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STANDING COMMITTEE ON
COAL, MINES AND STEEL (2021-2022)
SEVENTEENTH LOK SABHA

MINISTRY OF MINES

"DEMANDS FOR GRANTS (2022-2023)"

[Action Taken by the Government on the Observations/ Recommendations contained in the Twenty- Ninth Report of the Standing Committee on Coal, Mines and Steel (Seventeenth Lok Sabha)]

THIRTY-THIRD REPORT

LOK SABHA SECRETARIAT
NEW DELHI
AUGUST 2022/SRAVANA 1944(Saka)

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Presented to Lok Sabha on 04.08.2022

Laid in Rajya Sabha on 04.08.2022

LOK SABHA SECRETARIAT
NEW DELHI
AUGUST 2022/SRAVANA 1944(Saka)

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

Chairperson - Shri Rakesh Singh

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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. Prashanta Nanda
24. Shri Samir Oraon
25. Shir Deepak Prakash
26. Shri Dhiraj Prasad Sahu
27. Shri Shibu Soren
28. Shri Prabhakar Reddy Vemireddy
29. Shri B. Lingaiah Yadav
30. Vacant*
31. Vacant*

#Nominated to the Committee w.e.f 07.02.2022 *vice* Dr. Lorho S. Pfoze
*Shri Ram Vichar Netam ceased to be a Member of the Committee w.e.f. 29.6.2022 after his retirement from Rajya Sabha
*Dr. Vikas Mahatme ceased to be a Member of the Committee w.e.f. 04.7.2022 after his retirement from Rajya Sabha

Secretariat

1.	Shri J.M. Baisakh	-	Joint Secretary
2.	Shri Arvind Sharma	-	Director
3.	Shri U.C. Bharadwaj	-	Additional Director
4.	Shri Lalit Sharma	-	Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Coal, Mines and Steel having been authorised by the Committee to present the Report on their behalf, present this Thirty-Third Report (Seventeenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations contained in the Twenty-Ninth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel on "Demands for Grants(2022-2023)" relating to the Ministry of Mines.

2. The Twenty-Ninth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel was presented to Lok Sabha on 22.03.2022. Replies of the Government to all the Observations/ Recommendations contained in the Report were received on 06.05.2022

3. The Standing Committee on Coal, Mines and Steel considered and adopted this Report at their sitting held on 2.8.2022.

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

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

NEW DELHI;	**RAKESH SINGH**
02 August, 2022	**Chairperson**
11 Sravana, 1944(Saka)	**Standing Committee on Coal, Mines and Steel**

REPORT

CHAPTER I

This Report of the Committee deals with Action Taken by the Government on the observations/recommendations contained in the Twenty-Ninth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel on "Demands for Grants (2022-23)" of the Ministry of Mines which was presented to Lok Sabha and laid in Rajya Sabha on 22.03.2022.

2. The Report contained 16 Observations/Recommendations. The Action Taken Replies have been received from the Ministry of Mines on 06.05.2022 in respect of all the 16 observations/recommendations contained in the Report. These have been categorized as follows:

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

Sl. Nos. 1,2,3,4,5,7,8,9,10,11,13,14 (Total: 12)
(Chapter-II)

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

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

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

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

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

Sl. Nos. 6,12,15,16
(Total: 04)
(Chapter V)

3. The Committee do hope and trust that utmost importance would be accorded to implementation of the Observations/Recommendations accepted by the Government. In case, where it is not feasible for the Ministry to implement the recommendations in letter and spirit for any reason, the matter must be reported to the Committee with reasons for non-implementation. The Committee desire that final Action Taken Notes on the

Observations/Recommendations contained in Chapters - I and V of this Report be furnished to them within three months.

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

Modernisation of GSI

Recommendation Serial No. 4

5. The Committee had learnt 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 had further noted 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 had appreciated 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 had 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, observed that though GSI proposed a budgetary demand of Rs.72.50 crore for procurement of various laboratory and field-based instruments under its modernization and replacement programme, they have been allocated Rs.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 had believed that

funds, as required, need to be allocated to GSI for ongoing upgradation and modernization of all laboratories. The Committee, had therefore, recommended 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.

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

> "During FY 2021-22, GSI could optimally utilized the fund under modernization & replacement head and Rs.50.96 crore (99.34%) was spent against RE allocation of Rs.51.30 crore in modernization & replacement head for procurement of various high end laboratory and field based instruments. During FY 2022-23, GSI demanded for total Rs.1323.32 crore in the budget estimate including demand for Rs.72.50 crore in capital head for modernization and replacement activities of GSI. However, GSI received budget grant of Rs.1205.17 crore and in view of reduction of fund, GSI has judiciously made activity-wise allocation for carrying out all activities including Rs.57.50 crore in Capital head for modernization programme. GSI has already planned to procure various laboratory and field based instruments during 2022-23 and the 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. GSI has planned for timely execution of all procurement during 2022-23."

7. The Committee, had noted that for the procurement of various laboratory and field based instruments during the Financial Year 2022-23, GSI proposed a budgetary demand of Rs.72.50 crore under its modernization and replacement programme, but they were allocated Rs.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 had recommended that at RE Stage, the Ministry should, with due assessment of actual requirement of funds for GSI, pursue with Ministry of Finance for enhancement of funds at RE stage so that its targeted modernisation programme is completed.

The Ministry of Mines in their action taken reply have stated that GSI has already planned to procure various laboratory and field based instruments during 2022-23 and the allocated funds will be optimally utilized. The Ministry have further informed the Committee that they will submit the revised demand for timely execution of all procurement during 2022-23. While endorsing, the Ministry of Mines approach seeking sufficient funds at RE Stage for the year

2022-23 so that there is no shortage of funds for modernization programme, the Committee would also like to be apprised the details of various instruments being procured by GSI during 2022-23.

Indian Bureau of Mines (IBM)

Recommendation Serial No.5

8. The Committee had observed 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, had however, noted that funds allocated to the IBM during the last three years were downsized at RE stage and remained under-utilized. During 2019-20, Rs. 124.31 crore (BE) reduced to Rs.109.11 crore at RE stage respectively. However, IBM could spent Rs. 94.55 crore (86.66%) only. Again, during 2020-21, against BE of Rs.128.31 crore was reduced to Rs. 94.00 crore, IBM could spent Rs. 85.67 crore (91.13%) only. Similarly, during 2021-22, against RE of Rs.103.14 crore, IBM has been able to spend Rs. 82.24crore (79.73%) (up to 31.01.2022). Furthermore, the reason for downsizing the allocation at RE, 2021-22 was given like non-filling up of vacant posts for years. The Committee had recommended that the matter of vacant posts to be addressed on urgent basis.

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

> "The actual expenditure of IBM during the year 2021-22 is Rs. 93.18 crore as against the RE of Rs. 103.14 crore which is 90.35% of RE. The shortfall of Rs. 9.96 crore is mainly, due to (i) non-filling of vacant posts (under salary head Rs.4.1 Crore), (ii) less expenditure for minor works by concerned department (of Rs.2.43 crores) though letter of authorization issued by IBM for Rs. 5.89 crore, (iii) halting of the process of implementation of MTS due to M/S WIPRO/ NISG (of Rs.1.74 crores), (iv) DTE (of Rs.0.76 crores) due to less number of official tours, no transfers and no offline training programmes due to Covid 19; (v) OCE (NER) (of Rs.0.42 crores) no scope of incurring expenditure under the object heads (OCE) (NER) and (vi) under other heads (of Rs.0.51 crores) marginal misc. shortfalls.
>
> Regarding observation of the Committee that issue of filling up of vacant posts is lingering for years now and the recommendation of the

Committee that the same be addressed urgently, it is respectfully submitted that:
Ministry of Finance had approved the restructuring proposal of IBM in the year 2018. After the Cabinet approval, detailed discipline-wise, revised sanctioned strength of IBM, is notified vide Gazette Notification No. 31/72/2009-M.III.Vol.I (Part–I) dated 15th May, 2018, published on 17.05.2018.
Consequent to gazette Notification following actions have been initiated:
(a) 138 posts have newly been created under the different cadres of IBM. For initiation of recruitment process as per Restructuring of IBM, new set of recruitment rules in respect of over 80 posts/designations in 17 disciplines had been uploaded in the IBM's Website for inviting stakeholders' comments & then finalized after incorporating comments and after due approval of concerned authorities like DoPT, UPSC and DoLA, recruitment rules of 70 posts have been revised and notified by the Ministry from 2019 till date.
(b) As per the provisions contained in RRs, direct recruitment requisitions have been submitted to UPSC for 108 posts and to SSC for 228 posts. UPSC has already given advertisement for the vacancies of 63 posts in the employment news.
(c) During 2021-22, proposals for DPC to 89 posts as per the existing RRs and revised RRs has been sent to Ministry for holding DPCs at UPSC/Ministry in respect of Gazetted posts.
(d) Meanwhile some of the posts went under "deemed abolished" as per guidelines of Ministry of Finance. Hence, the revival proposal had to be taken up with the Ministry of Finance through Ministry of Mines. Accordingly, 335 posts, 242 posts and 108 posts were revived in April, 2021, August 2021 and February, 2022 respectively. (e) In respect of the 74 posts of Group B and C, where the authorities of IBM are competent to make appointment, the DPCs have been conducted during 2021-22. As such it may be observed that the process for filling up of the vacant posts is taking time and seems to be lingering as observed by the Committee due to following due procedures after restructuring of IBM in 2018 i.e. preparation of new RRs, seeking stakeholders comments, approval of competent authorities as DoPT, UPSC, DoLA etc, revival of deemed abolished posts and then sending proposals to UPSC/SSC. It is assured that IBM would take all possible efforts under the guidance of the Ministry to fill up the vacant posts in the year 2022-23."

10. The Committee, in their original report had observed that funds allocated to IBM at BE stage during the last three years were downsized at RE stage and remained under-utilized. Furthermore, one of the reasons advanced by the Ministry for downsizing the allocation at RE stage was non-filling up of vacant posts for years. The Committee had recommended that the matter pertaining to non-filing of vacant posts be addressed on urgent basis. In their

action taken reply, the Ministry have cited the other reasons also like pending works by concerned department, halting of the process of implementation of MTS, less number of official tours and no offline training programmes etc. due to Covid 19 for shortfall of Rs.9.96 crore during 2021-22. In view of the forgoing, the Committee would like to impress upon the Ministry/IBM to make concerted efforts to resolve these issues responsible for under-utilisation of allocated funds and apprise them of the progress made in the matter.

Capital expenditure by Hindustan Copper Limited (HCL)

Recommendation Serial No.10

11. The Committee had noted that during 2019-20, against a target of Rs.600 crore, HCL could utilize Rs.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 Rs. 600 crore was reduced drastically to Rs. 360 crore. However expenditure was on a little higher side and the company could expend Rs. 372 crore. Further, during 2021-22, though HCL is likely to achieve financial target of Rs. 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 were 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 felt the 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.

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

> "HCL is continuously taking timely corrective measures for removing the constraints and envisioned to achieve the targeted expansion plan of 12.20 million tonne per annum ore production by the financial year 2028-29 from the current level of around 4 million tonne per annum."

13. The Committee had noted that during 2019-20 and 2020-21, against a target of Rs.600 crore for each year, HCL could utilize Rs.452.96 crore and Rs.372 crore respectively. As per Ministry of Mines, stoppage & slow-down of operation of all CAPEX projects of Hindustan Copper Limited was due to imposition of lockdown and maintaining COVID-19 protocol in underground as well as open cast mines. Although, the Ministry in their action taken reply have informed that HCL is taking timely corrective measures for removing the constraints and has envisioned to achieve the targeted expansion plan of 12.20 million tonne ore per annum production by the financial year 2028-29 from the current level of around 4 million tonne per annum, the Committee feel that required steps are needed to be taken to ensure targeted expenditure of Plan outlays. The Committee, therefore, desire that the Ministry of Mines/HCL should make focused endeavor in production of copper in the country in the coming years and they be informed of the steps taken in this regard.

Extension of Rakha Mines Leave

Recommendation Serial No.12

14. 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.

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

> "It is to submit that Rakha Mining Lease was valid till 28.08.2021. Application for renewal of lease for further period of 20 years as per the provisions of clause 3(2) of Mineral Mining by Government Company Rules, 2015 and its subsequent amendments has been submitted to DMO, Jamshedpur on 30.04.2020.

Deputy Commissioner, Jamshedpur has recommended the proposal on 21.10.2020 to Director (Mines), Govt. of Jharkhand.

Further, as desired additional checklist was also submitted to DMO, Jamshedpur on 26.11.2021 which in turn has been forwarded to Director (Mines), Government of Jharkhand on 03.03.2022. The renewal of Rakha Mining Lease is still awaited. HCL is continuously following up with the State Govt. Secretary (Mines) has also followed it up and written a letter to Chief Secretary, Government of Jharkhand dated 08.04.2022."

16. As regards, Rakha Mines, the Committee have been informed that the Mining Lease was valid till 28.08.2021 and the Deputy Commissioner, Jamshedpur has recommended the proposal on 21.10.2020 to Director (Mines), Govt. of Jharkhand. The Ministry of Mines in their action taken reply have also informed the Committee that additional checklist was also submitted to DMO, Jamshedpur on 26.11.2021 which in turn has been forwarded to Director (Mines), Government of Jharkhand on 03.03.2022. The renewal of Rakha Mining Lease is still awaited. The Committee would like to impress upon the Ministry of Mines to pursue the matter of lease renewal of Rakha Mine at the earliest by taking up the matter with the State Government of Jharkhand.

Utilisation of DMF Funds

Recommendation Serial No.15

17. 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 Government. 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 2019-20. 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 PMKKKY 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.

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

> "As per PMKKKY Guidelines dated 16.09.2015, 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 thereof shall be placed in the public domain.
>
> Ministry of Mines also regularly follows up with the States on the Audit Status. 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 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. Updated status is given at **Annexure-I."**

19. The Committee observe that the Ministry of Mines have been reportedly 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) and out of 13 States, the audit of District Mineral Foundation funds allocated during the year 2015-16 onwards has not been completed fully. The Committee, therefore, reiterate their earlier recommendation and impress upon the nodal Ministry (Ministry of Mines) to take up the matter at the highest level of the respective State Government to resolve the matter.

Annual Report on Utilisation of DMF Funds

Recommendation Serial No.16

20. The Committee also note that according to PMKKKY 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 Guidelines.

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

> "As per PMKKKY Guidelines dated 16.09.2015, followings are required to be done by District Mineral Foundation:
>
> (a) Every year, within three months from the date of closure of the financial year, the DMF shall cause to prepare an Annual Report on its activities for the respective financial year and place it before the DMF.
> (b) The Annual Report will be submitted to the Government within one month from the date of its approval by the DMF and will also be hosted on the website of the Foundation.
> (c) The Annual Report of each Foundation shall be laid before the State Legislative Assembly.

As per the information collected by central PMU, the state wise status of implementation of the said provision of the PMKKKY Guidelines is at **Annexure-II."**

22. As regards State-wise data on Annual Report of each District Mineral Foundation laid before State Legislative Assembly, the Committee observe that even in some of the major mineral producing States, the guidelines are not complied with and Annual Report on its activities for financial year 2016-17 onwards are still pending. The Committee reiterate their earlier recommendation and desire that Ministry of Mines should pursue these State Govts. to implement this PMKKKY Guidelines and apprise them the action taken by these State Governments.

CHAPTER-II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation Serial No.1

The Committee note that Ministry proposed an outlay of Rs.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 Rs.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 Rs.1954.75 crore, Rs.1997.86 crore and Rs.1828.28 crore, respectively, Ministry of Finance allocated Rs.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 Rs.1675.55 crore was reduced to Rs.1528.22 crore at RE state and expenditure was 89.42%. Similarly, during 2020-21, budgetary allocation of Rs.1701.40 crore was reduced of Rs.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 Rs.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 anticipation to make budgetary exercise more meaningful and accurate.

Action taken

While the observation/recommendation of the Committee has been noted, it can be seen that out of the total Budget Outlay for the financial year 2021-22 of this Ministry after receipt of enhancement at the Third Supplementary stage was Rs.1506.57 crore. Out of this Outlay 97.86% was utilized and the surrender amount was a meagre Rs.32.29 crore. The surrender amount included Letter of Authorisation (LoA) which pertains to CPWD for construction related work.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Recommendation Serial No.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 reduced 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 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 fulfil the objectives with which the MMDR Act, 2021 has been brought.

Action taken

Action Taken by the Ministry of Mines to implement the provisions of the Mines and Mineral (Development and Regulation) Amendment Act, 2021 notified on 28.03.2021.

The Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) has been amended through the Mines and Minerals (Development and Regulation) Amendment Act, 2021, notified on 28.03.2021. To implement the provisions of the amended Act the following action have been taken by the Ministry of Mines:-

(i) The Mineral (Auction) Rules, 2015 amended through the Mineral (Auction) 2nd Amendment Rules, 2021 notified on 18.06.2021 to implement the provisions of MMDR Amendment Act, 2021to remove the distinction between captive and merchant mines, to provide the procedure for conduct of auction of blocks by Central Government, etc. and to bring other reforms such as rationalisation the auction parameters to increase participation in auction, providing time line for operationalisation of auctioned blocks, etc..

(ii) The Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 amended through the Mines and Minerals (Contribution to District Mineral Foundation)Amendment Rules, 2021 notified on 25.06.2021 to clarify the rate of DMF to be paid by different categories of miners as per the provisions of the MMDR Amendment Act 2021.

(iii) The Mineral (Non-Exclusive Reconnaissance Permits) Rules, 2015 were rescinded on 25.06.2021 due to omission of provision of Non-Exclusive Reconnaissance Permits through the MMDR Amendment Act, 2021.

(iv) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 amended through the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Fourth Amendment) Rules, 2021 notified on 02.11.2021 to implement the provisions of MMDR Amendment Act, 2021 like procedure for sale of mineral by captive mines and for rationalisation of penalty provisions, rationalising mining area for mining lease, etc.

(v) The Mineral (Auction) Rules, 2015 amended through the Mineral (Auction) Third Amendment Rules, 2021 notified on 02.11.2021 to clarify applicability of sale of mineral by captive mines.

(vi) The Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016 were rescinded on 02.11.2021 to implement the MMDR Amendment Act, 2021.

(vii) Ministry of Mines vide G.S.R. No- 860 (E) dated 16.12.2021 has nominated “Designated Officer” for notifying and conducting auctions on behalf of Central Government as per the provisions of MMDR Amendment Act 2021.

Other important initiatives taken by Ministry of Mines to increase mineral production, improving ease of doing business in the country and enhance contribution of mineral production to Gross Domestic Product (GDP)

(i) The Mineral (Auction) Rules, 2021 amended through Mineral (Auction) Amendment Rules, 2021, notified on 17.03.2021 for providing incentive for early production & dispatch to miners.

(ii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 amended through the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Amendment) Rules, 2021 notified on 24.03.2021 to provide for transfer of Letter of Intent for Mining Lease and Composite Licence.

(iii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 amended through the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (2nd Amendment) Rules, 2021 notified on 08.04.2021 to provide for calculation of ASP for metals for which LME does not publish daily price such as Molybdenum.

(iv) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 amended through the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (3rd Amendment) Rules, 2021 notified on 10.06.2021 to prescribe the conditions of payment in case of shortfall in despatch by miners.

(v) The Minerals (Evidence of Mineral Contents) Rules, 2015 amended through the Minerals (Evidence of Mineral Contents) Amendment Rules, 2021 notified on 18.06.2021 for relaxing exploration norms for ML/CL.

(vi) The Mineral (Mining by Government Company) Rules, 2015 were rescinded on 02.11.2021 to consolidate its provision in the Mineral (OAHCEM) Concession Rules, 2016.

(vii) The Mineral Conservation and Development Rules, 2017 amended through the Mineral Conservation and Development (Amendment) Rules, 2021 notified on 03.11.2021 for rationalisation of amount of financial assurance, periodic submission of drone images of leased area by large mines and high resolution satellite images by other mines, providing clarity in provisions related to star rating; removing burden of submission of daily returns, rationalization of penalties, etc.

(viii) Minerals (Evidence of Mineral Contents) Rules, 2015 was also amended through the Minerals (Evidence of Mineral Contents) Second Amendment Rules, 2021 notified on 14.12.2021 to prescribe the procedure for suggesting auction of blocks for composite licence by any person and The Mineral (Auction) Rules, 2015 amended through the Mineral (Auction) 4th Amendment Rules, 2021 notified 14.12.2021 for further providing for prescribing the incentive for those who suggest blocks for auction.

(ix) The Mineral (Auction) Rules, 2015 were amended through the Mineral (Auction) Amendment Rules, 2022 vide GSR No. 137(E) dated 18.02.2022 for facilitating auction of blocks for composite licences.

(x) Ministry of Mines vide Order number 16/15/2021-M.VI dated 12.08.2021 issued guidelines for notification of accredited private exploration agencies under the second proviso to sub-section (1) of section 4 of the MMDR Act, 1957. Five (5) entities have been notified under the second proviso to sub-section (1) of section 4 of the said Act.

(xi) Previous approval is being granted to the State Governments for auction of G4 level mineral blocks as Composite Licence. So far, 58 previous approvals have been granted to State Governments. Five (5) CLs have been successfully auctioned by State Governments during 2021-2022.

(xii) Introduction of National Level Awards to the States who took initiative in exploration, auction and Operation of Mines to increase Mineral production in the Country.

(xiii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 were amended through the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Amendment Rules, 2022 vide GSR No. 205(E) dated 15.03.2022 for prescribing the formula for calculating ASP of Glauconite and Potash.

(xiv) The Union Cabinet approved the proposal for amendment of the Second Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 for specifying rate of royalty in respect of certain minerals on 09.03.2022. Accordingly, Ministry of Mines has amended the Second Schedule of the said Act to prescribes the rates of royalty for glauconite, potash , emerald, PGE, molybdenum and andulisite vide G.S.RNo.204(E) dated 15.03.2022. These minerals are at present not mined in the country and fixing royalty rate for these minerals will expedite auction of mineral blocks handed by GSI to various State Governments for these minerals.

(xv) The Mineral Conservation and Development Rules, 2017 were amended through The Mineral Conservation and Development (Amendment) Rules, 2022 notified on 11.04.2022 for adding slabs in monthly & annual reporting formats for reporting of iron ore production, dispatch, trading, etc.

The amendment to MMDR Act as well as the subordinate legislation are made in consultation with all stake holders including State Governments. Further, based on the inputs from the state governments various amendments to the rules have been made to facilitate auction of more blocks and removal of difficulty in the auction process.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Recommendation Serial No.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 Rs. 1323.32 crore (Revenue Rs.1250.82 crore and capital Rs.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 Rs.1205.17 crore (Revenue Rs.1147.67 crore and capital Rs.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 Rs.1022.98 crore, out of an allocation of Rs.1028.55 crore (99.45%) and during 2020-21, out of an allocation of Rs.1116.24 crore, GSI has utilised Rs.1110.94 crore (99.53%). Also, during 2021-22, GSI has utilised Rs.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.

Action taken

Geological Survey of India (GSI) Financial Year 2021-22:-

(a) During the financial year (FY) 2021-22, GSI received Budget Estimate (BE) grant of Rs.1181.58 crore which was reduced to Rs.1174.78 crore at Revised Estimate (RE) stage with overall reduction of Rs.6.80 crore. Further, an amount of Rs.4.40 crore (Rs.3.00 crore in Information and dissemination head and Rs.1.40 crore in mineral exploration head) was re-appropriated by Ministry of Mines from RE grant. Hence, Rs.1170.38 crore was final grant available with GSI for all activities of the financial year 2021-22. 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 of all five missions for Field Season (FS) 2021-22 with optimum utilisation of the fund.

(b) In spite of reduction of fund at RE stage, GSI increased allocation in mineral exploration head to meet the operational expenditure so that the assigned target can be achieved.

(c) Keeping in view of the effect of Covid-19 pandemic 2nd and 3rd wave in the country and financial restriction in 2nd quarter imposed by Ministry of Finance, GSI had taken certain proactive steps to execute the activities under all missions for the financial year 2021-22 with optimum utilization of the fund.

(d) GSI utilized Rs.1166.54 crore which amounts to 99.67% of the total available budget grant during FY 2021-22. GSI could optimally utilize the fund for execution of all projects under five missions during FY 2021-22 and the physical targets set for outcome budget of FY 2021-22 were fully achieved.

Financial Year 2022-23:

(a) GSI demanded for Rs.1323.32 crore in the budget estimate for FY 2022-23 considering fund requirement for continuation of all activities of GSI especially for enhanced geological activities, escalation of the administrative and establishment expenditure, to meet the committed expenditure of FY 2022-23 and also to clear the pending dues of FY 2021-22.

(b) GSI received budget grant of Rs.1205.17 crore and accordingly GSI made activity-wise outlay for carrying out all activities. Though the budget grant has been reduced compared to BE demand, GSI has taken necessary steps for execution of all activities with the available budget grant. After six months of fund utilization, GSI will critically review the fund requirement and submit the revised demand for execution of all activities with optimum utilization of the fund.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Recommendation Serial No.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 Rs.72.50 crore for procurement of various laboratory and field-based instruments under its modernization and replacement programme, they have been allocated Rs.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.

Action taken

Geological Survey of India (GSI)

(a) During FY 2021-22, GSI could optimally utilized the fund under modernization & replacement head and Rs.50.96 crore (99.34%) was spent against RE allocation of Rs.51.30 crore in modernization & replacement head for procurement of various high end laboratory and field based instruments.

(b) During FY 2021-22, GSI demanded for total Rs.1323.32 crore in the budget estimate including demand for Rs.72.50 crore in capital head for modernization and replacement activities of GSI. However, GSI received budget grant of Rs.1205.17 crore and in view of reduction of fund, GSI has judiciously made activity-wise allocation for carrying out all activities including Rs.57.50 crore in Capital head for modernization programme.

(c) GSI has already planned to procure various laboratory and field based instruments during 2022-23 and the 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. GSI has planned for timely execution of all procurement during 2022-23.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Comments of the Committee

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

Recommendation Serial No.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-utilized. During 2019-20, against BE and RE of Rs. 124.31 crore and Rs.109.11 crore respectively, IBM could spent Rs. 94.55 crore (86.66%) only. Again, during 2020-21, against BE and RE of Rs.128.31 crore and Rs. 94.00 crore, IBM could spent Rs. 85.67 crore (91.13%)

only. During 2021-22, against BE and RE of Rs 110.00 crore and Rs. 103.14 crore, IBM has been able to spend Rs. 82.24crore (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.

Action taken

Indian Bureau of Mines (IBM)

The actual expenditure of IBM during the year 2021-22 is Rs. 93.18 crore as against the RE of Rs. 103.14 crore which is 90.35% of RE. The shortfall of Rs. 9.96 crore is mainly, due to (i) non-filling of vacant posts (under salary head Rs.4.1 Crore), (ii) less expenditure for minor works by concerned department (of Rs.2.43 crores) though letter of authorization issued by IBM for Rs. 5.89 crore, (iii) halting of the process of implementation of MTS due to M/S WIPRO/ NISG (of Rs.1.74 crores), (iv) DTE (of Rs.0.76 crores) due to less number of official tours, no transfers and no offline training programmes due to Covid 19; (v) OCE (NER) (of Rs.0.42 crores) no scope of incurring expenditure under the object heads (OCE) (NER) and (vi) under other heads (of Rs.0.51 crores) marginal misc. shortfalls.

Regarding observation of the Committee that issue of filling up of vacant posts is lingering for years now and the recommendation of the Committee that the same be addressed urgently, it is respectfully submitted that:
Ministry of Finance had approved the restructuring proposal of IBM in the year 2018. After the Cabinet approval, detailed discipline-wise, revised sanctioned strength of IBM, is notified vide Gazette Notification No. 31/72/2009-M.III.Vol.I (Part–I) dated 15th May, 2018, published on 17.05.2018.

Consequent to gazette Notification following actions have been initiated:

(a) 138 posts have newly been created under the different cadres of IBM. For initiation of recruitment process as per Restructuring of IBM, new set of recruitment rules in respect of over 80 posts/designations in 17 disciplines had been uploaded in the IBM's Website for inviting stakeholders' comments & then finalized after incorporating comments and after due approval of concerned authorities like DoPT, UPSC and DoLA, recruitment rules of 70 posts have been revised and notified by the Ministry from 2019 till date.
(b) As per the provisions contained in RRs, direct recruitment requisitions have been submitted to UPSC for 108 posts and to SSC for 228 posts. UPSC has already given advertisement for the vacancies of 63 posts in the employment news.
(c) During 2021-22, proposals for DPC to 89 posts as per the existing RRs and revised RRs has been sent to Ministry for holding DPCs at UPSC/Ministry in respect of Gazetted posts.
(d) Meanwhile some of the posts went under "deemed abolished" as per guidelines of Ministry of Finance. Hence, the revival proposal had to be taken up with the Ministry of Finance through Ministry of Mines. Accordingly, 335

posts, 242 posts and 108 posts were revived in April, 2021, August 2021 and February, 2022 respectively.

(e) In respect of the 74 posts of Group B and C, where the authorities of IBM are competent to make appointment, the DPCs have been conducted during 2021-22.

As such it may be observed that the process for filling up of the vacant posts is taking time and seems to be lingering as observed by the Committee due to following due procedures after restructuring of IBM in 2018 i.e. preparation of new RRs, seeking stakeholders comments, approval of competent authorities as DoPT, UPSC, DoLA etc, revival of deemed abolished posts and then sending proposals to UPSC/SSC.

It is assured that IBM would take all possible efforts under the guidance of the Ministry to fill up the vacant posts in the year 2022-23.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Comments of the Committee

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

Recommendation Serial No.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 Modernization; 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 endeavor to improve the performance of IBM through said schemes in the coming years.

Action taken

Indian Bureau of Mines (IBM)
Observations of the Committee are noted for compliance. IBM will take all possible steps to achieve physical and financial targets set for their various schemes during 2022-23.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Recommendation Serial No.8

The Committee observe that during 2019-20, against BE and RE of Rs.150.00 crore and Rs.110.00 crore, NMET could spent Rs.68.31 crore (62.10% of RE) only. Again during 2020-21, against BE RE of Rs.150.00 crore and Rs.90.00 crore, NMET could spent Rs.83.11 crore (92.34% of RE). Also, during 2021-22, against BE and RE of Rs.100.00 crore and Rs.125.00 crore, NMET has been able to spend Rs.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 to meet the increasing demand of minerals and curtail its imports. 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.

Action taken

National Mineral Exploration Trust (NMET)
This is to inform that against the BE of Rs.100 crore and RE of Rs.125 crore during 2021-22, NMET has utilised Rs.124.71 crore i.e. 99.77 percent and fully utilized the allotted budget during 2021-22.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Recommendation Serial No.9

The Committee note that against the proposed Rs.184 crore outlays of NMET for 2022-23, only Rs.100 crore 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 Government and the Central and State Public Sector Undertaking. NMET also organized 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 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 Rs.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 Rs.184 crore as earlier projected by them, at the time of revised budget proposals for 2022-23.

Action taken

National Mineral Exploration Trust (NMET)

This is to inform that during 2021-22, NMET has approved exploration projects with estimated cost of Rs.748 crore. Thus, it is expected that with the increase in number of approved mineral exploration projects, the overall expenditure of NMET will also increase during 2022-23 and NMET will utilise the allotted budget optimally. Further, additional funds will be requested during supplementary grant, 2022-23.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Recommendation Serial No.10

The Committee note that during 2019-20, against a target of Rs.600 crore, HCL could utilize Rs.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 Rs. 600 crore was reduced drastically to Rs. 360 crore. However expenditure was on a little higher side and the company could expend Rs. 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 Rs. 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 the 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.

Action taken

Hindustan Copper Limited (HCL)

HCL is continuously taking timely corrective measures for removing the constraints and envisioned to achieve the targeted expansion plan of 12.20 million tonne per annum ore production by the financial year 2028-29 from the current level of around 4 million tonne per annum.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Comments of the Committee

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

Recommendation Serial No.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 Malanjkhand 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 Rs.350 crore and physical targets of 41 lakh tonne ore and 28000 tonne of Metal-in-Concentrate production.

Action taken

Hindustan Copper Limited (HCL)

It is to confirm that HCL is exerting all out efforts to optimally utilize financial outlay of Rs.350 crore in 2022-23 and in this regard several tenders for capital expenditure have already been floated. It is also to confirm that HCL has already taken appropriate action like awarding the production contract at Surdamine, expediting Environmental Clearance of Surda mine, maintenance planning of Crusher at Kolihan Mine, expediting mobilization of equipment at MCP underground mine etc. to achieve the ore production and Metal in concentrate production target for the year 2022-23.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Recommendation Serial No.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 Rs.8,869.29 crore and Rs.1,299.56 crore, respectively. Further, though the Capital expenditure (CAPEX) Plan during 2020-21 was Rs.951.93 crore, the actual expenditure exceeded to Rs.1000.17 crore. The Committee also note that during 2021-22, though the Capital expenditure (CAPEX) Plan was increased to Rs.1500.00 crore, the actual expenditure (up to December 2021) is Rs.909.61 crore. The Ministry have assured that the target of Rs.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 team are in place at project sites to oversee the project progress. Besides, progress of major packages are being closely monitored periodically buy the Higher Management so as to expedite the project works in time. In this backdrop, the Committee trust the NALCO would be able to optimally expend their CAPEX plan of Rs.1800 crore for the financial year 2022-23.

Action taken

National Aluminium Company Limited (NALCO)

The Company has made project wise plan to achieve the Capex target of Rs.1,800 crore for the financial year 2022-23. The details are furnished below:-

(Rs. in crore)

Sl No.	Item Details	BE 2022-23
1.	5th stream refinery & Pattangi mines	1056.03
2.	Utkal D & E Coal blocks	25.00
3.	Bauxite transportation from South block	50.00
4.	Other projects (25 MW wing power, Rolled product plant)	1.15
5.	Aluminium Alloy plant JV with MIDHANI	1.00
6.	AMR Projects (Addition, Modification & Replacement)	666.82
	TOTAL CAPEX - NALCO	**1800.00**

The Company is putting maximum efforts to achieve the above Capex plan and is hopeful of achieving the target by the end of financial year 2022-23.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Recommendation Serial No.14

The Committee are aware that Ministry of Coal allotted UTKAL D&E Coal Blocks to NALCO in accordance with 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 Rs.26.00 crore, Rs.30.00 crore and Rs.40.00 crore, respectively, the actual expenditure remained Rs.14.74 crore, Rs.19.77 crore and Rs.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 Rs.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 Rs.9.39 crore was included in the budget of 2019-20. Further, Rs.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 Rs.40.50 crore, an amount of Rs.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 Rs.25.00 crore of UTKAL"D" & "E" Coal Block project is accomplished.

Action taken

National Aluminium Company Limited (NALCO)

Against the Capex budget of Rs.40.50 crore for the year 2021-22, for UTKAL D&E, the Company has already spent Rs.46.13 crore in 2021-22 till 28.03.2022. So, there is no shortfall in utilization of the CAPEX budget of UTKAL D&E.

All out efforts will be taken to utilize the target CAPEX budget of Rs.25.00 crore in financial year 2022-23 with respect to UTKAL D&E.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

CHAPTER-III

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

-NIL-

CHAPTER-IV

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

-NIL-

CHAPTER-V

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

Recommendation Serial No.6

The Committee understands 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.

Action taken

Indian Bureau of Mines (IBM)

As per the Government of India decision, all Ministries /Departments are required to make a provision of 10% of Central Plan Allocation for projects/schemes in North East Region unless specially exempted. Presently, IBM does not have any exemption from the Department of DoNER. Therefore, every year IBM is making 10% of Plan Allocation for NER.

The Budget Estimates communicated by the Ministry for the year 2021-22, wherein Rs.1.47 crores have been allocated for North Eastern Region with respect to 10% GBS of Rs.14.69 crores. IBM has to spend the said allocation at North Eastern Region as per the guidelines of Department of North Eastern Region (DONER). However, IBM is having a miniscule presence at NER, where only one Regional Office of IBM is located at Guwahati, the entire expenditure allocated under NER as per the mandatory allocation of 10% of Gross Plan Budget is not possible to expend. The revenue part of the 10% budget allocation towards NER is utilized at the Regional Office located at Guwahati, but for the capital allocation there is no scope of expenditure.

As such IBM has taken up the issue with Ministry of Mines in recent years to take up the matter with the Department of DoNER for exemption from the mandatory 10% of Plan Allocation towards North-East Region. Further, IBM is regularly taking up with ministry for the transfer of allocated funds under OCE (NER) to GSI for effective utilization of funds. In view of committee’s above recommendation, IBM will take up this matter with Ministry of for its logical end.

Recommendation Serial No.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.

Action taken

Hindustan Copper Limited (HCL)

It is to submit that Rakha Mining Lease was valid till 28.08.2021. Application for renewal of lease for further period of 20 years as per the provisions of clause 3(2) of Mineral Mining by Government Company Rules, 2015 and its subsequent amendments has been submitted to DMO, Jamshedpur on 30.04.2020.

DC, Jamshedpur has recommended the proposal on 21.10.2020 to Director (Mines), Govt. of Jharkhand.

Further, as desired additional checklist was also submitted to DMO, Jamshedpur on 26.11.2021 which in turn has been forwarded to Director (Mines), Government of Jharkhand on 03.03.2022. The renewal of Rakha Mining Lease is still awaited. HCL is continuously following up with the State Govt. Secretary (Mines) has also followed it up and written a letter to Chief Secretary, Government of Jharkhand dated 08.04.2022.

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Comments of the Committee

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

Recommendation Serial No.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 Government. 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 2019-20. 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 PMKKKY 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.

Action taken

As per PMKKKY Guidelines dated 16.09.2015, 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 thereof shall be placed in the public domain.

Ministry of Mines also regularly follows up with the States on the Audit Status. 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 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. Updated status is given at **Annexure-I.**

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Comments of the Committee

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

Recommendation Serial No.16

The Committee also note that according to PMKKKY 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 Guidelines.

Action taken

As per PMKKKY Guidelines dated 16.09.2015, followings are required to be done by District Mineral Foundation:

(a) Every year, within three months from the date of closure of the financial year, the DMF shall cause to prepare an Annual Report on its activities for the respective financial year and place it before the DMF.

(b) The Annual Report will be submitted to the Government within one month from the date of its approval by the DMF and will also be hosted on the website of the Foundation.

(c) The Annual Report of each Foundation shall be laid before the State Legislative Assembly.

As per the information collected by central PMU, the state wise status of implementation of the said provision of the PMKKKY Guidelines is at **Annexure-II.**

[Ministry of Steel O.M. No. F.No.5/4/2022-IF (544) dated 06/05/2022]

Comments of the Committee

(Please see para 22 of Chapter-I of the Report)

NEW DELHI;
02 August, 2022
11 Sravana, 1944(Saka)

RAKESH SINGH
Chairperson
Standing Committee on Coal, Mines and Steel

Annexure – I

State- wise Audit Report

S.No.	Name of the State	State wise Audit Report					
		FY 2015 - 16	FY 2016 - 17	FY 2017 - 18	FY 2018 - 19	FY 2019 - 20	FY 2020 - 21
1	Andhra Pradesh	Not done	Completed - 7 In Progress - 6	Completed - 7 In Progress - 6	Completed - 6 In Progress - 5 Not Started - 2	In Progress - 3 Completed - 3 Not Started - 7	In Progress - 2 Not Started - 11
2	Chhattisgarh	Completed - 24 Not Started - 03	Completed - 27 Not Started - 0	Completed - 27 Not Started - 0	Completed - 26 Not Started - 01	Completed - 19 Not Started - 08	Completed - 04 Not Started - 24
3	Goa	Mining is suspended due to Hon'ble Supreme Court order					
4	Gujarat	NA	Completed - 32	Completed - 32	Completed - 32	Completed - 31 In Progress - 1	Information not received
5	Jharkhand	NA	Completed - 21 Not Started - 3	Completed - 23 Not Started - 1	Completed - 20 Not Started - 4	Completed - 12 Not Started - 12	Completed - 1 In Progress - 23
6	Karnataka	Completed - 30	Completed - 30	Completed - 30	Completed - 29 In Progress - 1	Completed - 27 In Progress - 3	In progress
7	Maharashtra	NA	Completed - 7 In Progress - 28	Completed - 7 In Progress - 28	Completed - 7 In Progress - 28	Not Started - 35	In progress
8	Madhya Pradesh	Completed - 12 Not Started - 10	Completed - 15 Not Started - 7	Completed - 15 Not Started - 7	Completed - 12 Not Started - 10	Completed - 7 Not Completed - 14 In Progress - 1	In progress
9	Odisha	Completed - 21 In Progress - 9	Completed - 24 In Progress - 6	Completed - 24 In Progress - 6	Completed - 12 In Progress - 18	Completed - 6 In Progress - 24	In progress
10	Rajasthan	NA	Completed - 22 In Progress - 11	Completed - 22 In Progress - 11	Completed - 12 In Progress - 21	Completed - 5 In Progress - 28	In progress
11	Tamil Nadu	Not Started - 30	Not Started - 30	Completed - 30 In Progress - 5	Completed - 30 In Progress - 5	Completed - 18 In Progress - 17	Completed - 3 In Progress - 32
12	Telangana	NA	Completed - 23 In Progress - 10	Completed - 24 In Progress - 9	Completed - 26 In Progress - 7	Completed - 18 In Progress - 15	In progress
13	Uttarakhand	Completed - 12 Not Started - 1				Completed - 11 Not Started - 1 In Progress - 1	In progress

- In the State of Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, West Bengal, Uttar Pradesh and Meghalaya the audit are in progress.
- In the State of Kerala, Haryana and Punjab has no major mineral working mines.

Annexure-II

State- wise Annual Report

S.No.	Name of the State	State wise Annual Report				
		FY 2015 – 16	FY 2016 – 17	FY 2017 – 18	FY 2018 – 19	FY 2019 – 20
1	Andhra Pradesh	No	Completed – 7 In Progress – 6	Completed – 7 In Progress – 6	Completed – 6 In Progress – 6 Not Started – 1	Not Started – 8 In Progress – 3 Completed – 2
2.	Goa	Mining is suspended due to Hon'ble Supreme Court order				
4	Gujarat	NA		Completed		
5	Jharkhand	NA	Completed - 21 Not Started - 3	Completed - 23 Not Started - 1	Completed - 20 Not Started – 4	Completed - 12 Not Started - 12
6	Karnataka	Completed - 30	Completed - 30	Completed - 30	Completed - 27 In Progress – 3	Completed - 24 In Progress - 6
7	Madhya Pradesh	No	Completed - 22	Completed - 21 Not Started - 1	Completed - 19 Not Started – 3	No
8	Odisha	Completed - 13 In Progress - 17	Completed - 14 In Progress - 16	Completed - 14 In Progress - 16	Completed - 1 In Progress – 29	No
9	Rajasthan	NA	In Progress - 33	In Progress - 33	In Progress – 33	No
10	Tamil Nadu	Not Started - 30	Not Started - 30	Completed - 30	Completed - 26 In Progress – 4	Completed - 10 In Progress - 20

- Annual report in respect of Govt. Chhattisgarh, Telangana, Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, Kerala, Meghalaya, Uttarakhand, Uttar Pradesh, West Bengal, Punjab and Haryana are under process.

ANNEXURE-III

MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2021-22) HELD ON 02 AUGUST, 2022 FROM 1530 HRS TO 1620 HRS IN HON'BLE CHAIRPERSON'S CHAMBER, ROOM NO. '210', B-BLOCK, PHA EXTENSION BUILDING, NEW DELHI

PRESENT

Shri Sunil Kumar Singh - In the Chair

Lok Sabha

2. Shri Kunar Hembram
3. Shri Chandra Prakash Joshi
4. Shri Saumitra Khan
5. Shri C. Lalrosanga
6. Shri S. Muniswamy
7. Shri Ajay Nishad
8. Smt. Riti Pathak
9. Shri S.R. Parthiban
10. Shri Chunni Lal Sahu
11. Shri Arun Sao
12. Shri Pashupati Nath Singh
13. Shri Sushil Kumar Singh
14. Dr. Beesetti Venkata Satyavathi
15. Shri Ashok Kumar Yadav

Rajya Sabha

16. Shri Samir Oraon
17. Shri Deepak Prakash
18. Shri Prabhakar Reddy Vemireddy
19. Shri B. Lingaiah Yadav

SECRETARIAT

1.	Shri J.M. Baisakh	-	Joint Secretary
2.	Shri Arvind Sharma	-	Director
3.	Shri Uttam Chand Bharadwaj	-	Additional Director

In the absence of Hon'ble Chairperson, the Committee chose Shri Sunil Kumar Singh, MP to preside over the sitting of the Committee under rule 258(3) of the 'Rules of Procedure and Conduct of Business in Lok Sabha'.

2. The Committee, thereafter, considered and adopted the following draft Reports without any amendments/changes:-

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

(ii) Draft Report on Action Taken by the Government on the Observations/ Recommendations contained in the 29th Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) relating to the Ministry of Mines.

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

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

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

3. **** **** **** **** ****

4. The Committee also authorised the Chairperson to finalise other 4 Action Taken Reports and present/lay all the five Reports in both the Houses of Parliament.

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

The Committee, then, adjourned.

***Not related to the Report.**

ANNEXURE IV

(Vide Para IV of Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE 29TH REPORT OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (SEVENTEENTH LOK SABHA)

I.	Total No. of Recommendations made:	16
II.	Observations/Recommendations that have been accepted by the Government *(vide* recommendation at Sl. Nos. 1,2, 3, 4, 5, 7, 8,9,10,11,13 and 14):	
	Percentage of total	75%
III.	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies (vide Recommendation at Sl. No. Nil):	00
	Percentage of total	0%
IV.	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee *(vide* recommendation at Sl. No. 4):	00
	Percentage of total	0%
V.	Observations/Recommendations in respect of which final replies of the Government are still awaited (*vide* recommendation at Sl. No. 6,12,15 and16):	4
	Percentage of total	25%