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**STANDING COMMITTEE ON
COAL, MINES AND STEEL
(2021-2022)**

SEVENTEENTH LOK SABHA

MINISTRY OF MINES

**DEMANDS FOR GRANTS
(2022-23)**

TWENTY NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

MARCH, 2022 / CHAITRA, 1944 (SAKA)

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(2022-23)**

Presented to Lok Sabha on 22.03.2022

Laid in Rajya Sabha on 22.03.2022



**LOK SABHA SECRETARIAT
NEW DELHI**

MARCH, 2022/CHAITRA, 1944 (SAKA)

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**COMPOSITION OF THE STANDING COMMITTEE ON
COAL, MINES AND STEEL(2021-2022)**

Chairperson - Shri Rakesh Singh

Lok Sabha

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

Rajya Sabha

22. Shri Subrata Bakshi
23. Dr. Vikas Mahatme
24. Dr. Prashanta Nanda
25. Shri Ram Vichar Netam
26. Shri Samir Oraon
27. Shri Deepak Prakash
28. Shri Dhiraj Prasad Sahu
29. Shri Shibu Soren
30. Shri Prabhakar Reddy Vemireddy
31. Shri B. Lingaiah Yadav

SECRETARIAT

- | | | |
|----|---------------------|-----------------|
| 1. | Smt. Anita B. Panda | Joint Secretary |
| 2. | Shri Arvind Sharma | Director |
| 3. | Smt. Madhu Tandon | Under Secretary |

#Nominated to the Committee w.e.f 07.02.2022 vice Dr. Lorho S. Pfoze

INTRODUCTION

I, the Chairperson, Standing Committee on Coal, Mines and Steel having been authorized by the Committee to present the Report on their behalf, present this Twenty-ninth Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) 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 09.2.2022. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal, Mines and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Mines on 22.02.2022.

4. The Report was considered and adopted by the Committee at their sitting held on 21.3.2022.

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;
21 March, 2022
30 Phalguna, 1943 (Saka)**

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

REPORT
PART-I
CHAPTER-I
INTRODUCTORY

Mining sector is an important segment of the Indian economy. The Country is well-endowed with mineral resources, both metallic and nonmetallic like coal, bauxite, lime-stone, iron ore, manganese, copper ore etc., which serve as vital raw material for many industries and are a major resource for industrial and infrastructural development. Since independence, there has been a pronounced growth in mineral production both in terms of quantity and the value as well. India produces as many as 95 minerals, which includes 4 fuel, 10 metallic, 23 non-metallic, 3 atomic and 55 minor minerals* (including building and other materials like ordinary sand, gravel, clay, boulder, brickearth etc.)

1.2 While the total value of mineral production has been steadily increasing over the years, development of Mining Sector is essential for the country's development in industrial sector. India needs capacity building in geosciences, transfer of technology in mining sector as well as acquisition of mining assets abroad by public and private sector. As per the Annual Report (2021-22) of the Ministry of Mines, it is engaged to strengthen its cooperation in the area of geology and mineral resources with mineral rich countries to ensure the seamless supply of the minerals particularly those which are not produced in the country. Also, its International Cooperation Division has been engaged in collaboration with countries like Australia, Russia, African and Latin American countries. Further to attract foreign investment in Indian mining sector, India has been participating in various International Mining events by setting up India Pavilion, making presentations before the delegates about the recent

**As per Section 15 of the MMDR Act, the administration of mining of minor minerals is completely within the domain of the respective State Governments.*

reforms and opportunities in mining sector in India. There is National Mineral Policy, 2019 in place, which aims to have a more effective, meaningful and implementable policy to bring in transparency, regulation and enforcement as well as sustainable mining practices.

1.3 According to the Annual Report, the Ministry of Mines is responsible for survey, exploration and mining of all minerals, other than natural gas, petroleum and atomic minerals and coal. In the case of atomic minerals and coal, the role of the Ministry is limited to regional exploration. The Ministry is responsible for the administration of the Mines and Minerals (Development and Regulation) Act, 1957, (67 of 1957) and rules made thereunder in respect of all mines and minerals other than coal, natural gas and petroleum and atomic minerals. The Ministry also administers the Offshore Areas Mineral (Development and Regulation) Act, 2002 and rules made there under. The Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) is the Central Act which governs the development and regulation of mines and minerals in terms of the powers vested in the Central Government. The Committee have observed that significant amendments have been brought in the said Act, as stated in the ensuing paragraphs below.

1.4 Prior to 2015, grant of mineral resources was done through 'first-come-first-served' method. One major amendment to MMDR Act was brought in year 2015, which has, inter-alia, the following provisions:-

- i. Allocation of mining lease through e-auction for greater transparency.
- ii. Provision for establishment of District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET).

1.5 In 2016, the MMDR Act was further amended which made provision for allowing transfer of Captive leases allocated other than through auction as per conditions prescribed by the Central Government. The Minerals Law Amendment Act, 2020, *inter-alia*, facilitates transfer of all statutory clearances

vested with the previous lessee to new successful bidder for a period of two years.

1.6 The Ministry has recently amended MMDR Act, which was notified on 28th March 2021. Major reforms brought in this Amendment are as under:

- Removed the distinction between captive and merchant mines.
- Resolved all pending cases u/s 10A(2) (b) of the Act.
- Statutory clearances to be valid even after expiry or termination of mining lease.
- To ensure ease of doing business, removed restriction on transfer of mineral concessions.
- Additional amount to be paid by Government companies on grant of new lease or extension of lease.
- Central Government empowered to conduct auction in cases where the States face challenges in conduct of auction or fail to conduct auction within prescribed time.
- Empowered the Central Government to issue directions regarding composition and utilization of funds under DMF. Direction to include the MPs/MLAs and MLCs in the Governing Council was issued on 23.04.2021.
- Simplification of exploration regime –
 - (i) Mineral Blocks for Composite Licence can be auctioned at G4 level of exploration instead of G3 level.
 - (ii) Mineral Block for surfacial mineral can be auctioned for grant of Mining Lease at G3 level instead of G2 level.
 - (iii) Private entities to be notified u/s 4(1) of the MMDR Act for conducting exploration.

1.7 The list of subjects allocated to the Ministry of Mines, is as under:-

- (a) Legislation for regulation of mines and development of minerals within the territory of India, including mines and minerals underlying the ocean within the territorial waters or the continental shelf or the exclusive

economic zone and other maritime zones of India as may be specified, from time to time by or under any law made by Parliament.

- (b) Regulation of mines and development of minerals other than Coal, Lignite and Sand for stowing and any other mineral declared as prescribed substances for the purpose of the Atomic Energy Act, 1962 (33 of 1962) under the control of the Union as declared by law, 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.

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

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

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

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

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

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

Demands for Grants (2022-23)/Performance during 2020-21 and 2021-22

1.11 The detailed Demands for Grants (2022-23) of the Ministry of Mines had been presented to Lok Sabha on 09.02.2022. The Demands include provision for expenditure under Revenue and Capital Heads for the Ministry, its attached/subordinate offices and Public Sector Undertakings under its administrative control.

1.12 The budgetary support under Revenue and Capital is obtained for different schemes implemented by Geological Survey of India (GSI), Indian Bureau of Mines (IBM), and the S&T programme. Revenue provision is also obtained for GSI, IBM, Secretariat (Proper), Grants-in-Aid to Autonomous bodies, etc. The details of Organisation-Wise Break-up of proposed and allocated BE-2022-23 are furnished to the Committee as under:

SI. No.	Name of the Organisation	₹ in crore)	
		Proposed BE 2022-23	Allocated BE 2022-23
1	Secretariat (Proper)	43.64	43.64
2	Geological Survey of India	1323.32	1205.17
3	Indian Bureau of Mines	131.57	113.00
4	Grants to MECL	20.00	10.00
5	Bharat Gold Mines Limited- Grants	6.40	6.00
6	S&T Programme/Other Programme(6.1 to 6.6)	33.92	30.19
6.1	NIRM	11.17	9.42
6.2	NIMH	0.00	0.00
6.3	JNARDDC	12.70	12.70
6.4	IC	0.35	0.35
6.5	NMA	0.70	0.70
6.6	Other Research Programme	9.00	7.02

7	NMET	184.00	100.00
	Net Budget	1742.85	1508.00
8	NMET Inter Account Transfer	184.00	100.00
	Gross Total	1926.85	1608.00

1.13 It has been stated that the variation between the actual allotted budget for the BE 2022-23 and the same proposed by the Ministry of Mines was on the discretion of the Ministry of Finance.

TREND OF EXPENDITURE

1.14 To observe the trend during previous 3 Financial Years, details with regard to the proposed allocation, BE, RE and actual expenditure for the years 2019-20, 2020-21 and 2021-22 as furnished by the Ministry, are as under:

Year	2019-20	2020-21	2021-22
Proposed Allocation	1954.75	1997.86	1828.70
BE	1675.55	1701.40	1466.82
RE	1528.22	1370.68	1480.00
Actual Expenditure	1366.68	1345.33	1315.53 (up to 18.02.2022)
% of Expenditure	89.42	98.15	88.88(up to 18.02.2022)

1.15 Following is the table depicting the performance of the Ministry of Mines during 2020-21 and 2021-22 :-

SUMMARY OF DEMANDS FOR GRANTS

(₹ in crore)

Sl. No.	Name of Organisation	2019-20			2020-21			2021-22		
		BE	RE	Exp.	BE	RE	Exp.	BE	RE	Exp. up to 31.01.2022
1	Secretariat (Proper)	48.55	41.75	39.11	42.43	41.89	37.99	41.50	43.96	38.52
2	Geological Survey of India	1322.93	1241.59	1139.64	1349.98	1115.01	1108.84	1181.58	1174.78	1019.63
3	Indian Bureau of Mines	124.31	109.11	94.55	128.31	94.00	85.67	110.00	103.14	82.24
4	Grants to MECL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Bharat Gold	4.50	4.50	4.50	5.50	7.00	5.84	5.84	5.84	4.66

	Mines Limited-Grants									
6	S&T Programme / Other Programme (6.1 to 6.6)	25.26	21.27	20.57	25.18	22.78	29.72	27.90	27.28	20.17
6.1	NIRM	7.99	6.74	6.74	8.21	8.21	8.21	9.95	9.95	7.73
6.2	NIMH	0.98	0.98	0.98	1.00	0.30	0.30	0.00	0.00	0.00
6.3	JNARDDC	9.29	9.29	9.29	9.92	9.92	9.92	10.90	10.90	9.04
6.4	IC	0.35	0.35	0.15	0.40	0.35	0.29	0.40	0.43	0.28
6.5	NMA	0.65	0.65	0.15	0.65	0.00	0.00	0.65	0.00	0.00
6.6	Other Research Programme	6.00	3.26	3.26	5.00	4.00	4.00	6.00	6.00	3.12
7	NMET	150.00	110.00	68.31	150.00	90.00	83.11	100.00	125.00	69.11
	Total	1675.55	1528.22	1366.68	1701.40	1370.68	1345.33	1466.82	1480.00	1234.33*

**Stands revised as ₹ 1315.53 on 18.02.2022*

CHAPTER -II

GEOLOGICAL SURVEY OF INDIA(GSI)

The Committee were informed that founded in 1851, the Geological Survey of India (GSI) started its voyage to search for and assess coal and mineral resources of the country with regional level exploration. In later years, GSI diversified into various geoscientific activities, and made contributions in geosciences and resultantly, in the economic growth of India. The key functions of GSI are creation and updation of national geoscientific information and assessment of mineral resources. Towards these, GSI has taken up ground, airborne and marine surveys, mineral exploration, multi-disciplinary geoscientific, geo-technical, geo-environmental and natural hazard studies, glaciology, seismotectonics, and fundamental research.

2.2 The detailed object head wise breakup of the budget allocation for GSI for Financial Year 2022-23 is as given below:-

(₹ in lakh)

GEOLOGICAL SURVEY OF INDIA			
Head	GSI	NER	Total
Establishment Expenditure			
Direction & Administration (Administrative Support)			
Salary	67900.00	5600.00	73500.00
Wages	1650.00	0.00	1650.00
Over time Allowances(OTA)	1.00	0.00	1.00
Medical treatment	750.00	0.00	750.00
Office Expenses [OE (V)]	600.00	0.00	600.00
Other Administrative Expenses (O. A. E.)	300.00	0.00	300.00
Swachhta Action Plan (Other Charges)	60.00	0.00	60.00
Total	71261.00	5600.00	76861.00
Administrative Support Activities (ASA)			
Domestic Travel Expenses (DTE)	3600.00	200.00	3800.00
Foreign Travel Expenses (FTE)	50.00	0.00	50.00
Office Expenses (OE)	1550.00	200.00	1750.00
Rents, Rates and Taxes (RRT)	460.00	40.00	500.00
Professional Services	98.00	2.00	100.00
Total	5758.00	442.00	6200.00
Other Expenditure			
Supply & Material	80.00	5.00	85.00
Clothing & Tentages	1.00	0.00	1.00
Advertising & Publicity	196.00	4.00	200.00
Minor Works	3500.00	0.00	3500.00

Total(Other Exp)	3777.00	9.00	3786.00
Total ASA + Other Expenditure	9535.00	451.00	9986.00
Activities / Mission			
Survey & Mapping (Mission-I)			
Ground, Aerial and Marine Survey			
Wages	474.00	26.00	500.00
POL	72.00	8.00	80.00
OC	10286.00	26.00	10312.00
Total	10832.00	60.00	10892.00
Mineral Exploration (Mission-II)			
Economic Mineral			
Wages	1345.00	55.00	1400.00
POL	600.00	20.00	620.00
OC	3190.00	60.00	3250.00
Total	5135.00	135.00	5270.00
Information Dissemination (Mission-III)			
Publication	346.00	4.00	350.00
IT	4150.00	50.00	4200.00
Total	4496.00	54.00	4550.00
Spl. Investigation (Mission-IV)			
Geo-Tech, Seismic, Environment(Mission-IV)			
Wages	125.00	15.00	140.00
POL	30.00	10.00	40.00
OC	140.00	20.00	160.00
Total	295.00	45.00	340.00
Antarctica (Mission-IV)			
Other Charges (OC)	8.00	0.00	8.00
Total Spl. Investigation + Antarctica (Mission-IV)	303.00	45.00	348.00
Research & Development (Mission-IV)			
Laboratory Research			
Wages	110.00	10.00	120.00
Supply & Material	638.00	12.00	650.00
POL	30.00	0.00	30.00
Other Charges (OC)	735.00	15.00	750.00
Total	1513.00	37.00	1550.00
Training (Mission-V)			
Human Resource Development			
Other Administrative Expenses	192.00	8.00	200.00
Total	192.00	8.00	200.00
Tribal Sub Plan (TSP) OE	2000.00	0.00	2000.00
Scheduled Caste Sub Plan (SCSP) OE	3110.00	0.00	3110.00
Total (Revenue)	108377.00	6390.00	114767.00
Capital Expenditure			
Motor Vehicle	240.00	10.00	250.00
Machinery & Equipment	5450.00	50.00	5500.00
Total (Capital)	5690.00	60.00	5750.00
GRAND TOTAL (Revenue +Capital)	114067.00	6450.00	120517.00

2.3 The year-wise and activity-wise financial performance of GSI against the approved budget outlay during last three financial years (2019-20, 2020-21 & 2021-22) are given below:-

(₹ in crore)

Activity (Mission)	2019-20			2020-21			2021-22		
	BE Grant	RE Grant	Actual Expend.	BE Grant	RE Grant	Actual Expend.	BE Grant	RE Grant	Actual Expend. (up to Dec,21)
Survey and Mapping (M-I)	109.85	132.30	131.43	149.00	132.85	132.28	131.40	95.00	77.42
Mineral Exploration (M-II)	45.65	37.05	36.34	43.00	32.05	31.91	51.00	56.00	36.20
Information Dissemination (M-III)	78.46	39.45	38.39	77.26	48.85	48.73	56.60	53.20	29.28
Special Investigation & Antarctica (M-IV)	2.52	2.04	1.93	2.50	1.99	1.91	2.40	3.05	1.99
Research & Development (R&D) (M-IV)	12.15	10.05	9.72	17.80	8.95	8.71	12.60	10.55	7.51
Human Resource Development (HRD) (M-V)	75.47	75.20	17.55	3.30	0.60	0.60	2.00	8.30*	0.68
TSP	24.00	24.00	23.80	22.00	23.23	23.14	14.40	17.50	14.73
SCSP	45.00	45.00	20.08	42.20	42.20	40.69	27.60	31.56	27.76
Administrative Support Activity including Minor Works Authorization to MoUD	106.08	90.99	89.82	111.90	84.50	82.78	94.97	88.61	75.75
Establishment Expenditure	722.35	704.81	692.79	772.72	688.60	688.47	722.71	759.71	627.80
Total Revenue	1221.53	1160.89	1061.85	1241.68	1063.82	1059.22	1115.68	1123.48	899.12
Capital (Modernization & Replacement)	101.40	80.70	79.75	108.30	52.42	51.72	65.9	51.30	34.87
Total (Rev. + Capital)	1322.93	1241.59	1141.60	1349.98	1116.24	1110.94	1181.58	1174.78	933.99
% of Utilisation of Fund against RE Grant			91.95%			99.53%			79.50%

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

2.4 Percentage wise increase / decrease of budget Outlay in various heads over the last three financial years (2019-20, 2020-21 & 2021-22) is given below: -

(₹ in crore)

Activity (Mission)	RE for FY 2019-20	RE for FY 2020-21	RE for FY 2021-22	BE for FY 2022-23	% increase(+) or decrease (-) of RE 2020-21 in comparison to RE 2019-20 (%)	% increase (+) or decrease (-) of RE 2021-22 in comparison to RE 2020-21 (%)	% increase (+) or decrease (-) of BE 2022-23 in comparison to RE 2021-22 (%)
1	2	3	4	5	6 [(3-2)/2 *100]	7 [(4-3)/3 *100]	8[(5-4)/4 *100]
Survey & Mapping (M-I)	132.30	132.85	95.00	108.92	0.42	-28.49	14.65
Mineral Exploration (M-II)	37.05	32.05	56.00	52.70	-13.50	74.73	-5.89
Information Dissemination [IT & Publication] (M-III)	39.45	48.85	53.20	45.50	23.83	8.90	-14.47
Special Investigation & Antarctica (M-IV)	2.04	1.99	3.05	3.48	-2.45	53.27	14.10
R & D (M-IV)	10.05	8.95	10.55	15.50	-10.95	17.88	46.92
HRD (M-V)	75.20	0.60	8.30*	2.00	-99.20	1283.33	-75.90

TSP	24.00	23.23	17.50	20.00	-3.21	-24.67	14.29
SCSP	45.00	42.20	31.56	31.10	-6.22	-25.21	-1.46
Establishment Expenditure & Other Expenditure	795.80	773.10	848.32	868.47	-2.85	9.73	2.38
Total (Rev.)	1160.89	1063.82	1123.48	1147.67	-9.12	5.73	2.15
Modernization & Replacement [Capita head: M&E + MV]	80.70	52.42	51.30	57.50	-35.04	-2.14	12.09
TOTAL (Rev. + Cap.)	1241.59	1116.24	1174.78	1205.17	-10.10	5.24	2.59

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

2.5 The Committee has been informed that the budgetary allocation to GSI in BE (2020-21) and BE (2021-22) was ₹ 1349.98 crore and 1181.58 crore, respectively which was reduced at RE stage to ₹ 1116.24 crore and ₹ 1174.78 crore, respectively. The actual utilization of funds during (2020-21) and (2021-22) (upto 31.01.2022) had been ₹ 1108.84 crore and ₹ 1019.63 crore, respectively. The BE for the year 2022-23 is ₹ 1205.17 crore.

2.6 The Committee desired to know the reasons for reduction in allocation of funds to GSI at RE 2021-22. In reply, it has been stated that during 2021-22, GSI received budget grant of ₹1181.58 crore. Accordingly GSI made activity-wise fund allocation for carrying out all activities. However, Ministry of Finance on 30.06.21 restricted the overall expenditure of GSI within 20% of the BE-2021-22 during the 2nd quarter of 2021-22, considering the situation arising out of COVID pandemic. However, GSI was provided additional amount in 2nd quarter and GSI has utilised the fund optimally. At RE stage, the budget grant was marginally reduced to ₹1174.78 crore. Also, there was marginal increase in grant under Revenue Head. Further ₹4.40 crore has been re-appropriated by the Ministry of Mines from RE grant. Hence ₹1170.38 crore (Revenue ₹1119.08 crore & Capital ₹51.30 crore) is final grant available with GSI for all activities during 2021-22.

2.7 It has further been stated that in view of reduction of fund, GSI has judiciously reallocated fund for different activities under Revenue and Capital heads with an aim to achieve physical targets for Field Season 2021-22 with optimum utilisation of the funds. Out of this total RE grant, the overall utilisation of the fund is ₹1032.53 crore (88.22%) including minor works

authorization of ₹25.47 crore to MoUD till 7th February, 2022 in spite of Covid pandemic 2nd and 3rd wave in the country. GSI has taken necessary steps to execute bulk of the activities under all Missions for rest of the financial year 2021-22 by optimum utilization of the fund.

2.8 When asked about the effect of reduced funds on the implementation of projects of GSI during the year, it has been informed that GSI has taken up 981 projects during 2021-22. After withdrawal of ceiling on expenditure by Ministry of Finance, GSI has taken necessary steps to execute bulk of the activities under all missions during 3rd and 4th quarters (October, 2021 to March, 2022). In spite of challenge caused by Covid pandemic, GSI is giving all efforts for completion of the targets with optimum utilization of the fund. The following pro-active steps have been taken by GSI to achieve both financial and physical targets of the Financial Year 2021-22:

- Due to Covid pandemic in the whole country, execution of field projects is now a great challenge for GSI geoscientists. Field officers have been advised to follow the Covid protocol as per SoP, Govt. of India and all precautionary measures have been taken for safety of the field officers and field supporting staffs.
- The budget grant has been allotted to all regions / missions for execution of field projects and it is anticipated that fund will be sufficient for completion of the projects as per FSP schedule.
- Utmost efforts are being given to expedite the mapping and mineral exploration activities.
- To achieve the drilling target, the empanelled outsourced drilling agencies are being deployed in certain exploration projects in addition to in-house drilling capacity.
- The state government authorities in the concerned field projects have been intimated to render all support for execution of the field projects

and field officers of GSI also coordinate with local administrations to resolve any field related issues.

- The supervisory level officers are constantly monitoring the progress of field achievements and Term Review of all projects involving external experts have been conducted to ensure target achievement leading to quality output of field work.
- In spite of all efforts to complete the assigned target, if GSI fails to achieve the target for any particular project/activity, it will be completed in the next field season as additional spill over item.

2.9 According to Ministry of Mines, the BE, 2022-23 of ₹ 1205.17 crore for GSI is on the higher side, if compared to BE, 2021-22 of ₹ 1181.58 crore. When asked as to how GSI proposed to spend higher allocation of funds during 2022-23, the Ministry has informed that the enhanced fund is required for continuation of all activities of GSI in five missions, escalation of the administrative and establishment expenditure and also to meet the committed expenditure of the Financial Year 2022-23, if any. Out of this total allotted budget grant of ₹1205.17 crore, ₹64.50 crore has been allotted for all activities of NER. The allotted outlay for Establishment Expenditure is ₹768.61 crore and ₹99.86 crore for administrative support activities & other expenditure. The allotted outlay for GSI Mission (I to V) activities is ₹279.20 crore and Capital outlay is ₹57.50 crore for modernization & replacement activities of GSI. Further, GSI has made activity-wise financial outlay for continuation of all activities during 2022-23 under five missions. The physical targets for continuation of all activities have been increased especially in survey and mapping, mineral exploration compared to the Financial Year 2021-22 to target more mineral potential zone.

2.10 It has further been stated that GSI will take all necessary steps for timely execution of all projects as per field season programme of 2022-23. With regard to GSI Mission (I to V) for which ₹ 279.20 crore is the allotted outlay, the Committee were informed about the following Mission-wise details:

- a) Under 'Survey & Mapping' Head (Mission-I) an amount of ₹ 108.92 crore has been allocated for operation and maintenance of GSI vessels to Shipping Corporation of India (SCI), operation & maintenance of the TOASS airborne Survey System, execution of ground survey projects e.g. Specialized Thematic Mapping (STM), Geochemical Mapping (GCM), Geophysical Mapping (GPM) etc.
- b) Under 'Mineral Exploration' (Mission-II) Head, ₹ 52.70 crore has been allocated for execution of the mineral exploration programmes of GSI including payment towards the outsourced drilling. Every year GSI is taking up G4, G3 and G2 stage exploration programmes (as per UNFC) with a view to augment resources for various mineral commodities including energy minerals (coal & lignite) in different parts of the country.
- c) Under 'Information & Dissemination' (Mission-III), ₹ 45.50 crore has been allocated for publication and IT office expenses, out of which ₹ 42.00 crore has been allocated for Information Technology (IT) - OE Head which includes payments related the operation / maintenance of OCBIS, CAMC of seismological instruments, procurement of IT hardware & software and other miscellaneous activities under IT in all offices of GSI. An amount of ₹ 3.50 crore has been allocated under Publication Head for printing of publications / e-journals of GSI, procurement of hard copy journals etc.
- d) Under Mission-IV, ₹ 15.50 crore has been allotted for 'Research & Development' activity; ₹ 3.40 crore has been allotted for multidisciplinary 'Specialized investigations' and ₹ 0.08 crore has been allotted for polar studies in Antarctica.
 - (i) Under 'Research & Development' Head fund has been provisioned for taking up fundamental research and development programmes, AMC of the laboratory instruments and equipment of GSI, procurement of laboratory consumables and outsourcing of chemical analysis of samples.
 - (ii) Under 'Specialized Investigations' & 'Other Exploration (Antarctica)' Heads funds have been provisioned for execution of field work of Geotechnical investigation on societal issues e.g. landslide studies, seismological studies, environmental studies, glaciology etc. and expedition to Antarctic, Arctic regions, miscellaneous expenditure related to AMC and maintenance of seismic and Geo-technical laboratories.

- e) Under 'Training (Human Resource development)' Head (Mission-V), ₹ 2.00 crore has been allocated for carrying out various training courses e.g. orientation courses, thematic refresher course, promotion linked training programme for capacity building of GSI personnel as well as geoscientists from other geological institutes.

2.11 As regards the steps taken by GSI to ensure timely execution of various ongoing and new projects for optimal utilization of allocated funds during 2022-23, the Committee have been informed as under:

"GSI has critically reviewed the demand of fund submitted by the operational units for execution of all activities under different missions during 2022-23 and budget grant has been judiciously allocated in all heads giving priority on the committed expenditures and for execution of operational activities so that physical targets of the Year 2022-23 can be achieved with the available fund. Monitoring of fund utilization under different heads will be done periodically by making synergy with all region/missions of GSI, Controller of Accounts and Ministry of Mines. For effective planning and management of funds, the heads of the regions / missions / support systems have been communicated well in advance about the budget grant allotted for execution of all activities of GSI under revenue and capital heads during the Financial Year 2022-23."

2.12 In this regard, the Committee have been informed as under:

"Priority will, however be given to clear the pending dues of 2021-22, if any, immediately after receiving the approved budget grant of 2022-23 for smooth functioning of GSI activities. Hence, Periodic review of the utilisation of budget grant will be undertaken with regional / mission / support system to frame the timeline for utilisation of funds. Keeping in view of the change in requirement of

fund for execution of all activities during 2022-23, GSI will submit the revised demand of budget (both revenue & capital) after six months for optimum utilization of the fund. All financial transactions are done electronically under PFMS module of Government of India so that status of fund utilization can be monitored by all concerned authorities. Proper planning will be done during pre-field activities in order to achieve targets during available working window. Utmost efforts will be given to get the necessary forest clearance for drilling and sample collection in forest area. Also in order to achieve the drilling target, the empanelled outsourced drilling agencies will be deployed in certain exploration projects in addition to in-house drilling capacity for timely completion of the project."

Modernisation of GSI

2.13 According to Ministry of Mines, during 2022-23, GSI has proposed budget demand for ₹ 72.50 crore for carrying out their modernization and replacement programme. Against this proposed outlay, GSI received ₹ 57.50 crore. In this regard when asked whether funds are found to be sufficient to carry out various activities of GSI during the year, the Ministry have stated ~~that~~, as follows:

"GSI has already planned to procure various laboratory and field based instruments during 2022-23 and allocated fund will be optimally utilized. After assessing the requirement of fund after six months, GSI will submit the revised demand for optimum utilization of the fund."

2.14 On being asked by the Committee to furnish present status with regard to the modernization programme of GSI, the Ministry in their written reply, stated as follows:

"In order to establish GSI as a world class geoscientific institute, the modernization programme has been initiated long back to

improve the capabilities in the field and laboratories. High end machineries and equipment are being procured in a phased manner to improve the capabilities in generating vital geoscience data and their processing, interpretation as well as to support the operational activities of GSI. In this line, GSI is procuring various geological / geophysical / chemical laboratory and field based instruments as well as hydrostatic drill rigs in phased manner.

Further, with an aim to achieve paperless office, GSI has implemented Online Core Business Integrated System (OCBIS) portal. GSI has taken initiative for setting up of National Geoscience Data Repository (NGDR) to make available all geoscience data on a single platform for use of stakeholders in a single window platform. The important machineries which have been procured in recent year and functional in different laboratories of GSI include Laser Raman Spectroscopy, Trinocular Polarising Microscope, Laser Ablation Multi Collector Inductively Coupled Plasma Mass Spectrometer (LA-MC-ICP-MS), Electron probe micro analyser (EPMA), Scanning Electron Microscope (SEM) with EDX,DT-TGA unit, DGPS, Gravimeter, Magnetometer, geophysical loggers etc. All these high end equipment generates quality data and cater the need of GSI as well as other Geological institutes of country. During 2021-2022, the major geological chemical, geophysical and drilling instruments procured / planned for procurement includes High-Resolution Secondary-Ion-Mass-Spectrometry (HRSIMS) along with ancillaries, Automated Thin Section Making Machine, Laser Ablation High Resolution ICPMS (LA HR ICPMS), Electron Probe Micro Analyser (EPMA), Ground Penetrating Radar (GPR), Computerized Automatic Rock Tri-axial Testing Machine,

Inductively Coupled Plasma Mass Spectrometry (ICP-MS), Atomic Absorption Spectrophotometer (AAS), Various types of Microscopes, Communication Technology (ICT) Infrastructure for National Landslide Forecasting Centre (NLFC), Hydrostatic Drilling Rigs etc. These instrument will be very relevant for contemporary research and field activities of the organization. Beside these, various other instruments for geological, chemical, geophysical and geotechnical studies were also procured / planned to be procured during 2021-22 with optimum utilization of the fund."

2.15 The Committee has further been informed as under:

"During 2022-23, the major geological chemical, geophysical and drilling instruments planned for procurement includes Truck mounted / Crawler Mounted Hydrostatic Drill rig with drilling accessories, GPR, Hand Held XRF, Hand held GPS, Petrological Microscopes, Raman Spectroscope, Advance Stereo zoom Microscope, Thin Separation Preparation Unit, Uniaxial Compressive Strength Machine, DGPS, Gravimeter, Total Field Magnetometer, Magnetic Susceptibility Meter, Resistivity Meter, IP Resistivity Meter, Echo sounder, Digital MEQ Recorder, Radiation Survey Meter, XRD, WDXRF, ICP-MS, IRMS, Audiomagnetotellurics Unit, Sputter Coater, Fume Hood with Scrubber, Muffle Furnace, AAS-GTA, Planetary Ball Mills, seismograph system, Scanning Electron Microscope (SEM-EDX), Isodynamic Separator, Particle Size Analyzer etc."

CHAPTER-III INDIAN BUREAU OF MINES(IBM)

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

TREND OF EXPENDITURE

3.2 Details with regard to the BE, RE and actual expenditure for IBM for the years 2019-20, 2020-21 and 2021-22 are as under:

(₹ In crore)

Year	2019-20	2020-21	2021-22
BE	124.31	128.31	110.00
RE	109.11	94.00	103.14
Actual Expenditure	94.55	85.67	82.24 (up to 31.01.2022)
% of Expenditure	86.66	91.13	79.73(up to 31.01.2022)

It may be seen from above that during 2019-20, against BE and RE of ₹ 124.31 crore and ₹ 109.11 crore, IBM could spent ₹ 94.55 crore(86.66%) only. During 2020-21, against BE and RE of ₹ 128.31 crore and ₹ 94.00 crore, IBM could spent ₹ 85.67 crore(91.13%) only. During 2021-22, against BE and RE

of ₹ 110.00 crore and ₹ 103.14 crore, IBM has been able to spend ₹ 82.24 crore(79.73%).

3.3 While observing downward revision of allocated funds for IBM at RE, 2021-22, the Committee enquired about the reasons for the same. In reply, the reasons furnished were non- filling up of vacant posts; less numbers of official tours and inspection of mines due to COVID -19; stoppage of work for Mining Tenement System (MTS) by implementing agency M/s WIPRO & termination of services of M/s NISG as Project Monitoring Unit (PMU), re-allocation of work for implementation of MTS to NIC and planned and stoppage of scheduled trainings due to COVID-19.

3.4 Further, the Ministry informed that funds earmarked under its continuing schemes which may provide direct benefits to the Tribals, SC & ST Community as per the policy prescribed by NITI Aayog, the budget allocated under Tribal Area Sub Plan (TASP), Special Component Plan for Scheduled Castes (SCPSC) and NER has not been utilised. Tribal Area Sub-Plan and SCPSC could not be utilised and transferred to GSI. The funds under SCPSC and TASP have been transferred to GSI as IBM has no scope of incurring expenditure under these object heads.

3.5 As regards utilisation of allocated funds of ₹ 103.14 crore during 2021-22, the Ministry assured the Committee that the amount allocated at RE, (2021-22) would be fully utilized except the funds available under the object head OCE (NER), as IBM has no scope of incurring expenditure under OCE (NER).

3.6 On being asked about the activities proposed to be taken up by IBM during the year 2022-23, the Committee has been informed as under:

"IBM carry out its activities as per its Charter of mandated functions, as given for notification in Official Gazette vide Resolution No. 31/ 49/ 2014 – M. III, dated 3rd November,

2014 and published in the Gazette of India on 22nd November, 2014."

3.7 Following are the scheme wise activities being taken up during 2022-23:

S. No.	Scheme No. & Name of the Scheme	Activities being taken up in 2022-23
1	Scheme No. 1: Inspection of mines for scientific and systematic mining, mineral conservation and mines environment.	<ol style="list-style-type: none"> 1. Inspection of mines for MCDR/MPI/MSI 2. Mining Plan / Review of Mining Plan / FMCP disposal 3. Star Rating of Mines
2	Scheme No. 2: Mineral Beneficiation Studies – utilization of low grade and sub-grade ores and analysis of environmental samples	<ol style="list-style-type: none"> 1. Ore Dressing Investigations 2. Mineralogical Examinations 3. Chemical Analysis 4. In plant studies
3	Scheme No. 3: Technological upgradation and Modernisation	<ol style="list-style-type: none"> 1. Technical Consultancy Assignments including lump – fine studies 2. Mining Research Assignments 3. Conducting Training Courses 4. MSS and Sudoor Drushti 5. Generation of Land use classification of mining leases on GIS platform
4	Scheme No. 4: Collection, processing, dissemination of data on mines and minerals through various publications	<ol style="list-style-type: none"> 1. Release of Publications on Mines & Minerals including flagship publication IMYB 2. Publication of monthly ASP for Minerals & Metals 3. Updation of NMI as on 1.4.2020 4. Advisory Services
5	Scheme No. 5: Computerized Online Register of Mining Tenements System (MTS)	Development of Phase I & II Modules of MTS

Preparation of detailed Annual Plan 2022-23 is in progress.

3.8 On being asked about the steps taken by IBM to ensure optimum utilization of budgeted amount during the year 2022-23, the Ministry furnished the following written reply:

"In order to ensure that budgeted outlays are fully utilized, utilization of funds and percentage of expenditure is being monitored at IBM Level so as to comply with the provisions of FRBM Act.

3.9 The following is reported to be the "Monitoring Mechanism" of IBM:

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

CHAPTER-IV

National Mineral Exploration Trust (NMET)

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

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

4.3 The details with regard to the BE, RE and actual expenditure for the years 2019-20, 2020-21 and 2021-22 are as under:

(₹ in crore)

Year	2019-20	2020-21	2021-22
BE	150.00	150.00	100.00
RE	110.00	90.00	125.00
Actual Expenditure	68.31	83.11	69.11 (up to 1.01.2022)
% of Expenditure	62.10	92.34	55.28(up to 31.01.2022)

It is evident from the above that during 2019-20, against BE and RE of ₹ 150.00 crore and ₹ 110.00 crore, NMET could spent ₹ 68.31 crore(62.10%) only. During 2020-21, against BE and RE of ₹ 150.00 crore and ₹ 90.00 crore, NMET could spent ₹ 83.11 crore(92.34%) only. During 2021-22, against BE and RE of ₹ 100.00 crore and ₹ 125.00 crore, NMET has been able to spend ₹ 69.11 crore(55.28%).

4.4 On being asked by the Committee, reasons for enhanced allocation of ₹ 125 crore to NMET at RE 2021-22 from ₹ 100 crore at BE, 2021-22, the Ministry have stated that it has taken number of initiatives to increase exploration activities which inter-alia include enhanced interaction with the State governments and the Central and state public sector undertakings. NMET also organised an outreach program in the form of a series of workshops on mineral exploration for the benefit of State Departments of Mining & Geology and State Mineral Development Corporations. As a result of the efforts made by NMET to actively involve State DGMs and other NEAs in the mineral exploration activities, there has been an increase in the exploration projects taken up by NMET from last year onwards. Further, NMET is also incentivising the State Governments for carrying out auction of successfully explored mineral blocks, which can be utilised by the state government for reimbursement of transaction advisor fee, preparation of project proposals for NMET, purchase of equipment- exploration related machineries, capacity building training programs, exposure visits etc.

4.5 The Ministry in a written reply have also stated that the enhanced allocation of ₹125 crore will be fully utilised in 2021-22. During 2020-21, 14 projects with an estimated cost of ₹164.69 crore were taken up by NMET. In the current year 2021-22, 16 projects with an estimated cost of ₹700.10 crore have already been approved till January, 2022. The enhanced allocation of funds at RE 2021-22 was required to meet the expenditure for ongoing

projects as well as expenditure that is being incurred on the new projects sanctioned during 2021-22.

4.6 On being asked whether the amount of ₹ 100 crore allocated to NMET during 2022-23 is sufficient to carry out the ongoing projects of NMET, the Ministry informed in a written reply as under:

"For the year 2022-23, NMET had estimated a BE of ₹184 crore. Against it, ₹100 crore has been allotted to NMET in BE 2022-23. Keeping in view of fund requirement towards NMET approved projects, including new approvals during the year and the new initiatives started by NMET, there is expected to be a substantial increase in fund requirements of NMET during financial year 2022-23. The additional budget will be asked for during RE stage as per requirement."

4.7 As regards, the advance measures taken/proposed to be taken to ensure achievement/utilisation of physical/ financial targets during 2022-23, the Ministry of Mines has informed as under:

"Notified Exploration Agencies (NEA's) have been asked to provide period-wise phasing of projections regarding work to be carried out along with milestones and corresponding cost. Periodic progress reports of ongoing projects are being obtained from NEA's for regular monitoring of project work. Technical reviews of the ongoing projects are being carried out on regular basis through Technical-cum-Cost Committee of NMET."

CHAPTER-V

CENTRAL PUBLIC SECTOR UNDERTAKINGS/TRUST

A. HINDUSTAN COPPER LTD. (HCL):

As per the Annual Report, the Hindustan Copper Limited (HCL), a Miniratna Category-I, Government of India Enterprise under the administrative control of the Ministry of Mines, was incorporated on 9th November, 1967 under the Companies Act, 1956 to take over all plants, projects, schemes and studies pertaining to the exploration and exploitation of copper deposits, including smelting and refining from National Mineral Development Corporation Ltd. It is the only company in India engaged in mining of copper ore and owns all the operating mining lease of Copper ore and also the only integrated producer of refined copper (vertically integrated company). Major activities of HCL are mining, ore beneficiation, smelting, refining and converting of refined copper metal into continuous cast rod (CCR) as downstream product. HCL has acquired assets of Jhagadia Copper Limited from M/s ARCIL [Asset Reconstruction Company (India) Limited] in 2015-16 and renamed as GCP (Gujarat Copper Project). With this acquisition, HCL now have five operation units-one each in the States of Rajasthan, Jharkhand, Madhya Pradesh, Gujarat and Maharashtra. HCL is a listed company on BSE and NSE, with 66.14% equity owned by the Government of India.

5.2 As regards BE, RE and actual utilization of funds for various activities of HCL during 2019-20, the following information was provided to the Committee:

(₹ in crore)

Hindustan Copper Limited (HCL) Particulars	2019-20 (Rs in crore)		
	BE	RE	Actual
Expansion Projects	402.00	402.00	205.86
Green Field Exploration	10.00	10.00	3.81

Replacement & Renewal	8.00	8.00	18.24
Mine Development	180.00	180.00	225.05
Total	600.00	600.00	452.96

5.3 The Committee have been informed that the financial requirements during 2019-20 of HCL were met mainly from long term & short term borrowings and partially from internal accruals and no budgetary support has been sought for.

5.4 Regarding a nearly 50% shortfall in case of Expansion Projects, the Committee has been informed as under:

"though under Expansion Projects at RE stage, the target has been retained as ₹402 crore, the same amount of expenditure could not be achieved due to delay in awarding of some of the tenders related to mine expansion & non-performance of existing contractor. Also, the expenditure against Green Field Exploration could not be achieved since no fresh mine lease was granted in favour of HCL."

5.5 The physical targets fixed vis-à-vis actual achievement for various activities of HCL during 2019-20 are as follows:-

Particulars	2019-20	
	Target	Actual
Ore (Lakh Tonne)	51.50	39.68
Metal-in-Concentrate (Tonne)	33000	26502

5.6 It has been informed that the availability of material was less in the flagship project of open cast mine at Malanjkhanda Copper Project (MCP) which has reached its ultimate depth and is in a transition phase from open cast underground mining. Further, the production of Ore & Metal-in-Concentrate was less compared to the target mainly due to break down of ore hoisting

system at Kolihan mine, low grade of ore at MCP and Khetri Copper Complex (KCC) as well as water shortage at KCC. The overall grade of ore during 2019-20 was 0.75% as against 0.88% in 2018-19.

5.7 As regards BE, RE and actual utilization of funds for various activities of HCL during 2020-2021, the Committee were apprised as under:

(₹ in crore)

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

5.8 The reasons for non-achievement of the target for Financial Year 2020-21 are given as under:

- (a) Stoppage & slow-down of operation of all CAPEX projects due to imposition of lock down and maintaining COVID-19 protocol in underground as well as in open cast mines;
- (b) Contract for Mine Development, Production Drilling and Ore Production from MCP underground mine, which was already in place, could not commence due restriction imposed by DGMS as per Section 22 of Mines Act 1952 as well as mobilization of resources/equipments by the contractor were held up due to COVID-19;
- (c) Delay in getting Environmental Clearance (EC) of Surda mine, the targeted CAPEX expenditure of Surda mine could not be met;
- (d) Since majority CAPEX of HCL was being met through long term and medium term loans from banks, and because of high debt equity ratio of 4.21:1 at the end of Financial Year 2019-20, it had become immensely difficult to get loans from banks/financial institutions.

5.9 It has further been stated that keeping in view the present financial condition of the company, HCL had planned to focus on such CAPEX which would give immediate production and would help in revenue generation and only to continue those development work which are required in order to sustain production in the coming years.

5.10 The physical targets fixed vis-à-vis actual achievement for various activities of HCL during 2020-21 are furnished to the Committee as follows:-

Particulars	2020-21	
	Target	Actual
Ore (Lakh Tonne)	43.00	32.73
Metal-in-Concentrate (Tonne)	34000	23866

5.11 The Ministry has further informed the Committee as under:

"Ore and Metal-In-Concentrate (MIC) production was less compared to the target due to lockdown and maintaining social distancing protocol of CoVID-19 Pandemic, suspension of production at Surda Mine at Ghatsila, Jharkhand due to non-renewal of mining lease which had expired on 31.3.2020, low grade of Ore and water shortage at Khetri Copper Complex (KCC), Rajasthan, low grade of Ore in the open pit mine at MCP, Madhya Pradesh which has reached its ultimate depth and is in a transition phase from open pit to underground mining, heavy rains affecting mining in lower benches at MCP etc."

5.12 The details with regard to BE, RE and actual expenditure for various activities during 2021-22 (upto December, 2021) are as follows:

(₹ in crore)

Particulars	2021-22		
	BE	RE	Actual (upto Dec'21)
Expansion Projects	170.00	170.00	212.45
Green Field Exploration	10.00	10.00	7.00
Replacement & Renewal	10.00	10.00	22.90
Mine Development	160.00	160.00	84.03
Total	350.00	350.00	326.38

5.13 It has been added that the company is likely to achieve the targets set for the year 2021-22.

5.14 The physical targets fixed vis-à-vis actual achievement for various activities of HCL during 2021-22 (upto December, 2021) are as follows:-

Particulars	2021-22	
	Target	Actual (upto Dec, 21)
Ore (Lakh Tonne)	36.00	28.28
Metal-in-Concentrate (MIC) (Tonne)	32439	19075

5.15 It has been stated that the company is likely to achieve the ore production target of 36.00 lakh tonne set for the year 2021-22. However, there will be shortfall in MIC production due to major maintenance work in crushing system and hoisting system at Kolihan mine. Also the MIC production is badly affected since Surda mining lease expired w.e.f. 01.04.2020. However, the Government of Jharkhand vide order dated 06.01.2022 has extended the validity of the Surda Mining Lease till 31.03.2040. The overall grade of Copper content from the mother earth during 2021-22 is also lower as compared to the target resulting in lower MIC. The action for commencement of production from Surda Mines has been initiated by the company and the process of

awarding the contract for production is in the advanced stage. The company will also achieve production from Kendadih Mines during 2022-23. Also production from newly under construction MCP underground mines will start from 2022-23 onwards.

5.16 On being asked about the plan outlay of the Company during the year 2022-23, the Committee has been informed as under:

"HCL has plan outlay of ₹350 crore for the year 2022-23 and it would be sufficient for achieving the set targets. Keeping in view the financial condition of the company, HCL has planned to focus on such CAPEX which will give immediate production and will help in revenue generation and only to continue those development work which are required in order to sustain production in the coming years. The company proposes a plan outlay of Rs 350.00 crore in 2022-23 for achieving maximum mine output from MCP, KCC and ICC. However, 2021-22 onwards, HCL has targeted new projects/schemes by appointing Mine Developer cum operator (MDO) for reopening, operation and expansion of closed Rakha Copper Mine, development of new underground mine at Chapri and installation & commissioning of new Concentrator Plant at Indian Copper Complex, Jharkhand, India. By appointing MDO, HCL will not have any cash outflow."

5.17 The physical Targets for various activities of HCL during 2022-23 are as follows:-

Particulars	2022-23
	Target
Ore (Lakh Tonne)	41.00
Metal-in-Concentrate (MIC) (Tonne)	28000

5.18 On being enquired about pending mining lease , if any, of HCL with the State Government(s), for approval, the Ministry in a written reply has informed that at present the extension of Rakha Mining Lease is pending with State Government of Jharkhand. The lease expired on 28.08.2021 and the application of extension of mining for another period of twenty years as per Mineral (Mining by Govt. Company) Rule 2015 has already been applied. The approval is under process by State Govt.

5.19 On being enquired about advance measures taken or proposed to be taken by HCL to ensure timely completion of ongoing and new projects, the Ministry in its reply has informed the Committee that HCL vigorously monitor the status of projects for timely completion of ongoing projects.

B. NATIONAL ALUMINIUM COMPANY LTD. (NALCO):

5.20 National Aluminium Company Limited (NALCO) is a Schedule 'A' Navratna CPSE established on 7th January, 1981. It is one of the largest integrated Bauxite - Alumina Aluminium- Power Complex in the Country. At present, Government of India holds 51.28% of paid up equity capital. The Company has been operating its captive Panchpatmali Bauxite Mines for the pit head Alumina refinery at Damanjodi, in the District of Koraput in Odisha and Aluminium Smelter & Captive Power Plant at Angul. As a part of green initiative, NALCO has installed 198 MW Wind Power Plants at various locations in India and 800 kWp roof top Solar Power Plants at its premises to join hands for carbon neutrality. From the days of first commercial operation since 1987 the Company has continuously earned profits for last 34 years. Despite the Global COVID-19 pandemic, NALCO has posted an impressive net turnover and net profit of ₹8,869.29 crore and ₹1,299.56 crore, respectively in FY20-21. The Company is neither availing, nor proposes to avail any budgetary support from Government of India. The plan outlay is being managed entirely through internal resources only.

5.21 The Committee have observed that the Capital expenditure (Capex) Plan 2020-21 was ₹ 951.93 crore and the actual was ₹ 1000.17 crore. During 2021-22 Capital expenditure (Capex) Plan was ₹ 1500.00 crore, however, actual was ₹909.61 crore (upto December 2021). The outlay in BE 2022-23 has now been planned at ₹ 1800.00 crore.

5.22 On being enquired about the likely figures for expenditure up to March, 2022, the Ministry have stated that the target of ₹1500 crore is likely to be achieved by March 2022.

S.23 ~~6.4~~ When the Committee sought the advance actions/measures being taken by NALCO for proper utilization of funds and timely completion of the various ongoing schemes during 2022-23, in reply, the Ministry has stated:

"M/s KPMG has been engaged independently to monitor the progress of the ongoing projects and to facilitate the timely progress / completion of the projects. For Project Progress Monitoring, Digital Dashboards have been deployed. Dedicated teams are in place at project sites to oversee the Project Progress. Apart from this, progress of major packages are being closely monitored by the Higher Management periodically so as to expedite the project works in time."

S.24 ~~6.5~~ As regards budgetary allocations for Utkal D&E Coal Mine Project during 2018-19, 2019-20 and 2020-21 were ₹ 26.00 crore, ₹ 30.00 crore and ₹ 40.00 crore, respectively. Against this, the actual expenditure during 2018-19, 2019-20 and 2020-21 had been ₹ 14.74 crore ₹ 19.77 crore and ₹ 34.09 crore, respectively.

S.25 ~~6.6~~ When asked about the reasons for under utilization of funds under this scheme during the last 3 years, the Ministry have stated as under:

"₹26.00 crore was provided both in BE and RE for the financial year 2018-19 under UTKAL-D&E Coal block CAPEX, as against the same, ₹14.7 crore could be incurred. Further, UTKAL-D Coal Block was initially allotted to the Orissa Mining Corporation Ltd (OMC), a PSU of the State Government of Odisha. OMC made a JV Company with M/s Sainik Mining & Allied Services Ltd (SMASL) for development of the said Coal Block. Later, UTKAL-D Coal block was deallocated by Ministry of Coal, GOI. During the interim period i.e. from allocation of deallocation of the said Coal block, the JV Company developed some infrastructures. During 2016, UTKAL-D Coal block was reallocated in favour of NALCO,

consequently the cost of development as incurred by the earlier lessee was payable by NALCO. Budget provision of ₹9.39 crore was made provisionally in the capital budget of financial year 2018-19. The JV Company got liquidated and decision could not be taken by both the JV partners whether payment will be released by NALCO to OMC or SMASL. Pending finalization, no demand was raised by either of the JV partner or the JV Company, consequently provisional budgeted amount was not released, which caused shortfall of CAPEX."

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In this regard, the Committee were further, it was informed as under:

"Besides, ₹30.00 crore provisioned in BE and RE for the financial year 2019-20, against which an expenditure of ₹19.77 crore could be incurred. Due to reasons as explained above, the unpaid amount of ₹9.39 crore was also included in the budget of 2019-20, again anticipating that, the demand is likely to be raised in the financial year 2019-20. The decision could not be finalized by the erstwhile JV Company and its partners i.e. who will receive the payment. Consequently, the shortfall occurred and it was decided to release the payment against receipt of demand in future. ₹40.00 crore was provisioned in BE of financial year 2020-21 against which ₹34.09 crore could be incurred. ₹6.00 crore was provided in the budget towards NPV of UTKAL-E Coal block anticipating Stage-I Forest clearance (FC). The FC was received in the subsequent financial year and payment was released."

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From the material furnished by the Ministry, it has been observed that in 2021-22 , ₹ 40.50 crore was allocated and for the year 2022-23 ₹ 25.00 crore have been allocated for UTKAL D&E Coal Mine Project. The Committee desired to know whether the funds allocated during 2021-22 would be utilized, if not, furnish the reason. In this regard, the Ministry have stated that against CAPEX target of ₹ 40.50 crore in the year 2021-22, an amount of ₹ 30.14 crore has

been spent till December, 2021. The Company is quite hopeful to utilize the entire budgeted amount.

~~5.28~~ Regarding advance steps taken to utilize the allocated ₹ 25.00 crore under this Project for the year 2022-23, Ministry have stated as under:

"Considering the progress of the project, ₹ 25.00 crore is likely to be achieved as NALCO has engaged Mine Developer cum Operator which will commence operation during the year 2022-23. Certain NALCO funded works are under their scope, which will facilitate utilization of the allocated funds."

CHAPTER-VI

DISTRICT MINERAL FOUNDATION (DMF) AND PRADHAN MANTRI KHANIJ KSHETRA KALYAN YOJANA (PMKKKY)

District Mineral Foundation(DMF) is meant to address the longstanding demand of the local people in mining areas for inclusive growth. As per MMDR Amendment Act, 2015, the funds for DMF will be met from additional contributions of 30% of royalty by existing miners and 10% by miners granted mines w.e.f. 12th January, 2015. Further the MMDR Act has been amended through MMDR Amendment Act, 2021 w.e.f 28.03.2021. The sub-section (5) and (6) of Section 9B of the MMDR Act has been amended for clarifying the rates of DMF to be paid by different categories of mines.

6.2 The Committee had observed from the Action Taken Replies to their 47th Report (16th Lok Sabha) on "Implementation of District Mineral Foundation and Pradhan Mantri Khanij Kshetra Kalyan Yojana" that DMF/PMKKKY were being revised and recommendations of the Committee relating to Composition of DMF, Implementation of Projects under DMF, Priority to people Directly Affected, Monitoring of DMF/PMKKKY, Auditing of Accounts of DMF, Need for public feedback on DMF performance, etc. had been accepted by the Government and would be suitably incorporated while revision of the said guidelines.

6.3 The Ministry have apprised the Committee about the present status with regard to revision of guidelines of DMF/PMKKKY which is as follows:

"As per the proviso of sub-section (3) of Section 9B of the Mines and Minerals (Development and Regulation) Amendment Act, 2021, Central Government has been empowered to give directions regarding the composition and utilization of funds by the District Mineral Foundation. Ministry of Mines observed that

composition of Governing Council and Managing Committee varies from State to State. Also, since DMF is meant to work for interest and benefit of mining affected areas and people it is necessary that administrative head of the district is the Chairman of the DMF and the elected representatives of mining affected area in the district is included as members of Governing Council. Thus, Ministry issued an order on 23rd April, 2021 which mandates the representation of MP/MLA/MLC in the Governing Council of DMF. In order to obviate transfer of funds from DMF to any State level agency which defeats the very purpose of depositing the contribution and setting up of DMF at district level, an order dated 12th July, 2021 has been issued by the Ministry directing the State Governments to refrain from transferring the District Mineral Foundation funds to any funds at the State level. Also, no sanction or approval of any expenditure out of the fund of the District Mineral Foundation shall be made at the State level by the State Government or any State level agency."

6.4 The Committee in their earlier Report (9th Report, 17th Lok Sabha) had also observed from the statements of auditing of DMF in respect of mineral rich States since 2015-16 to 2018-19 that audit status of DMF in respect of certain states was not furnished for the years 2015-16 to 2018-19. Besides, information on the action taken by the Ministry against the defaulting States was not furnished.

6.5 In this regard, the Ministry of Mines have informed that as per PMKKKY Guidelines, the accounts of the DMF are to be audited every year by the

Chartered Accountant appointed by the DMF, or in such other manner as the State Government may specify, and the report must be placed in the public domain. Ministry of Mines regularly follows up with the States on the audit status. Audit status has so far been received by the Ministry up to year 2019-2020. Ministry of Mines has been reiterating to the States the need and urgency of getting the auditing of DMF and has been sending repeated reminders to the States (3rd December, 2019, 27th January, 2020, 15th October, 2020), the exigency of the same was also communicated in the Video Conferences held with the States (11th December, 2018, 25th June, 2019, 19th August, 2019, 17th January, 2020, 14th February, 2022). In addition to this, the Central Project Management Unit (PMU) has been coordinating with the States for the data related to DMF as well as sending reminders regarding the regular audit of the DMF funds.

PART-II

Observations/Recommendations of the Committee

1. The Committee note that Ministry of Mines proposed an outlay of ₹ 1742.85 crore (under revenue and capital) for the year 2022-23 for different schemes implemented by GSI, IBM, S&T programme, Secretariat (proper), Grants-in-Aid to Autonomous bodies, etc., however, the Ministry of Finance made a budgetary allocation of ₹ 1508.00 crore (under revenue and capital) only. During 2019-20, 2020-21 and 2021-22 too, when the Ministry of Mines proposed allocation of ₹ 1954.75 crore, ₹ 1997.86 crore and ₹ 1828.28 crore, respectively, Ministry of Finance allocated ₹1675.55 crore, ₹ 1701.40 crore and ₹ 1466.82 crore, respectively. The analysis of the expenditure of the Ministry of Mines during the previous years reveals that the budgetary allocations of the Ministry were reduced at RE stage and actual expenditure remained even less. During 2019-20, the budgetary allocation of ₹ 1675.55 crore was reduced to ₹ 1528.22 crore at RE stage and expenditure was 89.42%. Similarly, during 2020-21, budgetary allocation of ₹ 1701.40 crore was reduced to ₹ 1370.68 crore at RE stage and expenditure was 98.15%. During 2021-22 also, the Ministry has been able to expend 88.88% of a modest target of ₹ 1480 crore (up to 18.02.2022). The Committee, therefore, recommend the Ministry of Mines to ensure that the assessment of

requirement of funds be made on realistic anticipations to make budgetary exercise more meaningful and accurate.

2. The Committee are happy to note that Ministry of Mines has amended Mines and Minerals (Development and Regulation) (MMDR) Act notified on 28.03.2021. The MMDR Amendment Act, 2021 aims to increase mineral production, improving ease of doing business in the country and enhance contribution of mineral production to Gross Domestic Product (GDP). Some of the major reforms brought in this Amendment Act, 2021 are removing the distinction between captive and merchant mines, allowing all captive mines to sell up to 50% of the minerals produced during the year, after meeting the requirement of attached plant subject to the payment of additional amount as prescribed under sixth schedule of the MMDR Amendment Act. Further, all future auctions will be without any end use restrictions. The Act shall empower the Central Government to conduct auction of mines, if State governments do not conduct auctions in a timely manner. The Committee are hopeful that the Ministry of Mines will resolve the upcoming challenges/concerns in the implementation of the clauses of the said Act, by consultations with the State authorities and affected parties and fulfill the objectives with which the MMDR Act, 2021 has been brought.

BUDGET OUTLAYS OF GEOLOGICAL SURVEY OF INDIA (GSI)

3. The Committee note that since its inception in 1851, the Geological Survey of India started its voyage to search for and assess coal and mineral resources of the country with regional level exploration. In later years, GSI diversified into various geoscientific activities, and made contributions in geosciences and resultantly, in the economic growth of the country. The Committee note that GSI has proposed for ₹ 1323.32 crore (Revenue ₹ 1250.82 crore and capital ₹ 72.50 crore) in the Budget Estimates for the Financial Year 2022-23 considering fund requirement for continuation of all activities under its five missions viz. survey and mapping (Mission I), Mineral Exploration (Mission II), Information Dissemination (Mission III), Specialised Investigation (Mission IV), Research and Development (Mission V), escalation of the administrative & establishment expenditure and also to meet the committed expenditure during 2022-23, if any. However, GSI has received a budgetary grant of ₹ 1205.17 crore (Revenue ₹ 1147.67 crore and capital ₹ 57.50 crore). This is in spite of the fact that GSI has been optimally utilising the allocated funds. During 2019-20, GSI has utilised ₹ 1022.98 crore, out of an allocation of ₹ 1028.55 crore(99.45%) and during 2020-21, out of an allocation of ₹ 1116.24 crore, GSI has utilised ₹ 1110.94 crore(99.53%). Also, during 2021-22, GSI has utilised 88.22% of the allocated funds up to 07.02.2022 in spite of Covid pandemic 2nd and 3rd wave in the country and assured

to optimally utilize the remaining funds. Keeping in view the importance of GSI for various geo-scientific activities and its contribution for economic growth of the country, the Committee recommend that once GSI submits the revised demand of funds, after assessing their requirement of funds after six months, their financial allocation should be suitably stepped up at RE stage.

Modernisation of GSI

4. The Committee learn that in order to establish GSI as a world class geoscientific institute, a modernization programme has been initiated long back to improve the capabilities in the field and laboratories. In this direction, GSI is procuring various geological / geophysical / chemical laboratory and field based instruments as well as hydrostatic drill rigs in phased manner. All these high end equipment generate quality data and cater to the need of GSI as well as other Geological institutes of country. The Committee further note with satisfaction that various other instruments for geological, chemical, geophysical and geotechnical studies are procured / planned to be procured during 2021-22 with optimum utilization of the fund. The Committee appreciate that high end machineries and equipment are being procured in a phased manner to improve the capabilities in generating vital geoscience data and their processing, interpretation as well as to support the operational activities of GSI. As regards the steps taken by GSI to ensure timely execution of various ongoing and

new projects for optimal utilization of allocated funds during 2022-23, the Committee has been given to understand that GSI has critically reviewed the demand of fund submitted by the operational units for execution of all activities under five missions during 2022-23 and budget grant has been judiciously allocated in all Heads giving priority to the committed expenditures and for execution of operational activities so that physical targets of the Year 2022-23 can be achieved with the available fund. The Committee, however, observe that though GSI proposed a budgetary demand of ₹ 72.50 crore for procurement of various laboratory and field based instruments under its modernization and replacement programme, they have been allocated ₹ 57.50 crore only. Keeping in view the significant role of GSI in the exploration, survey and mapping of Minerals in the country, the Committee believe that funds, as required, need to be allocated to GSI for ongoing upgradation and modernization of all laboratories. The Committee, therefore, recommend that at RE Stage, the Ministry should, with due assessment of actual requirement of funds for GSI, pursue with Ministry of Finance so that its modernisation programme is completed, as targeted.

INDIAN BUREAU OF MINES (IBM)

5. The Committee are aware that IBM undertakes scientific, techno-economic, research oriented studies in various aspects of mining, geological studies, ore beneficiation and environmental studies with a view to promote systematic and scientific development of mineral resources of the country (both onshore and offshore), through regulatory inspections of the mines, approval of mining plans and environment management plans to ensure minimal adverse impact on environment. The Committee, however note that funds allocated to the IBM during the last three years were downsized at RE stage and remained under-utilised. During 2019-20, against BE and RE of ₹ 124.31 crore and ₹ 109.11 crore respectively, IBM could spent ₹ 94.55 crore(86.66%) only. Again, during 2020-21, against BE and RE of ₹ 128.31 crore and ₹ 94.00 crore, IBM could spent ₹ 85.67 crore(91.13%) only. During 2021-22, against BE and RE of ₹ 110.00 crore and ₹ 103.14 crore, IBM has been able to spend ₹ 82.24 crore(79.73%)(up to 31.01.2022). Furthermore, the reason for downsizing the allocation at RE, 2021-22 like non-filling up of vacant posts; is lingering for years now and the Committee recommend that the same be addressed urgently.

6. The Committee understand that there was less number of official tours and inspection of mines and planned and scheduled trainings could not be executed due to COVID -19 during the year. However,

they are not convinced of the reasons for allocation of funds to IBM under the object head Other Capital Expenditure (NER), when IBM has no scope of incurring expenditure under Other Capital Expenditure (NER). As funds were allocated to IBM under the object head Other Capital Expenditure (NER) during 2020-21 also, the Committee feel that Ministry of Mines should take necessary measures to bring it to a logical end, at the earliest.

7. The Committee note with satisfaction that in order to ensure optimal achievements of the financial as well as physical targets during the year, IBM has prepared a detailed Action Plan with month-wise/quarter-wise activities fixing responsibilities, monthly progress, as per Action Plan monitored at level of IBM, through monthly performance reports which are conveyed to the Ministry and they monitor the performance through review meetings, etc. The Committee hope that as a result of initiatives taken up by the Ministry, IBM will be able to achieve physical and financial targets set for their various schemes like Inspection of mines for scientific and systematic mining, mineral conservation and mines environment; Mineral Beneficiation Studies – utilization of low grade and sub-grade ores and analysis of environmental samples; Technological upgradation and Modernisation; Collection, processing, dissemination of data on mines and minerals through various publications; and Computerized Online Register of Mining Tenements System (MTS) during 2022-23. The

Committee trust that the Ministry will constantly endeavour to improve the performance of IBM through said schemes in the coming years.

NMET

8. The Committee observe that during 2019-20, against BE and RE of ₹ 150.00 crore and ₹ 110.00 crore, NMET could spent ₹ 68.31 crore(62.10% of RE) only. Again, during 2020-21, against BE and RE of ₹ 150.00 crore and ₹ 90.00 crore, NMET could spent ₹ 83.11 crore(92.34% of RE). Also, during 2021-22, against BE and RE of ₹ 100.00 crore and ₹ 125.00 crore, NMET has been able to spend ₹ 69.11 crore(55.28% of RE) up to January, 2022. It is imperative that Ministry of Mines/NMET make relentless efforts to enhance mineral exploration activities to enable the country meet the increasing demand of minerals and curtail its import. However, in view of the shortfalls in NMET's expenditure targets during 2019-20 and 2020-21 and expected shortfall during 2021-22, the Committee impress upon the Ministry of Mines/NMET to ensure that the plan expenditure is fully utilized as targeted.

9. The Committee note that against the proposed ₹184 crore outlays of NMET for 2022-23, only ₹100 core have been allocated. It has been brought to their notice that the Ministry of Mines has taken various initiatives to increase exploration activities which inter-alia include enhanced interaction with the State Governments and the Central and

State Public Sector Undertakings. NMET also organised an outreach program in the form of a series of workshops on mineral exploration for the benefit of State Departments of Mining & Geology and State Mineral Development Corporations. And, as a result of the efforts made by NMET to actively involve State Directorate of Geology and Mining (DGMs) and other Notified Exploration Agencies (NEAs) in the mineral exploration activities, there has been an increase in the exploration projects taken up by NMET from last year onwards. The Committee are hopeful that initiatives so taken by the Ministry/NMET would yield the desired results and allocation of ₹100 crore earmarked for the year 2022-23 would be optimally utilized. Further, based on the spendings by NMET during first two quarters of the financial year 2022-23, the Committee also recommend that Ministry of Mines/NMET should take up the matter of enhancement of NMET budget to the level of ₹ 184 crore as earlier projected by them, at the time of revised budget proposals for 2022-23.

PERFORMANCE OF PSUs

A. HINDUSTAN COPPER LIMITED(HCL)

10. The Committee note that during 2019-20, against a target of ₹ 600 crore, HCL could utilize ₹ 452.96 crore only. Likewise, HCL could not achieve its physical targets and against target of 51 lakh tonne ore and 33000 tonne of Metal-in-Concentrate(MIC), the HCL could only produce 39.68 lakh tonne ore and 26502 tonne of Metal-in-

Concentrate. During, 2020-21, BE of ₹ 600 crore was reduced drastically to ₹ 360 crore. However expenditure was on a little higher side and the Company could expend ₹ 372 crore. As stated by Ministry of Mines, stoppage & slow-down of operation of all CAPEX projects due to imposition of lockdown and maintaining COVID-19 protocol in underground as well as open cast mines was one of the reasons for lowering the targets. Resultantly, against physical target of 43 lakh tonne copper ore and 34000 tonne of Metal-in-Concentrate, the HCL could produce 32.73 lakh tonne ore and 23866 tonne of Metal-in-Concentrate. Further, during 2021-22, though HCL is likely to achieve financial target of ₹ 350 crore, there would again be a shortfall in MIC production, the reason being major maintenance work in crushing system and hoisting system at Kolihan mine. Also, the MIC production is badly affected since Surda mining lease expired w.e.f. 01.04.2020. The Committee are aware that HCL has the distinction of being the nation's only vertically integrated copper producing company as it manufactures copper right from the stage of mining to beneficiation, smelting, refining and casting of refined copper metal into downstream saleable products. In this background, the Committee feel that HCL has a larger role to play in the production of copper in the country and therefore shall take timely corrective measures, wherever warranted, to remove the constraints in order to optimally achieve the annual plan targets.

11. As regards Surda Mining lease, the Committee are happy to note that the Government of Jharkhand vide order dated 06.01.2022 has extended the validity of the Surda Mining Lease till 31.03.2040. The HCL has initiated action for commencement of production from Surda Mines and the process of awarding the contract for production is in the advanced stage. Further, the company has assured that it will achieve production from Kendadih Mines during 2022-23 and the production from newly under construction Malanjkhanda Copper Project (MCP) underground mines will also start from 2022-23 onwards. In view of the above submission of the Ministry, the Committee are hopeful that during 2022-23, HCL would optimally utilize its financial outlay of ₹ 350 crore and physical targets of 41 lakh tonne ore and 28000 tonne of Metal-in-Concentrate production.

12. The Committee further note that currently, the extension of Rakha Mining Lease which expired on 28.08.2021, is pending with State Government of Jharkhand. Reportedly, the lease and the application of extension of mining for another period of twenty years as per Mineral (Mining by Govt. Company) Rule 2015 has already been applied. The Committee recommend the Ministry of Mines/HCL to actively pursue the matter with the State Government of Jharkhand and apprise the Committee of the outcome thereto.

B. NATIONAL ALUMINIUM COMPANY LIMITED(NALCO)

13. The Committee are appreciative of the fact that despite the Global COVID-19 pandemic, during 2020-21, NALCO has posted a remarkable net turnover and net profit of ₹8,869.29 crore and ₹1,299.56 crore, respectively. Further, though the Capital expenditure (Capex) Plan during 2020-21 was ₹ 951.93 crore, the actual expenditure exceeded to ₹ 1000.17 crore. The Committee also note that during 2021-22, though the Capital expenditure (Capex) Plan was increased to ₹ 1500.00 crore, the actual expenditure (up to December 2021) is ₹909.61 crore. The Ministry have assured that the target of ₹1500 crore would be achieved by March, 2022. The Committee are happy that M/s KPMG has been engaged independently to monitor the progress of the ongoing projects of NALCO and to facilitate the timely progress / completion of the projects. For Project Progress Monitoring, Digital Dashboards have also been deployed and dedicated teams are in place at project sites to oversee the project progress. Besides, progress of major packages are being closely monitored periodically by the Higher Management so as to expedite the project works in time. In this backdrop, the Committee trust that NALCO would be able to optimally expend their CAPEX Plan of ₹ 1800 crore for the financial year 2022-23.

14. The Committee are aware that Ministry of Coal allotted UTKAL D&E Coal blocks to NALCO in accordance with the provisions of Coal

Mines (Special Provisions) Act, 2015. The allotment agreement has been executed between Govt. of India and NALCO in respect of Utkal D&E Coal Block. The Committee, however, observe that annual plan outlays during 2018-19, 2019-20 and 2020-21 for UTKAL D&E Coal Mine Project, could not be utilized and against annual plan outlays of ₹ 26.00 crore, ₹ 30.00 crore and ₹ 40.00 crore, respectively, the actual expenditure remained ₹ 14.74 crore, ₹ 19.77 crore and ₹ 34.09 crore, respectively. The reason attributed to lower utilisation of funds is that UTKAL-D Coal Block was initially allotted to the Orissa Mining Corporation Ltd (OMC), which made a JV Company with M/s Sainik Mining & Allied Services Ltd (SMASL) for development of the said Coal Block. However, during 2016, UTKAL-D Coal block was reallocated in favour of NALCO and the cost of development as incurred by the earlier lessee was payable by NALCO. Budgetary provision of ₹9.39 crore was made provisionally in the Capital budget of financial year 2018-19. The JV Company got liquidated and decision could not be taken by both the JV partners whether payment will be released by NALCO to Orissa Mining Corporation (OMC) or SMASL. Pending finalization, no demand was raised by either of the JV partner or the JV Company, consequently provisional budgeted amount was not released, which caused shortfall of CAPEX. Again, because of the same reason the unpaid amount of ₹9.39 crore was included in the budget of 2019-20. Further, ₹6.00 crore was provided in the budget of 2020-21 towards

Net Present Value (NPV) of UTKAL-E Coal block anticipating Stage-I Forest clearance (FC). The FC was received in the subsequent financial year and payment was released. The Committee learn that during the year, 2021-22, against projected outlays of ₹ 40.50 crore, an amount of ₹ 30.14 crore has been spent till December, 2021 and the Company is likely to fully utilize the budgeted amount. Taking stalk of the reasons for lower utilisation of funds, the Committee are of the opinion that issues resulting in under-performance of the Company should be addressed at the earliest by promptly taking up the matter with the concerned authorities so that during 2022-23, Annual Plan target of ₹ 25.00 crore for Utkal "D" & "E" Coal Block project is accomplished.

Utilisation of DMF Funds

15. The Committee observe that the PMKKKY guidelines envisages annual audit of the DMF funds to ensure that these funds are being utilized as per DMF rules framed by the respective State Governments. However, the Committee in their earlier Report (9th Report, 17th Lok Sabha) observed that audit Reports in respect of mineral rich states were not furnished in respect of certain States. The Ministry of Mines has, however, now submitted that audit status has been received up to the year 2019-2020. The Ministry has been reiterating to the States the need and urgency of getting the auditing of DMF through constant reminders, besides communicating to them its exigency in the Video

Conferences. Also, the Central Project Management Unit (PMU) has been coordinating with the States for the data related to DMF as well as sending reminders regarding the regular audit of the DMF funds. The Committee trust that the Ministry would give utmost attention to the annual auditing of the DMF to ensure that these funds are being utilized. For strict compliance of the PMKKY guidelines on expenditure, which is critical to serve the purpose of formation of DMF, the Committee desire that audit status must be received in the Ministry from every State and the mining Districts.

16. The Committee also note that according to PMKKY guidelines, every year, the DMF has to prepare an Annual Report on fund utilization under DMF, within three months from the date of closure of the financial year and place it before the State Legislative Assembly. The Committee would like to be apprised of the State-wise implementation status of the instant Guideline.

NEW DELHI;
21 March, 2022
30 Phalguna, 1943 (Saka)

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

ANNEXURE-I

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2021-2022) HELD ON TUESDAY, THE 22nd FEBRUARY, 2022 IN COMMITTEE ROOM No. '2', BLOCK-A, FIRST FLOOR, EXTENSION TO PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1430 hrs. to 1530 hrs.

PRESENT

Shri Rakesh Singh- Chairperson

Lok Sabha

2. Shri Balubhau Dhaorkar alias Suresh Narayan
3. Shri Kunar Hembram
4. Shri C. Lalrosanga
5. Shri S. R. Parthiban
6. Shri Komati Reddy Venkat Reddy
7. Shri Chunni Lal Sahu
8. Shri Arun Sao
9. Shri Pashupati Nath Singh
10. Shri Sushil Kumar Singh
11. Dr. Beesetti Venkata Satyavathi
12. Dr. Thirumaavalavan Thol

Rajya Sabha

13. Dr. Vikas Mahatme
14. Dr. Prashanta Nanda
15. Shri B. Lingaiah Yadav

SECRETARIAT

1. Smt. Anita B. Panda - Joint Secretary
2. Shri Arvind Sharma - Director
3. Smt. Geeta Parmar - Additional Director

WITNESSES

MINISTRY OF MINES

- | | | |
|----|--------------------------|---------------------------|
| 1. | Shri Alok Tandon | Secretary |
| 2. | Shri Sanjay Lohiya | Additional Secretary & CG |
| 3. | Smt. Nirupama Kotru | Joint Secretary & FA |
| 4. | Dr. Veena Kumari. D | Joint Secretary |
| 5. | Shri Shakil Alam | Economic Adviser |
| 6. | Shri Sakesh Prasad Singh | CCA (Mines) |

MINES PSUs

- | | | |
|----|--------------------------------|------------------------|
| 1. | Shri Sridhar Patra | CMD, NALCO |
| 2. | Shri Rajendra Singh
Garkhal | DG, GSI (Addl. Charge) |
| 3. | Shri Arun Kumar Shukla | CMD, HCL |
| 4. | Dr. Ranjit Rath | CMD, MECL |

2. At the outset, the Hon'ble Chairperson welcomed the Secretary and other representatives of the Ministry of Mines and its Public Sector Undertakings (PSUs) to the sitting of the Committee convened to examine the Demands for Grants for the year 2022-23. The Hon'ble Chairperson drew their attention to Direction 55 of the 'Directions by the Speaker, Lok Sabha' regarding confidentiality of the proceedings.

3. The Secretary, Ministry of Mines then briefed the Committee about the role of the Ministry of Mines in survey, exploration and mining of all minerals, other than natural gas, petroleum, atomic minerals and coal. The representatives of the Ministry explained the Ministry's endeavour, following the amendment in the MMDR Act, 2021 to auction more minerals with the help of the State Governments so that production of minerals in the country is increased and imports could be minimized. He further apprised the Committee on the financial Outlays *vis-a-vis* actual utilization of funds during Financial Year 2021-22 and the proposed budgetary allocation for the Financial Year 2022-23 and funds actually allocated.

4. Thereafter, Joint Secretary & FA, Ministry of Mines made a power point presentation on the performance of different organisations under the Ministry of Mines

during 2021-22 and planning for optimum utilization of allocated funds by GSI, Indian Bureau of Mines (IBM) and Mine PSUs up to March, 2022. Additional Secretary, Ministry of Mines then highlighted some of the other initiatives taken by the Ministry to enhance the mineral production in the country like establishment of National Mineral Exploration Trust (NMET), Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)/District Mineral Foundation(DMF),incentivizing exploration of mineral blocks, Star rating of mines introduced for sustainable mining; National Non-Ferrous Metal Scrap Recycling Framework issued in January, 2021, etc.

5. Thereafter, the Hon'ble Chairperson raised various queries on the issues related to Demands for Grants of the Ministry of Mines for the year 2022-23 and expected under-utilisation of funds allocated during 2021-22 by the various organisations of the Ministry. The Members also sought clarifications on the issues highlighted in the power-point-presentation of Ministry. The representatives of the Ministry replied to some of the queries of the Members. The Hon'ble Chairperson directed the Secretary, Ministry of Mines to furnish written replies to the queries raised by the Members, which remained unanswered during the sitting of the Committee, within ten days.

The witnesses then withdrew

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

The Committee then adjourned.

ANNEXURE-II

MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2021-2022) HELD ON MONDAY, THE 21ST MARCH, 2022 FROM 1530 HRS. TO 1615 HRS. IN HON'BLE CHAIRPERSON'S CHAMBER, ROOM NO. '210', B-BLOCK, PHA EXTENSION BUILDING, NEW DELHI.

PRESENT

Shri Rakesh Singh - **Chairperson**

Lok Sabha

2. Shri Kunar Hembram
3. Shri Chandra Prakash Joshi
4. Shri Ajay Nishad
5. Smt. Riti Pathak
6. Shri Chunni Lal Sahu
7. Shri Arun Sao
8. Shri Pashupati Nath Singh
9. Shri Sushil Kumar Singh
10. Dr. Beesetti Venkata Satyavathi

Rajya Sabha

11. Dr. Vikas Mahatme
12. Shri Samir Oraon
13. Shri Deepak Prakash

SECRETARIAT

1. Smt. Anita B. Panda - Joint Secretary
2. Shri Arvind Sharma - Director
3. Shri Uttam Chand Bharadwaj - Additional Director

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

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

- (i) *** **
- (ii) Draft Report on Demands for Grants (2022-23) relating to the Ministry of Mines;

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

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

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

The Committee, then, adjourned.

***Not related to the Report.**

