacity increased to 63 lakh TPA, the effective capacity for the year 2011-12 was 55.50 lakh tonne.

(ii) Capacity of Refinery has been increased from 15.75 to 21.0 lakh TPY in September, 2011. Though name plate capacity increased to 21 lakh TPA, the effective capacity for the year 2011-12 was 18.375 lakh tonne.

Physical and financial targets of NALCO during the last three years were as under:—

PHYSICAL TARGETS	2011-12	2012-13	2013-14
Bauxite (Lakh MT)	60.00	61.50	64.50
Alumina Hydrate (Lakh MT)	20.00	20.50	21.50
Power (MU)	7,160	6,540	6,341
Aluminium Metal (Lakh MT)	4.38	4.30	4.05

Financial targets for the last three years (as per Approved Annual plan)

**Details of Financial Target (Plan)**

(Rs. in Crore)

Sl.No.	Schemes	2011-12	2012-13	2013-14
1.	Phase-II Expansion	180	191	42
2.	Utkal-E, Coal Mines	94	198	65
3.	Upgradation of Alumina Plant	162	160	50
4.	Green field project	232	1,182	1,069
5.	Wind power plant-I		75	6
6.	Wind power plant-II			71
7.	Pottangi Mine & 5th Stream	3	6	3
8.	220 Ka Upgradation	40	100	22
9.	2 x 250 CPP		15	5
10.	Addition, Modification & Replacement	346	416	404
	<b>TOTAL</b>	<b>1,057</b>	<b>2,343</b>	<b>1,737</b>

5.11 Regarding steps taken by NALCO to clear the bottlenecks coming in the way of timely completion of the projects so that funds earmarked can be optimally utilized, the Ministry of Mines have apprised the Committee as follows:—

“CMD’s monthly review meeting with heads of units along with all functional Directors and intervention as required.

- a. Weekly review by Director (Projects & Tech.) with necessary intervention.

- b. Review of status of projects by Board Committee on projects and new ventures, as and when required.
- c. For specific projects, the company engages consultants having expertise in the relevant field and projects are reviewed at regular interval.

Capex monitoring by NMCC/Board at regular interval.

For improvement in project implementation time, the company has implemented e-tendering and e-procurement for all major works.”

#### **Pottangi Bauxite Mine and 5th Stream Refinery**

5.12 When asked about the present status of development of Pottangi Bauxite Mine, the Ministry have provided the following information:—

- “NALCO’s Mining lease application was submitted to Government Odisha in August, 1992 over an area of 2618 Ha. with a geological reserve of 91 million tonne & mineable reserves of 75 million tonne. The Mining area got revised to 1738.04 Ha. in revised application dated 30.01.2002.
- The deposit was reserved by Government of India (Gol) in favour on NALCO under section 17A (1A) of MMDR Act, 1957 vide Gazette notification dated 27.04.2007.
- The Ministry of Steel & Mines, Government of Odisha (GoO) vide their letter dated 17.04.2010 requested NALCO’s consent to float a SPV along with State Government for peripheral development for Pottangi Bauxite Mines with certain conditions.
- After discussion amongst CMD NALCO, Joint Secretary, Ministry of Mines, Gol, with the then Principal Secretary to the CM of Odisha, CMD, NALCO vide letter dated 25.09.2010 highlighting the fact that NALCO has already allocated 2% Net Profit After Tax for CSR activities.
- Secretary (Mines), Gol vide his DO letter dated 26.04.2011 had requested the Chief Secretary of GoO for recommending Pottangi deposit in favour of NALCO.
- On 05.07.2011 a presentation was made before Chief Secretary, GoO by NALCO team on the role of NALCO Foundation. Vide DO letter dated 15.07.2011, NALCO clarified the various queries raised during the presentation.

- *Vide* letter dated 07.05.2012, GoO communicated their in-principle approval with certain conditions, which was informed to NALCO's Board and subsequently taken up with GoO.
- In reply to Government of Odisha, NALCO *vide* letter dated 16.06.2012 has communicated its consent to all the major points, *i.e.* spending 2% of PAT for PD activities, over and above 1% being spent through RPDAC. The points of difference were regarding paying NALCO's contribution from retrospectively *w.e.f.* 01.04.2010 and regarding NALCO's contribution over and above the additional benefit that may accrue on account of the proposed amendment to MMDR Act which is still not finalized.
- A meeting was organized between NALCO and the State Authorities in the Chamber of the Principal Secretary (Steel & Mines), Government of Odisha on 27.08.2012. In the above meeting, the State Authorities insisted for retrospective payment and another meeting at Chief Secretary level was held on 24.09.2012 to sort out the balance issues on Pottangi Deposit.
- Government of Odisha (GoO), *vide* letter dated 17.10.2012, have given their consent to take further steps in allocation of Mines to NALCO subject to (i) PD to be carried out by NALCO Foundation with a representative from State Government (ii) Minimum contribution to Foundation shall be 2% of PAT of NALCO or Rs. 20 Crore whichever is higher *w.e.f.* 01.04.2010 and is over & above 1% being spent through RPDAC.
- NALCO's acceptance has been communicated to GoO *vide* letter dated 28.11.2012 in line with Board approval.
- Under Secretary, Deptt. of Steel & Mines has sought clarification from Director (Mines), Government of Odisha *vide* letter dated 17.12.2012 regarding the pendency of any ML/PL application. He has also sought detailed geological exploration data from the Deputy Director General, Geological Survey of India, Bhubaneswar *vide* letter dated 18.12.2012.
- Clarification and information to Government of Orisha letter dated 17.12.2012 were furnished by Director (Mines) GoO and Deputy Director General, Geological Survey of India, Bhubaneswar on 02.01.2013.
- Government of Odisha's recommendation for grant of mining lease is awaited."



### **Utkal E-Coal Mine Project**

5.13 The project is under implementation and is scheduled to be completed during December, 2014. After completion of the project the coal production will be 2.00 MT per year. About the present status of Utkal E-Coal Mine Project, the Ministry of Mines have furnished as follows:—

“As of Sept., 14, the Company has spent more than Rs. 126 crore in the Utkal E-Coal Mine Project having estimated project cost of Rs. 338 crore. Most of the above expenditures are towards land acquisition of private and Government land. As of Sept., 14, about 70% of disbursement has been made for private land acquisition in Mining Lease area. Land cost for 125 Ha of Government land has been deposited with State Government Authorities. 100% payment for private land acquisition & 100% payment for Government land alienation has been made for R&R Colony.

Major Milestones Achieved during the period are as under:—

Sl.No.	Milestone	Achieved date
1.	Approval of mining plan by Ministry of Coal	31.07.2006
2.	Consent to Establish from OSPCB with validity extension up to 2019	15.01.2009
3.	Wildlife clearance by PCCF (Wildlife) and Chief Wildlife Warden, Odisha	30.09.2009
4.	Environmental Clearance from MoEF	10.12.2009
5.	Permission for drawal of water from Singharajhor from Department of Water Resource, Government of Odisha	22.06.2010
6.	Sanction of lease for 54.07 Ac of Government land for R&R colony	03.06.2011
7.	Prior approval of Mining Lease by Ministry of Coal, Gol.	14.06.2011
8.	Approval of Master Plan for R&R Colony	06.06.2012
9.	DGPS/Geo-reference Survey for Mining Lease area	29.08.2013
10.	Presentation of Revised Mining Plan and Revised Mine Closure Plan to Ministry of Coal, Government of India	09.05.2014
11.	Query raised by PCCF/Nodal Officer on FDP were compiled	23.09.2014

Even as the coal block was allocated to NALCO in 2004 to meet the coal requirement of its captive power plant at Angul, work on the project got delayed as there was delay in submission of Geological

Report (GR) by CMPDI to NALCO. After getting the GR, M/s CMPDI prepared and submitted the Mining Plan & the same was submitted to Ministry of Coal, Gol. The technical committee, Ministry of Coal, Government of India insisted negative proving of coal in Over Burden Dump-II area for which the exploration job was carried out by Directorate of Geology, Government of Odisha after that Mining plan was approved by Ministry of Coal, Gol and after that the Detailed Feasibility Report (DFR) was prepared. NALCO received Forest Right Certificate on 23.06.2010 but final clarification was obtained from Collector, Angul on FRC on 08.08.2014 which caused a considerable delay in the process of getting Forest Clearance. There was delay in decision/action for coal evacuation through common rail and road facility etc. for which the project got delayed which were beyond the control of NALCO.

Status/Issues after verdict of Hon'ble Supreme Court on 24th Sept., 2014: The Company is seeking legal opinion to file a review petition in the Supreme Court to reconsider its decision against de-allocation of coal block."

5.14 Regarding the cancellation of coal block of NALCO, the Secretary, Ministry of Mines stated during evidence:—

"Being a Government company, with full support from the Government also we were not able to get it activated in 10 years. But this is the direct answer to your question. It was allotted in 2004 and by the time it was cancelled we were not able to operate it. The expenditure was Rs. 126 crore."

#### **Addition, Modification & Replacement (AMR) Scheme of NALCO**

5.15 To maintain the production/productivity in different segments of the company, NALCO has undertaken several major replacement and upgradation projects to maintain its existing installed capacity and better efficient operations.

Regarding the allotment and utilisation of funds under AMR scheme during the last three years and the reasons for under-utilization, the Ministry have apprised of the Committee as under:—

		(Rs. in crore)								
Sl.No.	Schemes	2011-12			2012-13			2013-14		
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
1	2	3	4	5	6	7	8	9	10	11
1.	Phase-II	180	250	205	191	90	35	42	6	44
2.	Utkal-E, Coal Mines	94	37	15	198	24	18	65	8	5

1	2	3	4	5	6	7	8	9	10	11
3. Upgradation of Alumina Plant	162	81	117	160	95	116	50	38	55	
4. Greenfield project	232	457	154	1,182	226	0	1,069	3	2	
5. Wind power plant- I		200	23	75	244	246	6	130	4	
6. Wind power plant- II			-		-	153	71	4	131	
7. Pottangi Mine & 5th Stream Refinery	3	3	0	6	2	0	3	2	1	
8. 220 Ka Upgradation	40	4	-	100	6	-	22	0	-	
9. 2 x 250 CPP		1	-	15	1	-	5	-	-	
10. Addition, Modification & Replacement	346	300	287	416	322	310	404	351	281	
TOTAL	1,057	1,333	801	2,343	1,010	879	1,737	543	523	

**The reasons for under-utilisation are as under:**

Reasons for shortfall in CAPEX utilisation in FY 2011-12:

Major shortfall was in projects like Nuclear Power with NPCIL, Wind Power and Utkal-E Coal, where the constraints were beyond the control of NALCO. Overall expenditure for projects was 60% of Revised Estimate and 76% of BE 2011-12.

1. Utkal-E Coal Mines: Frequent postponement of the State Government's RPDAC meeting for finalisation of land rate for procurement of private land, delay in getting environmental clearance and mining lease approval are major reasons for shortfall in expenditure. The environmental clearance was received in December, 2009, after which only the activities picked up. RPDAC Sub-committee in its meeting dated 07/02/2011 has finalized the rate of private land covering 5 villages. After consistent follow up by the Ministry of Mines with Ministry of Coal, mining lease of the block has been recommended to Govt. of Odisha for approval in June, 2011.
2. Upgradation of Refinery: The environmental clearance from Ministry of Environment & Forest (MoEF) was received in May, 2010 after which only the construction activities could start leading to poor progress in civil & structural works. The overall progress as of March, 2012 was 81%.

3. Greenfield Project: Delay in getting approval from Central Government for JV with NPCIL Nuclear Power plant and non-receipt of approval for 49% equity participation in Kakrapar, Gujarat for setting up 2x700 MW nuclear power project, delay in finalizing a company for long term Coal Supply Agreement (CSA) for greenfield aluminium smelter and power plant in Indonesia, Government's advice to go slow for greenfield bauxite mine and alumina refinery project in Andhra Pradesh due to naxalite activities are the reasons for shortfall in expenditure.
4. Phase III Expansion:
  - a. 5th Stream Alumina Refinery Project and Pottangi Mines: The project is linked to allotment of bauxite mining lease of Pottangi in favour of NALCO which is still pending with Government of Odisha.
  - b. 220KA Upgradation of Smelter and 2x250 MW CPP Project: The embargo by MoEF/Pollution Control Board on Angul – Talcher region based on Comprehensive Environmental Pollution Index is the major reason for less expenditure in 2x250 MW units at CPP, Angul. The embargo was lifted w.e.f. 31st March, 2011.
5. Addition, Modification & Replacement (AMR): Delay in execution of major projects such as Lean slurry project, 4th ash pond, BPTG etc. resulted lesser spending on the scheme head.

**Reasons for shortfall in CAPEX utilisation in FY 2012-13:**

1. Phase-II Expansion: Shortfall is primarily due to savings in project cost.
2. Utkal - E Coal Mines
  - Delay in commencement of field activities in absence of land acquisition for construction of R&R Colony and forest clearance, which is dependent upon statutory authorities.
  - The actual expenditure during the year is Rs. 17.91 crore against revised estimate of Rs. 24.00 crore. Cumulative expenditure upto FY 2012-13 of Rs. 119 crore.
3. Upgradation of Alumina Plant: Savings of about Rs. 65 crore is expected due to dropping of certain mining equipments and Calcliner Upgradation etc.

4. Greenfield Project:

(i) Nuclear Power in JV with NPCIL:

CAPEX of Rs.1,000 crore was projected considering NALCO's proposal for 26% equity participation in the JV with NPCIL and NALCO Board's power for investment in JV as a Navratna PSU. The proposed final equity investment in the project is Rs. 3,438 crore, out of which NALCO's share would be Rs. 1,685 crore *i.e.* 49%. However, the matter regarding equity participation from another PSU by NPCIL for an Atomic Power Project within the framework of Atomic Energy Act is being deliberated in Dept. of Atomic Energy for putting upto Cabinet Committee on Security. Although, the matter was being pursued at all levels, clearance has not been received for reasons beyond the control of NALCO and actual expenditure was 'nil' against Rs. 1000 crore for FY 2012-13.

(ii) Gujarat Smelter & Refinery:

Appointment of DPR consultant was under way. As such, the projected expenditure of Rs. 50 crore could not be utilized during FY 2012-13 without finalization of DPR and investment decision.

(iii) UMPP in Consortium:

NALCO was a consortium partner with BHEL, NMDC, NLC and SJVN in proposed projects in the State of Chhattisgarh & Odisha. However, due to delay by Power Finance Corporation; the RFQ proposal was in preliminary stage with little scope of incurring projected expenditure of Rs. 50 crore.

(iv) Indonesia project and Mines & Refinery in Andhra Pradesh:

Indonesia project (Rs. 15 crore) has been shelved and Mines and Refinery project in Andhra Pradesh (Rs. 10 crore) is on hold as per advice of Ministry of Mines. Approval for Smelter and Power project in Odisha (Rs. 10 crore) was awaited from Government of Odisha.

5. Pottangi Mine & 5th Stream Refinery: Government of Odisha recommendation for mining lease is awaited.

6. 220 KA Upgradation of Smelter: The project is for increasing the current of existing pot lines from 180 KA to 220 KA so that the productivity per pot increases. The pot technology

has improved and now-a-days pots of higher amperages are operating with higher productivity. Therefore, it was decided to revisit the earlier proposal with different options of higher amperage pots. Accordingly, projected CAPEX target of Rs. 100 crore could not be spent during FY 2012-13.

7. 2x250 MW CPP: Project is linked to Smelter upgradation. Activities could not commence due to review of amperage increase project of Smelter Plant. Accordingly, projected CAPEX target of Rs. 15 crore could not be spent during FY 2012-13.
8. AMR Projects : The shortfall in CAPEX expenditure was mainly due to following:
  - (a) The Suspension of work of Semi-Mobile Crusher Plant (SMCP) & additional job in connection with FLDC and Expansion & retaining wall at SMCP, since 17.11.12 due to statutory Issues related to Temporary Work Permit (TWP) in Mines.
  - (b) Delay in the project work of Reclaimer #3 for Bauxite & work related Transmission Line From Laxmipur to Damanjodi in Refinery.
  - (c) Delay in execution of work for Compound Wall Over The Northern Side of Alumina Refinery due to local problems in Refinery.
  - (d) Delay in delivery of all 3 nos. Centrifugal Compressors at site resulted in delay in execution of the work in Smelter.
  - (e) Delay in delivery of materials for Rectifier Heat Exchanger in Smelter.
  - (f) Delay in execution of Lean Slurry ash diposal to mines void Projects due to stiff hinderances by local villagers.

**Reasons for shortfall in CAPEX utilisation in FY 2013-14:**

1. Utkal E-Coal Mines: The shortfall in CAPEX utilisation is mainly due to delay in land acquisition by Government of Odisha, Non-issuance of Forest Right Certificate for ammended forest area, delay in disbursement of compensation for private land & construction of R&R Colony etc.

2. Greenfield Project:

- (i) Nuclear Power in JV with NPCIL: Approval of Govt. of India for equity participation by NALCO in the JV project with NPCIL is awaited. The amount could not be spent pending clearance for the same.
  - (ii) Solar Power: The project was dropped as RPO requirement may not be required in view of Appellate Authority decision.
  - (iii) Wind Power Plant at Mines: Board approval was accorded in Dec., 2013. Forest clearance is being pursued.
  - (iv) Gujarat Refinery: The projected CAPEX could not be spent during the year pending Investment decision, which is dependent upon GMDC's consent for equity participation in the project including other issues.
3. 220 KA Upgradation of Smelter (Rs. 22 crore): The project activities could not be commenced, pending study on alternate options having higher amperage pots.
4. 2x250 MW CPP (Rs. 5 crore): Project activities could not commence due to review of amperage increase proposal of Smelter Plant.
5. AMR Projects:
- a. Delay in execution of the SMCP & FLDC project execution work in Mines.
  - b. Delay in the procurement action of Simulator for MTV Centre in Mines.
  - c. Delay in execution of Civil works like, Composite Work at CISF Barrack, Compound wall around mines.
  - d. Short closure of construction work of Compound Wall over the northern side of Alumina Refinery.
  - e. Delay in finalisation of contract like Wagon tippler upgradation at CHP of Refinery.
  - f. The reason for shortfall is due to delay in execution work of KPC reciprocating compressor & Fume treatment Centre of Smelter.
  - g. Delay in execution of Lean Slurry Ash disposal to Mines void project of CPP on account of Strong resistance by Villagers.
  - h. Delay in execution work of New Coal Yard & Retrofitting work of ESPs of CPP.

### III. MINERAL EXPLORATION CORPORATION Ltd.(MECL)

5.16 The Mineral Exploration Corporation Limited (MECL) having corporate office at Nagpur, is a PSU under the Ministry of Mines. It is the premier exploration agency in the country. It carries out its exploration activities under promotional programme funded by Government of India and contractual programme on behalf of other agencies including Public Sector and Private Sector and State Government(s).

5.17 The Plan Outlay of MECL is meant for Promotional Work on behalf of Ministry of Mines through plan budget support and capital expenditure through IEBR viz., for replacement/procurement of new plants and machineries etc.

(Rs. in crore)				
Name of the Organization	BE 2013-14	RE 2013-14	Actual	BE 2014-15
MECL-Capital	20.00	20.00	8.72	18.71

A total sum of Rs. 20.00 crore was allocated in BE (2013-14) as IEBR component of MECL which was same at RE stage (2013-14) but the actual utilization was Rs. 8.72 crore. Now a sum of Rs. 18.71 crore has been allocated in BE (2014-15).

5.18 Asked about the details of allocations made for promotional mineral exploration programme during the last 3 years along with the actual utilization thereof, the Committee were apprised as under:—

(Rs. in crore)			
Outlay promotional exploration	2011-12	2012-13	2013-14
Allocation	8.00	10.00	9.00
Utilization	8.00	8.50	9.00

5.19 Regarding the reasons for less utilization of funds by MECL during 2013-14 and the schemes already affected thereon, the Ministry of Mines have informed the Committee as under:—

“MECL has fully utilized the allocation of Rs. 9.00 crore (RE) under promotional programme and Rs. 8.72 crore out of Rs. 20.00 crore (RE) earmarked for capital expenditure (IEBR) for 2013-14. Actual



spending as such remained 43.6% under capital expenditure. The allocation for capital expenditure was for replacing the old plants and machineries in phased manner. The procurement was to be processed through tender procedure which was time consuming and delayed. This was the reason for variation in RE and Actual Expending for capital items.”

5.20 As regards the reasons for reduced allocation of funds for MECL in BE 2014-15 as compared to BE 2013-14; and as to how MECL propose to optimally utilize the funds of Rs. 18.71 crore on various schemes during 2014-15, Ministry of Mines in their written reply have furnished the following information:—

“The allocation of funds in 2014-15 is Rs. 18.71 crore as compared to Rs. 20.00 crore 2013-14 which is marginally reduced by 6.45%. The sum allocated is based on the requirement of Plant and Machineries as approved in its Corporate Plan.

Provision of Rs.18.71 crore (BE) has been kept for capital expenditure for modernization and technological upgradation of machineries and equipments during 2014-15. MECL is proposing to procure 6 Drills amounting to around Rs. 9.00 crore, Pumps Rs. 0.73 crore, Laboratory Equipments around Rs. 3.70 crore, Geophysical Logger for Rs.1.80 crore and other related items of Rs. 3.46 crore. Out of above, purchase order for procurement of drills, geophysical logger and some lab equipments have already been placed. The procurement action for other items are in pipeline and expected to be completed by March, 2015.”

5.21 When enquired about the physical targets for exploration during the last 3 years *vis-à-vis* actuals alongwith the reasons for shortfall, the Ministry of Mines have provided the information as given below:—

“The physical target for the promotional exploration on behalf of Ministry of Mines for the last 3 years together with achievement are given below:

Item	2011-12		2012-13		2013-14	
	Target	Achievement	Target	Achievement	Target	Achievement
Drilling and associated activities (in mtrs.)	6700	4780	6520	6189	7550	8389

Reasons for short fall in achieving the physical target:

- (a) During 2011-12, a total of 4780 m drilling was achieved (in Rupa,Thiki Extn., Rajabasa and Gurla North Blocks) against the target of 6700 m. The reasons for shortfall are as follows:
  - (i) 204 m of drilling could not be taken up in Rupa block due to unapproachability and local problem.
  - (ii) The Field activities of Nimi-pyakatsu block for limestone being carried out through DGM, Nagaland were affected by heavy rains during working seasons and suspension of work during monsoon.
- (b) During 2012-13, a total of 6189 m drilling and associated geological activities has been carried out in following promotional blocks as under:

Name of promotional blocks	Nimi-pyakatsu	Gurla North	Banera	Muradpur	Ajjanhalli	Pahardia	Total
Achievement (in m)	128.05	1579.90	1855.00	1988.00	630.00	8.00	6188.95

The reasons for shortfall are as follows:

The field activities were affected by heavy rains during working seasons and suspension of work during monsoon.

- (c) During 2013-14, a total of 8389 m drilling and associated geological activities has been carried out in following promotional blocks as under:

Name of promotional blocks	Pahardia	Ajjanhalli	Parasi Eest	Parasi West	Gurla South	Lumthalary	Total
Achievement (in m)	2519.00	1030.20	3193.00	98.00	1352.50	196.00	8388.7

There is no shortfall against the target.”

5.22 When asked to furnish details of the schemes/projects undertaken during the year 2013-14 and those proposed for 2014-15, the Ministry of Mines in their written reply have stated as under:—

“During 2013 -14, the Geological Reports of Banera Copper Prospect, Bhilwara District, Rajasthan and Muradpur Copper Prospect, Jhunjhunu Distt., Rajasthan have been submitted.

Sl. No.	Name of Project	Total Sanctioned Cost (Rs. in Lakh)	Mineral	Status
1	Banera Copper Prospect, Bhilwara Distt., Rajasthan	291.92	Copper	Commenced in August, 2012 Completed. Geological Report Submitted in August, 2013
2	Muradpur Copper Prospect, Jhunjhunu Distt., Rajasthan	246.69	Copper	Commenced in August, 2012. Completed. Report submitted in October, 2013.

**A. On-going Projects (work in progress) in 2013-14:**

Ajjanahalli East Block-A for Gold, Tumkur district, Karnataka: The detailed exploration proposal for Gold was approved in 26th Standing Committee on Promotional Project (SCPP) meeting held on 5th February, 2013. The work involves 4225 m of drilling in 19 proposed boreholes with associated geological and laboratory studies. Exploration was commenced in February, 2013. However, the work had to be suspended in May, 2013, for want of permission from Forest authorities. Till the suspension of work, a total of 1660 m of drilling work was completed, in 6 boreholes. The time schedule of project is 26 months including submission of Geological Report.

The issue of getting clearance from Forest Department, Government of Karnataka was pursued vigorously at concerned levels. The issue was discussed in the 28th SCPP meeting held on 24th February, 2014 at MoM, New Delhi. MECL also requested MoM to take up the matter with Forest Authorities for early forest clearance so that the balance work can be completed expeditiously.

The analytical results received shows that the thickness of gold mineralization varies from 0.50 m to 3.87 m and grade varies from 0.50 g/t Au to 2.23 g/t Au at 0.50 g/t Au cut off. Base line environmental studies were in progress.

Pahardia Gold Prospect, West Singhbhum district, Jharkhand: The project was approved in 26th SCPP meeting held on 5th February, 2013. The exploration work involves 2430 m of drilling in 13 boreholes and associated geological work and laboratory studies. The drilling work was commenced in March, 2013 and completed in September, 2013 after completion of 2527 m of drilling in

13 boreholes. The composite samples preparation and analytical work was in progress during the year. The Geological Report is scheduled to be submitted in December, 2014.

Parasi (East) for Gold, Ranchi district, Jharkhand: The project was approved in 27th SCPP meeting held on 4th September, 2013 at New Delhi. The field activities including Exploratory Drilling commenced on 17.09.2013 and completed in March 2014 involving 3193 m of drilling in 19 boreholes. Sampling work remained in progress. The Geological Report is scheduled for submission in November, 2014.

Gurla South Block for Lead-Zinc, Bhilwara district, Rajasthan: The project was approved in 27th SCPP meeting held on 4th September, 2013 at New Delhi. The field activities including Exploratory Drilling commenced on 15.10.2013 and completed in February, 2014 involving 1353 m of drilling in 8 boreholes. One borehole could not be drilled as it was falling in the forest area. Sampling work completed and analytical work was in progress. The Geological Report is scheduled for submission in February, 2015.

Lumthalary Block for Limestone, Jaintia Hills district, Meghalaya: The project proposal of Lumthalary Block was discussed in the 27th SCPP meeting held on 4th September, 2013 at Ministry of Mines, New Delhi and subsequently approved in January, 2014. The drilling work in the block continued and 196 m drilling achieved up to March 2014 in one closed and two running boreholes. The project is scheduled to be completed in June, 2015.

Parasi (West) Block for Gold, Ranchi district, Jharkhand: The project proposal of Parasi (West) Block for Gold was approved in 27th SCPP meeting held on 4th September, 2013. The work was commenced in March, 2014 and 92 m of drilling was completed up to 31st March, 2014 in two running boreholes. The project is scheduled to be completed in April, 2015.

#### (B) Projects in 2014-15

##### (i) Projects continuing from 2013-14:

The projects continuing from 2013-14 due to balance of work are as per details shown below:

Sl.No.	Name of Projects	Balance work in progress
1	2	3
1.	Ajjanahalli East Block-A for Gold, Tumkur district, Karnataka	Exploratory Drilling, Sampling & Preparation of Geological Report

1	2	3
2.	Lumthalary Block for Limestone, Jaintia Hills district, Meghalaya	Exploratory Drilling, Sampling & Preparation of Geological Report
3.	Pahardia Gold Prospect, West Singhbhum district, Jharkhand	Sampling & Preparation of Geological Report
4.	Parasi (East) for Gold, Ranchi district, Jharkhand	Sampling & Preparation of Geological Report
5.	Gurla South Block for Lead-Zinc, Bhilwara district	Sampling & Preparation of Geological Report
6.	Parasi (West) Block for Gold, Ranchi district, Jharkhand	Sampling & Preparation of Geological Report

The Forest clearance of Ajjanahalli East Block (A) for Gold, Tumkur district, Karnataka has been granted by DCF, Tumkur, Karnataka in 3rd week of June, 2014. Exploratory drilling resumed in August, 2014 to complete the project in 2014-15.

The balance work of drilling in Lumthalary Block for Limestone, Jaintia Hills district, Meghalaya, and Parasi (West) Block for Gold, Ranchi district, Jharkhand will also be completed in 2014-15.

(ii) New projects proposed for 2014-15:

In addition of above, following proposals have been approved in the 29th SCCP held on 09.07.2014 at New Delhi:

Sl.No.	Name of Proposal	Total meterage sanctioned (BH)	Total Cost (Rs. in Lakhs)
1.	Thaneswana South Block (Phase-II) for Copper, District- Chandrapur, Maharashtra	3750m (15BH)	488.28 (23 months)
2.	Kempinkote Block for Gold, District - Hassan, Karnataka	3225m (10BH)	380.67 (22 months)
3.	Lumshortoh block for Limestone, District-Jaintia Hills, Meghalaya	700m (6 vertical BHs)	285.83 (14 months)
4.	Muariya Block for Polymetallic mineralization, District-Betul, Madhya Pradesh	1660m (7 BH)	192.50 (18 months)
5.	Kuhi Zone-1 Block, Kuhi-Khobna, District-Nagpur	1320m (7BH)	191.49 (18 months)

The field work in the above five projects shall commence in 2014-15. Keeping in view the above, it is projected that Rs. 10.00 crore earmarked and additional Rs. 5.00 crore demanded for the year 2014-15 would be completely utilized.”

## CHAPTER VI

### IMPLEMENTATION STATUS OF THE RECOMMENDATIONS CONTAINED IN THIRTY-FOURTH REPORT OF THE COMMITTEE

The Thirty-fourth Report of the Committee on Coal and Steel on “Demands for Grants (2013-14)” of the Ministry of Mines was presented to Lok Sabha and laid on the Table of Rajya Sabha on 2nd May, 2013. The Report contained 13 Recommendations.

6.2 On the basis of Action Taken Notes furnished by the Ministry of Mines in respect of the recommendations contained in the Thirty-fourth Report, the Committee prepared their Forty-fifth Report on Action Taken by the Government on recommendations/observations contained in Thirty-fourth Report on DFG (2013-14). The Forty-fifth Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 17th December, 2013. After analyzing the Action Taken Notes furnished by the Ministry, the Committee commented on the action taken by the Government in the context of recommendation at serial nos. 3, 7, 8 and 9 of the Thirty-fourth Report. The Analysis further revealed that out of 12 recommendations contained in the Thirty-fourth Report of the Committee, 5 Recommendations (42%) have been accepted by the Committee, replies in respect of 4 recommendations (33%) have not been accepted by the Committee. For the remaining 3 recommendations (25%) the final replies of the Government were awaited.

## PART II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

#### *Annual Plan Outlay*

1. The Committee observe that for the year 2014-15, the Planning Commission has approved a total outlay of Rs. 2379.39 crore for Ministry of Mines as against the outlay of Rs. 2574.05 crore proposed by the Ministry. During 2013-14, against an approved outlay of Rs. 2919.12 crore (BE) of the Ministry at BE stage RE was reduced to Rs. 1500.89 crore and the expenditure was Rs. 1358.14 crore. The expenditure under Plan Head during 2013-14 has been increased from Rs. 467 crore to Rs. 548.14 crore due to an additional allocation of Rs. 103.14 crore for payment of the 6th and final instalment of an Oceanographic Research Vessel (ORV) procured by the GSI as it was not provided by the Ministry of Finance during the process of finalization of BE 2013-14. In addition, the Planning Commission has allotted Rs. 50 crore for restoration of GSI's Heritage building in Kolkata. The Committee are unhappy to observe that out of total outlay of Rs. 20553.48 crore approved for the 12th five Year Plan for the Ministry of Mines, the actual utilization of fund during the first two years of the plan period *i.e.* 2012-13 and 2013-14 was Rs. 1473.65 crore and Rs. 1358.14 crore respectively. Thus, during first two years of the plan, the Ministry could utilize only 14% of the allocated fund. The fund utilization by NALCO in the first two years of 12th Plan *i.e.* 2012-13 and 2013-14 was not satisfactory as out of total outlay of Rs. 2343.00 crore for the year 2012-13 and Rs. 1737.00 crore for the year 2013-14, the company could utilize only Rs. 878.80 crore *i.e.* about 38% and Rs. 523.41 crore *i.e.* only 30% of the approved outlays. Similarly, utilization of funds by HCL was also not satisfactory during the year 2013-14. During the first two years of XII Plan, the actual expenditure by HCL was about 14% of XII Plan outlay and against an outlay of Rs. 688.37 crore for the year 2013-14, they could utilize only Rs. 310.28 crore *i.e.* 41% of the allocated funds. In respect of Indian Bureau of Mines (IBM), the plan outlay was Rs. 49.00 crore in BE during the year 2013-14 which was reduced to Rs. 35.00 crore at RE and the expenditure was Rs. 24.75 crore only. The Committee are concerned to note under-utilization of funds for PSUs and attached offices under the Ministry of Mines as they could not fully utilize the funds



during the year 2013-14. While observing under-utilization of Annual Plan by the PSUs and attached offices, the Committee desire that the Ministry should take necessary corrective measures to ensure proper implementation of schemes during 2014-15 so that the scarce funds made available are fully utilized to derive benefits therefrom. The Committee also recommend that the Ministry should ensure for getting allocation of additional funds to ensure increased Gross Budgetary Support and plan outlays of PSUs so that targets of total outlays of Rs. 20553.48 crore as envisaged for utilization during 12th Plan Period is achieved. The Committee are unhappy to note the under-utilization of outlays by NALCO, HCL and IBM during 2012-13 and 2013-14 and recommend that the Government/PSUs and attached offices should analyse the precise reasons in this regard, identify them with a view to taking corrective measures for full utilization of plan funds by the PSUs during the remaining years of 12th Plan.

*Geological Survey of India (GSI)*

2. The Committee note that GSI has ambitious plans for procurement of high precision, sophisticated and state-of-the-art machinery to get better analytical results. Hyperspectral mapping which is one of the sophisticated techniques for Mineral Exploration has been introduced in GSI. The induction of the research vessel R.V. Samudra Ratnakar has added new dimensions to marine research and offshore exploration. The newly acquired heliborne survey system Garuda Vasudha has opened new areas of aerial survey and exploration work. According to the Ministry of Mines, GSI will require additional funds under the Modernization & Expansion head to the tune of Rs. 100 crore during the last two years of the XII Plan i.e. during the years 2015-16 and 2016-17 for procurement of spare parts of heliborne survey system Garuda Vasudha. The Committee further note that for procurement of Geotechnical vessel, GSI has already made provision for payment of the 1st instalment from the budget provided during the year 2014-15. The Committee have been informed that another Rs. 107 crore shall be required during the XII Plan period and Rs. 67.00 crore during the 1st year of the XIII Plan period and GSI may be able to garner its own resources from the allocation already made in the XII Plan period. The Committee feel that the process of further modernization of GSI by introducing sophisticated machinery would help the nation in development of its natural resources and desire that this ongoing modernization programme should not suffer for want of sufficient funds. The Committee, therefore, recommend that the Ministry of

Mines should not only take adequate steps for optimum utilization of sanctioned funds but also ensure to make available adequate funds to GSI to equip it with the latest state-of-the-art technology.

3. The Ministry have informed that after implementation of the High Powered Committee (HPC) recommendations, the sanctioned strength of GSI has been increased from 11,420 to 12,369 and accordingly GSI has taken up the drive to recruit fresh manpower in a phased manner. The sanctioned strength of GSI is reported to be achieved by the year 2018. The Committee expect that keeping in mind ambitious plans of GSI for procurement of high precision, sophisticated and state-of-the-art machinery, GSI needs to accelerate recruitment of manpower and ensure that the same is adequately utilized to achieve the enhanced targets for 2014-15 for locating the mineral resources of the country.

*Indian Bureau of Mines (IBM)*

4. The Committee observe that during 2013-14, against the Plan Budget Estimates (BE) of Rs. 49 crore and Revised Estimates (RE) of Rs. 35 crore, IBM could actually spent Rs. 25.50 crore. The variation in BE 2013-14 and actual 2013-14 were scaled down to the extent of Rs. 23.50 crore by the Ministry of Finance at RE stage and then funds under the scheme 'Mining Tenement System' (MTS) were surrendered due to non-selection of system integrator. Taking note of scaling down of funds by Ministry of Finance at RE stage and subsequent surrendering of funds during 2013-14 due to non-selection of system integrator for MTS, the Committee would like to be apprised of the steps taken by the Ministry/IBM to ensure that enhanced BE of Rs. 53 crore (Plan) are fully utilized during 2014-15.

5. The Committee note that the Review and Restructuring Committee of IBM formed in July 2009 had submitted its report in May, 2012 with 73 recommendations including a proposed human resource development to the tune of additional 933 posts and infrastructure development like new offices, new environmental laboratories, training centers, etc. The Committee in their 34th Report (15th Lok Sabha) on Demands for Grants (2013-14) of the Ministry had recommended the Ministry/IBM to draw up a time frame for the expeditious implementation of restructuring proposal of IBM. The Ministry further apprised the Committee in their Action Taken Reply that out of 73 recommendations, 47 are having financial implication. Out of remaining 26 non-financial recommendations,

11 have been implemented and 5 are under consideration of the Ministry. Remaining 10 recommendations will be implemented during the year 2013-14. The Ministry further apprised the Committee that some of the recommendations of the Review Committee are related to the MMDR Bill, 2011 which has lapsed due to dissolution of 15th Lok Sabha. However, the Committee are concerned to note that the Ministry of Mines in a written reply have informed that they have constituted a Monitoring Committee in May, 2014 to analyse the recommendations. Although, there is inordinate delay of about 2 years in referring the Report of the Review and Restructuring Committee to a Monitoring Committee in May, 2014, the Committee expect that restructuring of IBM which is presently under consideration by the Monitoring Committee be approved without any further loss of time and they be apprised of the implementation of recommendation within three months.

*Investment in Public Sector Undertakings*

*Hindustan Copper Ltd. (HCL)*

6. The Committee observe that HCL had an outlay of Rs. 688.37 crore at BE stage which was reduced to Rs. 383.50 crore at RE stage for the year 2013-14. The actual utilization of fund was, however, Rs. 310.28 crore which comes to 45% of BE. According to the Ministry, the main reasons for shortfall in utilization of funds were delay in getting environmental and forest clearances for expansion of Malanjkhand Copper Project (MP), Chapri-Sidheswar and Rakha Mines Projects, Jharkhand of HCL. The Committee further note that HCL has made an annual plan outlay of Rs. 522.16 crore to implement its schemes/projects during 2014-15. While observing the physical and financial performance of the Company, the Committee find that not only the ore production of 36.57 lakh tonne and 38.27 lakh tonne during 2012-13 and 2013-14 respectively were lower than the target of 40 lakh tonne but there was continuous decline in the production of Copper Cathode during 2012-13 at 29285 MT against target of 35000 MT and was 32276 MT during 2013-14 against the target of 35200 MT. The Committee are also concerned to note the decline in profit after tax from Rs. 355.64 crore during 2012-13 to Rs. 286.42 crore during 2013-14. The Committee find that the company could not get necessary environment and forest clearances resulting in investment of only Rs. 57 crore for Mine Expansion Scheme against a provision of Rs. 570.37 crore during 2013-14. The Committee feel that it would adversely affect the physical and financial performance of HCL in future. The Committee, therefore,

cannot but expect that the funds earmarked for 2014-15 will be optimally utilized as targeted and all bottlenecks would be overcome by taking corrective steps by Ministry/HCL to obviate any further delay in mine expansion plan of the company.

*National Aluminium Company Ltd. (NALCO)*

7. The Committee observe that during 2012-13 and 2013-14 NALCO could not utilize its plan outlays. Against plan outlay of Rs. 2343 crore for NALCO during 2012-13 and revised Estimates of Rs. 1010 crore, the actual utilization was Rs. 878.80 crore. Again, during 2013-14 against Budget Estimates of Rs. 1737 crore and Revised Estimates of Rs. 542.50 crore, the actuals were Rs. 523.41 crore. The Plan Outlay of NALCO during 2014-15 is pegged at Rs. 1181.02 crore. The Committee are unhappy to note the delay in Utkal e-coal mine where NALCO has reportedly expended Rs. 126 crore as on September, 2014, and the Mine is reported to have been de-allocated by Supreme Court Verdict dated 24th September, 2014. As the company is reportedly seeking legal opinion to follow a review petition in Supreme Court to review/reconsider its decision against de-allocation of Utkal e-coal blocks, the Committee would like to be apprised of the present status thereon.

8. The Committee note that the utilization of funds under Addition, Modification and Replacement (AMR) Scheme of NALCO which has direct bearing on the operation of the company resulting in its overall capacity utilization and financial capacity was dismal during 2012-13 and 2013-14. During 2012-13 against an outlay of Rs. 416 crore for AMR Schemes, the revised estimates were Rs. 322 crore and Rs. 310 crore could be spent during the year. The Committee are concerned to note that the Government have cited similar reasons for the lower utilization of funds under AMR scheme for the year 2013-14 as were mentioned by them during 2012-13 like delay in the execution in lean slurry project and execution of work for compound wall etc. The Committee, therefore, expect that the Ministry/NALCO will continuously monitor these ongoing schemes to ensure utilization of entire funds. The Committee also desire that Ministry/NALCO should take necessary steps to ensure full utilization of funds of Rs. 440 crore allocated for AMR Scheme during the financial year 2014-15.

9. As regards the several diversification and joint venture projects being undertaken by NALCO like Wind Power Generation, Nuclear Power Plant in Joint Venture with NPCIL, Alumina Refinery Project

in Gujarat, Solar Power Plant in Rajasthan, etc., the Committee while examining the Demands for Grants (2013-14) of Ministry of Mines had raised doubts about the optimistic diversification plan of NALCO to invest Rs. 1140 crore during 2013-14, as there was Rs.153.30 crore investment during 2012-13 against plan outlays of Rs. 1182 crore for these projects. The Committee are, however, unhappy to note that despite their earlier recommendation to the Ministry/NALCO to ensure the utilization of earmarked funds for these Greenfield Projects by taking corrective measures and strict monitoring, the Company was unable to invest as targeted during 2013-14 and even the Solar Power Project has been dropped. While observing that Greenfield Projects were not diligently pursued by NALCO, the Committee recommend that Ministry/NALCO to draw realistic plans and take necessary steps to ensure that outlays of Rs. 592.16 crore for Greenfield Projects during 2014-15 are fully utilized as targeted.

*Mineral Exploration Corporation Ltd. (MECL)*

10. The Committee observe that MECL is carrying out mineral exploration activities and is the premier exploration agency in the country. It carries out its exploration activities under promotional programme funded by Government of India and contractual programme on behalf of other agencies including Public Sector & Private Sector and State Government(s) on mutually agreed terms and conditions. The Committee are, however, unhappy to note that though allocation of Rs. 9 crore for promotional drilling during 2013-14 were fully utilized, the actual capital expenditure was only Rs. 8.72 crore against Budget Estimate (BE) and Revised Estimate (RE) of Rs. 20 crore. The reasons put forward by the Ministry of Mines for variation in actual and BE and RE for capital expenditure that procurement through tender procedure is time consuming is not acceptable to the Committee and they feel that these could have been foreseen while making provision of funds for procurement of equipment. The Committee while observing lack of responsibility shown by the management of MECL for delaying the replacement of old plants and machineries, recommend that the Government must ensure that the provision of Rs. 18.71 crore during 2014-15 for capital investment by MECL be fully utilized.

11. The Committee note that as far as the achievement in drilling and associated activities are concerned, the actual performance of MECL has fallen far short of the targets during 2011-12 and 2012-13. While the target for drilling in 2011-12 was 6700 m, the achievement was only 4780 m. Similarly, against the target of 6520 m during 2012-13, the achievement was 6189 m. However, against the anticipated targets of 7550 m of drilling, the achievements

during 2013-14 were 8389 m. The Committee have been further given to understand that MECL made satisfactory progress in the ongoing projects like Paharadia Gold Prospect, West Singhbhum district, Jharkhand; Parasi (East) for Gold, Ranchi district, Jharkhand; Gurla South Block for Lead-Zinc, Bhilwara District, Rajasthan; Lumthalary block for Limestone, Jaintia Hills district, Meghalaya; and Parasi (West) Block for Gold, Ranchi District, Jharkhand. The Committee are, however, concerned to note that against the target of 4225 m of drilling in Ajjanahalli East Block-A for Gold, Tumkur district, Karnataka, only 1660 m of drilling was completed and the work was suspended for want of forest clearance. The Committee, therefore, recommend that Ministry of Mines/MECL to take adequate and advance steps and seek necessary approvals to enhance mineral exploration programme. The Committee would also like to apprise of the present status of Nimi-Pyakatsu Limestone Project in Nagaland, the work on which was suspended during 2011-12 due to heavy rain and was again taken up in 2013-14.

*Implementation Status of the Recommendations contained in 34th Report of the Committee*

12. The Committee have analyzed the implementation of the observations/recommendations contained in their Thirty-Fourth Report (15th Lok Sabha) on Demands for Grants for the year 2013-14 of the Ministry of Mines. The analysis of the Committee shows that out of the 12 recommendations pertaining to the Ministry of Mines contained in their Report, 1 recommendation (Recommendation Sl. No. 3) has been implemented by the Government. 2 recommendations (Recommendation Sl. Nos. 7 and 8) are under the process of being implemented by the Ministry, the reply in respect of 9 recommendations (Recommendation Sl. Nos. 1, 2, 4, 5, 6, 9, 10, 11 and 12) indicate that these are yet to be implemented by the Government. The Committee would review the implementation of recommendations by the Ministry in due course. The Committee, therefore, wish that the process of implementation of the recommendations under process be also expedited at the earliest and they be apprised of the same.

NEW DELHI;  
19 December, 2014  
28 Agrahayana, 1936 (Saka)

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

## Object Head-wise Budget Estimates

(Rs. in crore)										
1	2	BE 2013-2014			RE 2013-2014			BE 2014-2015		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
		3	4	5	6	7	8	9	10	
1.	Direction & Administration (Secretariat Proper) Ministry of Mines	0.00	21.50	21.50	0.00	18.65	18.65	0.00	20.00	20.00
2.	Non-Ferrous Metals									
	(i) National Aluminium Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total: Aluminium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Hindustan Copper Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total: Copper	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total: Non-Ferrous Metals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Other Mining and Metallurgical Industries									
	Mineral Exploration Corpn. Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

1	2	3	4	5	6	7	8	9	10
(a) Investment in equity									
(b) Loan									
(c) Non-Plan Loan									
Total: Other Mining & Metallurgical Industries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Survey, Exploration, Regulation & Development of Mines									
(i) Geological Survey of India									
(a) Revenue	136.10	450.33	586.43	136.10	416.54	552.64	360.83	455.92	816.75
(b) Capital	238.00	0.00	238.00	341.14	0.00	341.14	86.50	0.00	86.50
Total (a)+(b)	374.10	450.33	824.43	477.24	416.54	893.78	447.33	455.92	903.25
(ii) Indian Bureau of Mines									
(a) Revenue	42.95	52.50	95.45	29.45	49.00	78.45	46.99	53.52	100.51
(b) Capital	1.05	0.00	1.05	0.55	0.00	0.55	0.71	0.00	0.71
Total (a) + (b)	44.00	52.50	96.50	30.00	49.00	79.00	47.70	53.52	101.22
(iii) Grants to MECL	9.00	0.00	9.00	9.00	0.00	9.00	10.00	0.00	10.00



1	2	3	4	5	6	7	8	9	10
(iv) Grants to BGML	0.00	1.50	1.50	0.00	3.50	3.50	0.00	1.50	1.50
(v) Science & Technology	4.00	10.40	14.40	2.00	7.72	9.72	20.30	5.47	25.77
(vi) International Cooperation	0.00	0.25	0.25	0.00	0.25	0.25	0.00	0.25	0.25
(vii) National Mineral Awards	0.00	0.60	0.60	0.00	0.60	0.60	0.00	0.60	0.60
Total: Survey, Exploration, Regulation & Development of Mines	431.10	515.58	946.68	518.24	477.61	995.85	525.33	517.26	1042.59
5. Lump sum provision to North Eastern Region & Sikkim									
(i) Geological Survey of India	17.90	0.00	17.90	17.90	0.00	17.90	36.37	0.00	36.37
(ii) Indian Bureau of Mines	5.00	0.00	5.00	5.00	0.00	5.00	5.30	0.00	5.30
Total: Lump sum provision to North Eastern Region & Sikkim	22.90	0.00	22.90	22.90	0.00	22.90	41.67	0.00	41.67
6. Construction	13.00	0.00	13.00	7.00	0.00	7.00	83.00	0.00	83.00
Grand Total:	467.00	537.08	1004.08	548.14	496.26	1044.40	650.00	537.26	1187.26

## Scheme-wise/Organization-wise, BE, RE and Actuals of 2012-13, 2013-14 and BE 2014-15

Sl.No.	Name of the Schemes/ Projects/Programmes	2012-13			2013-14			2014-15	
		BE	RE	Actual Exp	BE	RE	Actual Exp	BE	RE
1	2	3	4	5	6	7	8	9	
I.	GEOLOGICAL SURVEY OF INDIA								
1.	Survey & Mapping	36.86	36.86	43.00	65.05	65.05	65.66	152.46	
2.	Mineral Exploration	22.60	22.60	21.80	23.00	23.00	21.77	35.23	
3.	Specialised Investigation	4.45	4.45	1.17	7.00	7.00	5.00	5.80	
4.	R&D and Antarctica	7.05	7.05	2.27	6.35	6.35	6.57	20.86	
5.	Information & Dissemination	16.45	16.45	2.36	14.60	14.60	14.27	97.17	
6.	Human Resource Development	10.85	10.85	4.88	5.50	5.50	7.15	13.51	
7.	Modernisation & Replacement	68.58	158.17	149.08	245.44	348.58	347.82	102.95	
8.	Tribal Sub-Plan	7.76	7.76	6.86	7.16	7.16	8.55	19.35	
9.	Provision for NER	19.40	19.40	20.45	17.90	17.90	17.70	36.37	
TOTAL (GSI):		194.00	283.59	251.87	392.00	495.14	494.49	483.70	

1	2	3	4	5	6	7	8	9
II.	INDIAN BUREAU OF MINES							
1.	Scheme No. 1 : Inspection of Mines for Scientific and Systematic Mining, Mineral conservation and mine environment	6.54	8.39	7.67	14.79	17.94	12.88	15.35
2.	Scheme No. 2 : Mineral Beneficiation studies utilisation of low grade and subgrade ores and analysis of environmental samples	5.73	5.73	6.03	6.34	5.91	5.46	6.81
3.	Scheme No. 3 : Technical Upgradation and modernisation	3.89	3.89	3.89	4.01	3.89	3.79	5.78
4.	Scheme No. 4 : Collection processing, dissemination of data on mines and minerals through various publications	2.15	2.15	1.88	2.50	2.32	1.80	2.64
5.	Scheme No. 5 : Computerized Online Register of Mining Tenement systems	0.80	0.80	0.80	13.55	3.40	0.82	15.00
6.	Scheme No. 6 : Capacity Building of State Governments: Development and Implementation of Ore accounting Software	0.50	0.50	0.16	0.85	0.14	0.14	

1	2	3	4	5	6	7	8	9
	7. Tribal Area Sub Plan Tribal Welfare Fund	0.96	0.96	0.00				2.12
	8. Capital Expenditure (Works Outlay)	0.01	0.01	0.00				
	9. NER			2.40				5.30
	10. Tribal Sub-Plan			0.96				
	11. Capacity Building of State Govts. Development implementation of Ore accounting software by NIC			0.50				
	12. New Schemes							
	TOTAL (IBM) :	20.58	22.43	24.29	42.04	33.60	24.89	53.00
III.	MECL – Promotional	10.00	10.00	8.50	9.00	9.00	9.00	10.00
	TOTAL (MECL) :	10.00	10.00	8.50	9.00	9.00	9.00	10.00
IV.	SCIENCE & TECHNOLOGY PROGRAMMES	4.00	4.00	4.00	4.00	2.00	2.00	20.30
V.	CONSTRUCTION							
	GSI	10.00	10.00		10.00	5.00		80.00
	IBM	1.00	1.00	10.53	3.00	2.00	6.10	3.00
	Total Construction			10.53	13.00	7.00	6.10	83.00
	GRAND TOTAL : MINISTRY OF MINES							650.00

**Physical Achievements vis-a-vis Targets of GSI XII Plan  
(Till August 2014)**

The physical targets and achievements of the schemes followed in GSI with their status at present in the XII Plan are given below:

Mission/Nature of Survey/Work	Name of the Scheme/Project/Programme	Target 2012-13	Achievement 2012-13	Target 2013-14	Achievement 2013-14	Target 2014-15	Achievement 2014-15 (Apr. to Aug.)	Prorata target upto Aug. 2014
1	2	3	4	5	6	7	8	9
MISSION-I (a) Ground Survey	(i) Systematic Geological Mapping (sq. km)	1,960	1,289*	2,000	2,640	700	9	Nil; Regular field work will start in October 2014
	(ii) Spl. Thematic Mapping (sq. km)	15,000	21,566.5	18,000	20,411.5	18,000	584.3	
	(iii) Geochemical Mapping (sq. km)	46,000	80,317	75,000	92,275.5	85,000	1924	
	(iv) Geophysical Mapping (sq. km)	22,000	27,535	27,000	34,398	33,000	3852	

1	2	3	4	5	6	7	8	9
(b) Aerial Survey	(i) Multisensor/Aeromagnetic Survey (with Twin Otter (1 km)	25,000	–	30,000	52,380	33000	0	Prorata targets not assigned
	(ii) Heliborne Survey (1 km)	10,000	–	15,000	165	18000	300	
(c) Marine Survey	1. Bathymetric Survey (1 km)	5,000	4,596	3,000	9,630	8,000	1655	Prorata targets not assigned
	2. Magnetic (1 km)	1,700	3,923	3,000	5,531	10,000	180	
	3. Swath Bathymetry (sq.km.)	50,000	59,342	40,000	57,382	60,000	14170	
	4. Systematic coverage within TW (sq.km)+ Parametric Survey	1,700	1,775	1,500	2,375	1,650	0	
MISSION-II	(a) Large Scale Mapping (LSM) (sq. km.)	2,500	4,916.6	4,500	5,263.65	4500	274.19	46.65
NATURAL								
RESOURCES	(b) Detailed mapping (DM) (sq. km.)	40	45.43	50	62.525	50	3.18	Nil
	(c) Drilling (meter)	66000	70,006.95	70,000	68,037	71,000	26588.8	26980

The highlights of the work done in XII five year plan is given below, Mission-wise:

#### **Mission-I: Baseline Geoscience Data generation**

##### **Systematic Geological Mapping**

Out of the 3.146 million sq km mappable area, 3.099 million sq km have so far been covered by systematic mapping, bringing the total coverage to 98.51%. During FS 2013-14 till March 2014 Systematic Geological Mapping of an area of about 2640 sq km in parts of Golapara, Kamrup, Darrang districts of Assam; Churachandpur district of Manipur and Peren, Dimapur, Kiphire, and Phek districts in Nagaland has been completed.

##### **Specialised Thematic Mapping (STM)**

Against an initially set target of 2,40,000 sq km area, Specialized Thematic Mapping of 2,08,681 sq km has been achieved since the initiation of this category of specialized mapping. During FY 2012-13 an area of 21566.50 sq km has been covered and during FS 2013-14 an area of 20411.5 sq km was covered by specialised thematic mapping.

##### **Geophysical mapping**

A total of 2,34,915.8 sq km area is completed by ground gravity survey and magnetic (VF or TF) survey on 1:50,000 scale. During FY 2012-13 an area of 27,535 sq km has been covered under GPM programme. During FS 2013-14 an area of 34398 sq km was covered under GPM programme.

##### **Geochemical mapping**

During FY 2012-13 an area of 80,317 sq km covered systematically under the National Geochemical Mapping Programme. Till FS 2012-13, 10.21% of the mappable landmass equivalent to 3,34,734 sq km spreading over about 405 toposheets has been covered. During FY 2013-14 an area of 92,275.5 sq km was covered systematically under the National Geochemical Mapping Programme, spreading over about 618 toposheets.

##### **Remote Sensing and Airborne Survey**

The survey work over the western off shore of India (Vengurla-Jamnagar area) and Chandrapur-Brahmapuri area, Maharashtra covered 52,380 sq km during the FS till the month of March 2014.

A proposal for National Geomorphological and Lineament Mapping on 1:50,000 scale was approved with GSI and ISRO as nodal agencies for quality and execution. As per the project proposal the entire work

was to be carried out through outsourcing and 32 partner institutes under the control of National Remote Sensing Center (NRSC) as working centers were selected. The geo-referenced LISS-III data along with manual and NRCGeom software developed by them handed over in February, 2010 to different partner institutes. The Standard Operating Procedure (SOP) document for External Quality Check (EQC) was finalized by GSI and NRSC. PGRS Divisions of GSI were entrusted with the responsibility of external quality checking (EQC) and project execution. External Quality Checking of 5847 sheets of India (*i.e.* total target) is completed which include 4018 full sheets (out of 4018) and 1829 part sheets (out of 1829) till March 2014.

Hyper spectral remote sensing studies which were carried out in 2012-13 under five programmes are eastern part of Singhbhum copper belt, Jharkhand and Bhimtanagar block of Sukinda chromite belt, Odisha; western part Singhbhum copper belt, Jharkhand and SukindaKhas block of Sukinda chromite belt, Odisha; alteration/mineralized zone of Baula complex, Kendujhar district, Odisha; generation of spectral library in parts of Sakoli belt, Bhandara district, Maharashtra; development of Spectral Library over Nuggihalli Schist Belt of Western DharwarCraton. Hyper spectral remote sensing studies carried out in 2013-14 in eastern part of Singhbhum copper belt, Jharkhand and Bhimtanagar block of Sukinda chromite belt, Odisha; western part Singhbhum copper belt, Jharkhand and SukindaKhas block of Sukinda chromite belt, Odisha; Nuggihalli-Aladahalli Schist Belt and environs of Western DharwarCraton are continuing from the 2012-13 along with a new Item of Development of spectral database of alteration/mineralized zones of Gorubathan and Pedong Lead-Zinc deposits, Darjeeing district, West Bengal.

### **Marine & Coastal Surveys**

During FS 2012-13, 4596 sq km of bathymetry, 3923 sq km of magnetic survey and 59,342 sq km multibeam swath bathymetry has been completed by the cruises of RV Samudra Manthan. In addition, systematic coverage in Territorial Water and EEZ for 1775 sq km has been covered by RV Samudra Kaustubh and RV Samudra Shaudhikama along with coverage of 4616 sq km bathymetry, 2339 1km of shallow seismic, 2195 sq km magnetic and 232.5 sq km multibeam bathymetry. During FS 2013-14 9,630 sq km of bathymetry, 5531 sq km of magnetic survey and 57,382 sq km multibeam swath bathymetry has been completed by the cruises of RV Samudramanthan and RV SamudraRatnakar in EEZ. In addition RV SamudraKaustubh and RV SamudraShaudhikama has covered 2820 sq km bathymetry survey, 1241 sq km magnetic survey and 1171 sq km seismic survey in the territorial water.

Out of the total EEZ area of 20.14 lakh sq km, marine reconnoitary survey has been carried out in 1984578 lakh sq km, till March, 2014. Out of 1,50,000 sq km of Territorial water, 131205 sq km area was covered by marine survey.



## Mission-II: Natural Resources Assessment

During 2012-13, a total of 124 (excluding one offshore mineral investigation) items were taken up in which 98 are under 'Mineral resource assessment' (ores and minerals) and 26 belong to 'Natural energy resources' (except Oil & Gas) [coal and lignite]. While undertaking these projects Large Scale Mapping of 4916.59 Sq km, Detailed Mapping of 45.43 Sq km and Drilling of 70006.95 meter were completed. During the 2013-14, a total of 138 (excluding four offshore mineral investigation.) items were undertaken in which 110 were under 'Mineral resource assessment' (ores and minerals) and 29 belong to 'Natural energy resources' (except Oil & Gas) [coal and lignite]. Till March 2014 Large Scale Mapping of 5027 Sq km, Detailed Mapping of 62.525 Sq km area were covered along with Drilling of 23,254.20 meter.

Augmentation of Major Minerals reported by GSI during the XII Plan (till August 2014) is given in the Table below:

**Table—COMMODITY WISE RESOURCE AUGMENTATION**

Sl.No.	Ore	Resource Reported (on 21.01.2013) to National Mineral Inventory for 2012-13 (In Million Tonnes)	Resource Reported (on 17.01.2014) to National Mineral Inventory for 2013-14 (In Million Tonnes)
1.	Coal	3171.62	1852.78
2.	Lignite	483.60	—
3.	Copper	25.652	31.83
4.	Lead-Zinc	0.35	1.19
5.	Iron	29.24	44.23
6.	Manganese	1.284	0.343
7.	Bauxite	173.96	—
8.	Limestone	33.86	325.68
9.	Gold	4.013	3.417
10.	Molybdenum	0.04	—
11.	Rock Phosphate	0.9	2.657
12.	Silver	—	2.32

Some important finds in these two years are—

- In Khera block, Mundiyawas-Khera, Alwar district, Rajasthan, an Inferred resource (333) of 23.46 million tonnes (Cu) + 1.32 million tonnes (Au) +1.51 million tonnes (Ag) with 0.28 % Cu,

0.66 g/t Au, 6.55 g/t Ag has been estimated. In Gundelapara NW Block of Banswara district, Rajasthan, the cumulative thickness of Gold mineralized zones (2 to 7 zones) intersected in each borehole ranging from 2.90m to 31.45m and average grade from 1.05 g/t to 2.13 g/t.

- In Vellakkal Central Block, Krishnagiri District, Tamil Nadu, Inferred resource (333) of 47,986 (tonnes) of molybdenum ore with 0.0518% for (500 ppm minimum average grade), 84,966 (tonnes) with 0.0339% for (300 ppm minimum average grade) and 2,10,032 tonnes with 0.0223% for (100 ppm minimum average grade) has been estimated.
- In Chakoriya-Charka area of Sonbhadra district, Uttar Pradesh the mineralized zone extends up to a strike length of about 800 m, intermittently, and width varies from 1.5 to 4 m. 20 grab spot samples, so far, have given more than 1 ppm Gold value. The maximum Au value recorded to be 20.5 g/t from one grab sample from Parsoimineraised zone.
- In Saharwa-Daryapur, Hissar and Bhiwani district, Haryana, a Reconnaissance resource (334) of 2.18 million tonnes of gypsum with 57.83 % (CaSO<sub>4</sub> 2H<sub>2</sub>O) has been estimated.
- In Ajjanahalli-Block D, Tumkur district, Karnataka, an Inferred resource (333) of 1.5 million tonnes with 0.94g/t of Au has been estimated.
- In, Sagasahi East block, Sundargarh district Odisha exploration was carried out for assessment of Iron ore potential. The cumulative thickness of ore bodies intersected in boreholes at 55% Fe cut off varies from 2.0m to 90m and has an average iron content varying from 61.77% to 64.97%.
- In Damurda South Block, Kendujhar district, Orissa, Inferred resource (333) of 1.20 million tonnes of manganese ore (20% cutoff) has been estimated with average grade of 29.35% Mn.
- In Savali and Mohgaon blocks along the Parseoni extension lying in Nagpur district of Maharashtra, inferred Manganese ore resource (333) of 64152 tonnes with 7.65% Mn, 1312.2 tonnes with 25.12% Mn and reconnaissance resource(334) 0.014 million tonnes with 11.01% Mn has been estimated.
- In Piploda and Dhanpura-Khatama Blocks of Jhabua district Madhya Pradesh a tentative resource of 2,79,625 tonnes of Phosphorite with average 16.44% P<sub>2</sub>O<sub>5</sub> (cut off 5% P<sub>2</sub>O<sub>5</sub>) has been estimated in Piploda Block.
- Along the eastern extension of Khatama Block, in Dhanpura-Khatama and in Piploda block lying in the Jhabua district of Madhya Pradesh, an inferred resource (333) of 614615.63 tonnes of phosphorite (Piploda) with 15% P<sub>2</sub>O<sub>5</sub> and 275705.13 tonnes in (Khatama block) with 7.858% P<sub>2</sub>O<sub>5</sub> has been estimated.

- In Shivpura, Banswara district, Rajasthan, a Reconnaissance resource (334) of 20,750 tonnes of phosphorite with 13.44% P<sub>2</sub>O<sub>5</sub> has been estimated.
- In Lokapur, Bagalkot district, Karnataka, a reconnaissance resource (334) of 5.245 million tonnes of limestone has been estimated.
- In Vaddemanu Block, Gargeypuram Block, Kurnool District, Andhra Pradesh, Reconnaissance resource (334) of 3125 million tonnes of cement grade limestone has been estimated.
- In Umphryluh Block, Jaintia Hills district, Meghalaya, an inferred resource (333) of 261.46 million tonnes of limestone with 47.00% CaO (333) has been estimated.
- In Tantar Block, Dindori district, Madhya Pradesh 173.960 million tonnes (334) of Metallurgical Grade II of bauxite ore with average of 49.7% Al<sub>2</sub>O<sub>3</sub> was estimated.
- During F.Y. 2012-13 GSI had estimated 3171.62 million tonnes of coal resource in the states of West Bengal, Odisha, Chhattisgarh, Madhya Pradesh, Maharashtra and Andhra Pradesh (including Telengana) and 483.60 million tonnes of lignite in the states of Tamil Nadu, Rajasthan and West Bengal.

### **Mission-III: Geoinformatics**

A Map service depicting 1: 2 Million Geology of India was made available over the Internet. A Map service depicting 1: 50K Geology of India was made available over the intranet. During the period April, 2012 to March, 2013 total released publications are 27 nos. and maps 20 nos. Out of 4,905 (topo-sheets) Geological maps on 1:50,000 scale 4,704 maps had been uploaded to the portal. 34,009 metadata of unpublished reports had been uploaded to GSI Portal till March, 2013 along with the uploading of 14,084 unpublished reports. During the period April, 2013 to March, 2014 total released publications are 23 nos. and maps 89 nos.

Multi-level data integration and modelling projects have been initiated in Singhbhum shear zone, Bhukia gold belt, Ramagiri schist belt, Sakoli belt and extension of Delhi Supergroup of rocks from the year 2013-14. It aims to find out new target areas for these mineral deposits through integration of geological, geochemical, geophysical (both ground- and aero), structural and geochronological data, creation of 3-D models and extrapolation. Collection and integration of these data are in progress and the work is now on its final year of completion.

#### **Mission-IV: Fundamental & Multidisciplinary Geosciences and Special studies**

GSI has taken up research projects on PGE Exploration, polymetallic minerals, coal, gold exploration etc. in collaboration with the exploration geologists which have opened up new areas of interest. Other research work like stratigraphic correlation, palaeontology, experimental petrology which lead to a more avid understanding of earth sciences shall also be pursued by GSI with equal zest. During FS 2012-13, in Multidisciplinary Geosciences 89 items were taken up and in R & D activities, 36 items taken up and completed. There has been two meteorite falls in the country recently, one at Katol in Maharashtra and another at Jalangi in West Bengal. GSI has collected samples of both these meteorites for scientific studies. GSI also continues to participate in Antarctic and Arctic expeditions to carry out research oriented projects in the frozen continents as well as for understanding of environmental issues. Glaciological studies carried out in the upper Himalayas through Palaeoclimatic reconstruction, identification of signatures of palaeoglaciation, change in climate etc. Landslide hazard zonation study on macro scale *i.e.* 1:50,000/1:25,000 scale carried out the in the states of Arunachal Pradesh, Uttarakhand, Maharashtra, Kerala and Tamil Nadu. Site specific investigation including monitoring items carried out in the states of Tamilnadu and Kerala. During this period, GSI undertook studies of active faults (study of source region of earthquake) and seismic micro-zonation (site of interest) of urban agglomerations in various cities and geological domains of the country.

#### **Mission-V: Training & Capacity building**

GSITI conducted, in collaboration with Osmania University, a two-semester post PG diploma course in Use of Geostatistics in Earth Sciences. The First Post PG Diploma in Geoinformatics started during the academic year 2011-12 and completed in May 2012. A total no. of seven students were awarded certificate upon successful completion of the course and all the students got job placement immediately. The 2nd Post PG Diploma in Geoinformatics for the academic year 2012-13 commenced from 17.09.2012. In collaboration with Andhra University, Visakhapatnam, GSITI had started a Post-PG Diploma Course in Mineral Exploration and resource evaluation at Centre for Training and Research in Mineral Exploration (CTRME), Geological Survey of India Training Institute, Hyderabad from the academic year 2013-14. The course is designed in a fashion to provide the students the critical understanding of the mineral exploration practices through infusion of modern technology in order to meet the mineral sector demands. Although 80 courses were scheduled for the FS 2012-13. but due to the necessity

and demand 20 more course were taken up and in total 100 courses were completed till March 2013 while four more courses continued and completed after March 2013. During F.S. 2013-14 a total of 74 courses were completed and three courses initiated which continued in F.S. 2014-15. GSITI had imparted training to earth scientists from African Countries. Under the India-Africa Forum Summit, two courses, which were approved by the Ministry of External Affairs, were conducted for the benefit of African Nationals. These include training courses on Remote Sensing and Digital Image Processing and Geographic Information System.

The revised estimated cost of each scheme of the XII Plan is given below:

(Rs. in crores)						
Schemes	2012-13 Actual Exp.	2013-14 Actual Exp.	2014-15 Allocated	2015-16 Projected	2016-17 Projected	Total XII Plan
1. Survey & Mapping	49.50	71.66	165.84	150.00	150.29	587.29
2. Mineral Exploration	25.16	25.02	42.04	55.00	44.68	191.90
3. Spl. Investigation & Antarctica Expd.	7.69	6.00	8.17	8.50	8.90	39.26
4. Research & Development	8.36	8.25	25.89	14.00	8.85	65.35
5. Information Dissemination	15.27	15.67	101.57	38.00	40.00	210.51
6. Human Resource Development	5.62	7.75	15.21	8.00	7.76	44.34
7. Modernisation & Replacement	152.48	351.49	105.98	30.01	38.05	678.01
8. Tribal Area sub Plan (TSP)	7.51	8.55	19.00	12.50	12.20	59.76
Total	271.59	494.39	483.70	316.01	310.73	1876.42
Construction Budget of GSI						128.00
GRAND TOTAL						2004.42

The schemes of GSI are continuous in nature. However, the projects taken up under each scheme changes every year.

Time and cost overruns may occur under Modernization and Replacement scheme for the project GTV since the necessary approvals have not been received. However, even if approvals are received, the time lines cannot be adhered to for the current F.Y. due to lack of sufficient processing time following all the government laid down procedures and also the ship building time lines shall get delayed.

The OCBIS project under Mission Information and Dissemination is six year project passing well into the XIII Plan from the XII Plan. The other schemes are expected to adhere to the time schedule.

ANNEXURE IV

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL  
AND STEEL HELD ON 16th OCTOBER, 2014 IN COMMITTEE ROOM  
'G-074', PARLIAMENT LIBRARY BUILDING, NEW DELHI

The Committee sat from 1500 hrs. to 1700 hrs.

PRESENT

Shri Hansraj G. Ahir — *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri A. Arunmozhithevan
3. Shri Kalyan Banerjee
4. Shrimati Jyoti Dhurve
5. Shri Shailesh Kumar
6. Dr. Banshilal Mahato
7. Shri Godam Nagesh
8. Shri Devji M. Patel
9. Shrimati Riti Pathak
10. Shrimati Ranjit Ranjan
11. Shri Tamradhwaj Sahu
12. Shri Tathagata Satpathy
13. Shri Janardan Singh "Sigriwal"
14. Shri Pashupati Nath Singh
15. Shri Sushil Kumar Singh
16. Shri Rama Kishore Singh

*Rajya Sabha*

17. Shri Ali Anwar Ansari
18. Dr. Pradeep Kumar Balmuchu
19. Shri B.K. Hariprasad
20. Shri Jugul Kishore
21. Shri Avinash Pande

22. Dr. Satyanarayan Jatiya
23. Shri Sanjay Raut
24. Shri Nand Kumar Sai
25. Shri Dilip Kumar Tirkey

#### SECRETARIAT

1. Shri Abhijit Kumar — *Joint Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Additional Director*

#### WITNESSES

#### MINISTRY OF MINES AND ITS PSU's

1. Dr. Anup K. Pujari — Secretary
2. Shri R. Sridharan — Additional Secretary
3. Smt. Sujata Prasad — Joint Secretary & FA
4. Shri Arun Kumar — Joint Secretary
5. Shri Naresh Kumar — Joint Secretary
6. Shri Niranjana Kumar Singh — Joint Secretary
7. Shri Sudhaker Shukla — Economic Advisor
8. Shri Harbans Singh — DG, GSI
9. Shri K. Thomas — CG, IBM
10. Shri Ansuman Das — CMD (IC), NALCO
11. Shri K. D. Diwan — CMD, HCL
12. Dr. Gopal Dhawan — CMD, MECL

2. At the outset, the Chairperson welcomed the Secretary and other representatives of the Ministry of Mines to the sitting of the Committee convened in connection with examination of "Demands for Grants (2014-15)" of the Ministry of Mines.

3. Thereafter, a visual presentation was made by the representatives of the Ministry of mines. The Committee then broadly discussed the issues relating to Budgetary allocation; Plan and Non-Plan outlays of the Ministry of Mines; generation of new technology for survey of mineral exploration by GSI; physical and financial targets and achievements of NALCO, under utilization of funds by NALCO; measures taken by the Government/NALCO to enhance the production of Bauxite



and Aluminum; cancellation of Coal Blocks for Utkal E Coal Project; proposal for participating 49% joint venture by NALCO with Gujarat Mineral Development Corporation (GMDC); decline in profit of HCL; closure of mines of HCL, etc.

4. The Members raised their concerns on the above issues and sought clarifications from the representatives of the Ministry of Mines. The Chairperson directed the representatives of the Ministry of Mines to furnish written replies to the queries raised by the Members which could not be responded to.

A copy of verbatim proceedings of the sitting of the Committee has been kept on record.

*The Committee then adjourned.*

ANNEXURE V

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL  
AND STEEL HELD ON 19 DECEMBER, 2014 IN COMMITTEE ROOM 'C',  
GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1530 hrs.

PRESENT

Shri Rakesh Singh — *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri A. Arunmozhithevan
3. Shri Kalyan Banerjee
4. Smt. Jyoti Dhurve
5. Shri Faggan Singh Kulaste
6. Shri Godam Nagesh
7. Shri Devji M. Patel
8. Smt. Riti Pathak
9. Smt. Ranjit Ranjan
10. Shri Neiphiu Rio
11. Shri Tathagata Satpathy
12. Shri Janardan Singh "Sigriwal"
13. Shri Pashupati Nath Singh
14. Shri Rama Kishore Singh

*Rajya Sabha*

15. Shri Sanjay Raut
16. Shri Nand Kumar Sai

SECRETARIAT

- |                        |   |                            |
|------------------------|---|----------------------------|
| 1. Shri Shiv Singh     | — | <i>Joint Secretary</i>     |
| 2. Shri Arvind Sharma  | — | <i>Additional Director</i> |
| 3. Ms. Miranda Ingudam | — | <i>Under Secretary</i>     |

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

3. The Committee thereafter took up for consideration the following Draft Reports:—

- |       |   |    |    |    |    |
|-------|---|----|----|----|----|
| (i)   | **  | ** | ** | ** | ** |
| (ii)  | Draft Report on “Demands for Grants(2014-15)” of the Ministry of Mines; |    |    |    |    |
| (iii) | **  | ** | ** | ** | ** |
| (iv)  | **  | ** | ** | ** | ** |
| (v)   | **  | ** | ** | ** | ** |
| (vi)  | **  | ** | ** | ** | ** |

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairman to finalise the Reports on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

*The Committee then adjourned.*

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\*\*Do not pertain to this Report.

