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STANDING COMMITTEE ON  
COAL AND STEEL (2012-2013)  
FIFTEENTH LOK SABHA

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MINISTRY OF MINES

DEMANDS FOR GRANTS (2012-13)

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

TWENTY-EIGHTH REPORT



LOK SABHA SECRETARIAT  
NEW DELHI  
DECEMBER, 2012 / AGRAHAYANA, 1934(SAKA)

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COAL AND STEEL (2012-2013)**

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**[Action Taken by the Government on the Observations/  
Recommendations contained in the Twenty-Fifth Report of the  
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**Presented to Lok Sabha on 17.12.2012**

**Laid in Rajya Sabha on 17.12.2012**



**LOK SABHA SECRETARIAT  
NEW DELHI  
December, 2012 / Agrahayana, 1934(Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2012-13)**

**Shri Kalyan Banerjee - Chairman**

**Name of the Member**

**Lok Sabha**

2. Hansraj Gangaram Ahir
3. Shri Sanjay Bhoi
4. Smt. Jyoti Dhurve
5. Shri Ganeshrao Nagorao Dudhgaonkar
6. Shri Sabbam Hari
7. Shri Vishwa Mohan Kumar
8. Shri Yashbant N.S. Laguri
9. Shri Pakauri Lal
10. Shri Babu Lal Marandi
11. Shri Govind Prasad Mishra
12. Shri Rajaram Pal
13. Kumari Saroj Pandey
14. Shri Gajendra Singh Rajukhedi
15. Shri K.R.G. Reddy
16. Shri K. Shivkumar *alias* J.K. Ritheesh
17. Shri Pashupati Nath Singh
18. Smt. Rajesh Nandini Singh
19. Shri Uday Pratap Singh
20. Shri O
- 21.

**Sabha**

22. Shri
- 23.
- 24.
- 25.
26. Shri
27. Shri
28. Shri
29. Shri
- 30.
- 31.

## SECRETARIAT

- |    |                    |   |                         |
|----|--------------------|---|-------------------------|
| 1. | Shri R.S. Kambo    | - | Joint Secretary         |
| 2. | Shri Shiv Singh    | - | Director                |
| 3. | Shri Arvind Sharma | - | Deputy Secretary        |
| 4. | Smt. Madhu Tandon  | - | Sr. Committee Assistant |

## **INTRODUCTION**

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Twenty-Eighth Report (Fifteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Twenty-Fifth Report of the Standing Committee on Coal and Steel (Fifteenth Lok Sabha) on "Demands for Grants (2012-13)" of the Ministry of Mines.

2. The Twenty-Fifth Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 08.05.2012. Replies of the Government to all the observations/recommendations contained in the Report were received on 17<sup>th</sup> August, 2012.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 12.12.2012.

4. An analysis on the Action Taken by the Government on the observations/ recommendation contained in the Twenty-Fifth Report (Fifteenth Lok Sabha) of the Committee is given at Annexure-II.

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

**NEW DELHI;  
14 December, 2012  
23 Agrahayana, 1934(Saka)**

**KALYAN BANERJEE  
Chairman  
Standing Committee on Coal and Steel**

# REPORT

## CHAPTER I

This Report of the Standing Committee deals with Action Taken by the Government on the observations/recommendations contained in the Twenty-Fifth Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel on Demands for Grants (2012-13) of the Ministry of Mines which was presented to Lok Sabha on 8 May, 2012.

2. The Action Taken Replies have been received from the Ministry of Mines in respect of all the 22 observations/recommendations contained in the Report. These have been categorised as follows:

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

Serial Nos.1, 3, 4, 5, 7, 14, 15, 17, 20, 21 and 22

Total : 11  
Chapter-II

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

Serial No. 19

Total : 01  
Chapter-III

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

Serial No. 2, 8, 9 and 18

Total : 04  
Chapter-IV

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

Serial No. 6, 10, 11, 12, 13 and 16

Total : 06  
Chapter-V



**3. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In case, where it is not possible for the Ministry to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that further Action Taken notes on the Observations/Recommendations contained in Chapter-I and final Action Taken replies to the recommendations contained in Chapter-V of this Report be furnished to them at an early date.**

4. The Committee will now deal with the Action Taken by the Government on some of their observations/recommendations made in the Twenty-Fifth Report.

**UTILIZATION OF PLAN OUTLAYS & MODERNIZATION PLAN OF GEOLOGICAL SURVEY OF INDIA(GSI)**

**Recommendation Serial Nos. 2 & 6**

5. The Committee were perturbed to note that though the Ministry of Mines had proposed the Annual Plan Outlay of Rs.3467.44 crore for the year 2012-13 to augment and modernize the mining activities and investigation of mineral resources, an outlay of Rs.2942.64 crore only was approved with Gross Budgetary Support (GBS) of Rs. 243.00 crore. As a sequel to it, reduction in approved outlay in respect of Geological Survey of India had come down from 710.00 crore to 194.00 crore and in the case of IBM from Rs.31.88 crore to Rs.24.00 crore. The proposed allocation for construction activities in Geological Survey of India and Indian Bureau of Mines was drastically reduced from Rs.79.23 crore to Rs.11.00 crore. As the reduction in the outlay would have an adverse impact in undertaking the planned activities in the mining sector, the Committee had desired the Ministry to utilize their allocated resources in an efficient and judicious manner so that they could present a strong case for increased allocation at RE stage.

(Recommendation Serial No. 2)

6. The Committee noted that against the proposed allocation of Rs. 710 crore for the year 2012-13 including budgetary grant of Rs. 374.00 crore under M&E head, the approved outlay were only Rs. 194.00 crore. According to the Ministry of Mines, plan outlays of Rs. 194.00 would not be adequate if the expenditure on account of projected activities of GSI during the year proceed as per schedule and additional funds would be required to accomplish the projected programmes/schemes. Further, the Ministry had informed the Committee that enhanced support would be needed broadly for (i) items under Mission I and II programmes for survey and mapping and National Resources Assessment, (ii) implementation of phase III portal development – Online Core Business Integrated System (OCBIS) modernization of equipment and (iii) expanded role of GSI as envisaged in the new National Mineral Policy (2008) and as recommended by the High Powered Committee (2009) on the functioning of GSI. The Committee were constrained to note that the achievement of GSI during XI plan period 2007-12 (till Feb.) had fallen far short of the actual targets in various fields such as systematic geophysical mapping, large scale mapping detailed mapping (sq.km), drilling etc. The Committee regretted to observe that physical targets for XIth plan were formulated on the basis of availability of projected manpower, which could not be materialized as per the expectations. The Committee further observed that negligible progress had only been made in the mineral exploration in North East Region and Northern region. Keeping in view the targets achieved during 11th plan and the fact that though GSI had projected enhanced targets for 588 items during 2012-13 with additional manpower of about 534 fresh geologists, the Committee cannot but deplore the way the outlays approved are drastically reduced. The Committee, therefore, felt that to accelerate the pace of various schemes of GSI where the performance has not been upto the mark during XI plan period due to shortage of manpower, adequate funds would be essentially required. The Committee recommended the Ministry to take up the matter again with the Ministry of Finance with proper justifications to ensure adequate funding of the schemes so that the manpower which had been recruited recently was

adequately utilized to achieve the enhanced targets for 2012-13 for locating the mineral resources of the country. The Committee also recommended that the much needed modernization of GSI which could not be completed during XIth plan should be completed as early as possible including induction of required manpower. (Recommendation Serial No. 6)

7. In their action taken replies, the Ministry have informed the Committee as under:-

Geological Survey of India(GSI):

"GSI had proposed Rs. 710.00 crore (excluding the proposed Rs.74.00 crore as Construction Budget) as the financial Plan Outlay (BE) for the Financial Year(FY) 2012-13. Under this budget grant, Rs. 374.00 crore was proposed under Machinery & Equipment (M&E) head. Break up of Rs.374.00 crore: Rs.287.00 crore – for construction costs of both Ocean Going Research Vessel and Geotechnical vessel; Rs. 87.00 crore –For acquisition of Laboratory and drilling equipment. However, Ministry of Finance has approved Rs. 194.00 crore (excluding Rs.10.00 crore under construction budget) as the Plan Budget to GSI for FY 2012-13. In that case, GSI will face serious financial crunch for taking up the operational expenditure particularly in Mission I and II, where substantial items have been projected with enhanced targets during FY 2012-13. During FY 2012-13 keeping in view of an additional manpower about 534 fresh Geologists (trained from GSITI), GSI has envisaged about 588 items with enhanced targets in comparison to the previous year. Out of which bulk of the items would be taken up under Mission I & II i.e. 216 items under Mission I and 128 items under Mission II. Fund crunch will put a serious impact on this as well as in implementation of Phase III Portal development - Online Core Business Integrated System (OCBIS) and on procurement modernization items.

In addition to that, in the current financial year (FY 2012-13) Rs.54.00 crore out of sanctioned Rs.64.00 crore under M&E Sub Head is to be provisioned for part payment of ship construction, which will put a huge impact on the Modernisation Programme of GSI. As a result only Rs.10 crore will be available for procurement of modernisation items. During FY 2010-11 and FY 2011-12, the entire ship payments i.e. 1<sup>st</sup> Installment Rs.39.74 crore in FY 2010-11 and 2<sup>nd</sup> and 3<sup>rd</sup> Installments Rs. 71.99 crore and Rs. 89.73 crore respectively during FY 2011-12 have been made from the supplementary grants. During FY 2012-13, while submitting the Annual Plan, a total of about Rs.212.40 crore was estimated (US\$ 46948000 considering Rs. 45.24 for one US\$ as per Cabinet note) for payment of both the two installments (4<sup>th</sup> installment is due in September 12 and 5<sup>th</sup> Installment is due in March

'13). Thereafter the cost has been re-estimated to Rs. 267.60 crore considering extensive increase of US\$ (dollar) price (now it is Rs.57 /- per US\$) in the international market. Hence each installment works out to be Rs. 133.80 crore. For payment of 4<sup>th</sup> Installment Rs. 54 crore will be provisioned from GSI budget and remaining Rs.79.80 crore will be required as supplementary grant and for payment of 5<sup>th</sup> Installment the entire Rs. 133.80 crore will be required as supplementary grant. Hence, during FY 2012-13 a total ~ Rs.213.60 crore [Rs.267.60 crore for both 4<sup>th</sup> & 5<sup>th</sup> Installment - Rs.54 crore = Rs.213.60 crore] is required as supplementary grant towards ship payment. GSI would approach to the Ministry at appropriate stage for further financial support for ship payment through supplementary grants at its different stages. Apart from this, while Ministry enquired about the requirement of bare minimum additional fund by keeping the entire geological activities / targets intact projected in CGPB, GSI in reply has proposed a sum of Rs.32.50 crore as an additional fund. Break up of the amount and justifications are given below :

**Proposed requirement of Plan fund during FY 2012-13**

**(Rs. in Crore)**

<b>Heads</b>	<b>Sub-heads</b>	<b>Allocated</b>	<b>Proposed Requirement</b>
Revenue		126.00	166.00
Capital	Motor Vehicle	1.00	1.00
	<b>M&amp;E</b>	64.00	64.00 + 262.50
	<b>Other Capital</b>	3.00	3.00
<b>Total</b>		<b>194.00</b>	<b>496.50</b>

Undoubtedly, the reduction in the outlay (both Plan and construction budgets) will have an adverse impact in undertaking the planned activities. GSI in this respect, appeals to the Ministry as well as Parliamentary Standing Committee for increase in allocating Plan Fund for the FY 2012-13 at RE stage. GSI will of course take all precaution to utilize the allocated fund in efficient and judicious manner abiding strictly the FRBM Act so that the Planning Commission could be approached through MOM for required fund at RE Stage.

Indian Bureau of Mines (IBM):

Approved outlay for 2012-13 in respect of IBM is not adequate to meet the requirements. IBM needs additional sum of (i) Rs.3.00 crore under Plan Outlay due to filling up of vacant posts and (ii) Rs.4.00 crore under Ministry of Urban Development budget for construction of office building at Bhubaneswar."

(Reply to Recommendation No. 2)

8. "The allocated Plan Budget (Rs 194.00 crores) would not be adequate if the expenditure on account of projected activities proceed as per schedule. The augmentation of funds would be needed to bridge the gap between the indicated budget and already projected requirement (Rs.710 crore), which needs to be provided as mid Plan support. Enhanced support would be needed broadly for (i) The items under Mission I and II programmes, (ii) implementation of Phase III Portal development - Online Core Business Integrated System (OCBIS) modernization of equipment and (iii) expanded role of GSI as envisaged in the new National Mineral Policy (2008) and as recommended by Hoda Committee (2007), the High Powered Committee (2009) on the functioning of GSI. As regard Mission I and II, a proposal for bare minimum Fund has already been submitted to the Ministry. Interaction with the Ministry on fund mobilization for the Project OCBIS is still on, hopefully it will materialize in near future. As regard Modernisation equipment it is already discussed that during FY 2012-13 under M&E head Rs.64 crore is allocated and out of that Rs. 54 crore is to be provisioned for ship payment, hence only Rs. 10 crore is available for procurement of modernisation equipment while NGCM and NGPM surveys are the major thrust areas of the XII Plan proposal. It may be mentioned that XII Plan projection for procurement of Lab and Drilling item is Rs670 crore and in the light of that during FY 2012-13 itself was projected Rs. 87 crore exclusively for procurement of Lab and Drilling equipments and as per the discussion in PPRC Meeting held on 10.05.2012 a revised projection of ~ Rs. 33 crore was submitted considering the ship payment. But finally it is reduced to Rs. 10 crore only available for procurement of Lab and Drilling equipment while Planning Commission considered Rs.54 crore has to be provisioned from GSI's own budget (M&E Head) for ship payment. This will certainly hamper the progress of Modernisation programme of GSI in the beginning of XII Plan itself.

Till the end of XI Plan the manpower position was not enough but the recent recruitment and if the induction process is taken up with full gear then during the XII Plan itself the considerable strength will be gained by GSI and in consequence to this the difference in performance of GSI will be noticed provided the supply of fund remains steady. In this regard, Ministry of Finance has been requested time and again to ensure adequate funding of the scheme both at the Secretary and Minister level and the matter is continuously followed."

(Reply to Recommendation No. 6)

**9. In view of the reduction in the Annual Plan outlay of the Ministry of Mines for the year 2012-13 resulting in further reduction in the outlay of Geological Survey of India and the Indian Bureau of Mines, the Committee had recommended the Ministry to utilize their**

allocated resources in an efficient and judicious manner and the matter be taken up with the Ministry of Finance with proper justification for increased allocation at RE stage. Though the Ministry are reported have requested the Ministry of Finance time and again to ensure funding of scheme both at the Secretary level and Minister level and the matter is continuously followed, no additional funds have been made available to GSI and IBM so far, which are adversely affecting their planned programmes. This is quite evident from the reply of the Ministry showing the concern shown both by GSI and IBM that non-availability of sufficient funds will certainly hamper the progress of modernization of GSI programme, filling up of vacant posts in IBM and construction of office building at Bhubaneswar. The Committee find that post New Mineral Policy, 2008, role of GSI in nurturing bilateral cooperation with the States has been redefined with the paradigm of prioritizing states requirement in geo-scientific investigation. Resource crunch is likely to hamper Mission I to V i.e. Survey and Mapping; Mineral Exploration, Information/Dissemination, Special Investigation, R&D etc. The Committee are pained to note that the modernisation of GSI which was envisaged during Xth Plan has spilled over to XIIth Plan mainly because of fund crunch apart from other constraints. The Committee can only hope that the Ministry of Mines would forcefully take up the matter with the Ministry of Finance for enhance allocation to fulfill the mandate given to GSI and IBM in the overall interest of mineral sector.

## **PERSPECTIVE PLAN FOR GEOCHEMICAL AND GEOPHYSICAL MAPPING**

### **Recommendation Serial Nos. 8 & 9**

10. The Committee were informed that as per the Chawla Committee Report and Mackinsey Report, certain areas of National Geo-chemical

Mapping, Geo-physical Mapping Aeromagnetic Survey had been recommended for covering either by outsourcing or by Service Contract. It had been further informed that GSI has proposed such programme, which was yet to be approved by the Government and if it was approved, more funds will be required for the purpose during 2012-13. The Committee had expected the Government to approve these programmes immediately for being taken up by GSI with additional funds during 2012-13 for their implementation.

(Recommendation Serial No. 8)

11. The Committee had been given to understand that against 100% geo-chemical and geo-physical mapping in Australia and 94% in Canada, it was just 20 percent of the Obvious Geological Potential (OGP) in our country which is just 6 percent of the total land mass. The Committee would like the Government / GSI to prepare a perspective plan for 100 percent geochemical and geophysical mapping of the entire country and inform them of the same.

(Recommendation Serial No. 9)

12. The Ministry in their action taken reply have informed the Committee as under:-

"Out of 32.80 lakh sq.km. of the land area of India, GSI is committed to cover 8.13 lakh sq.km. in Geo-chemical Mapping and Geo-physical Mapping covering the entire 5.71 lakh sq.km. of the Obvious Geological Potential Zone (OGP) area of the country in First Phase of Geo-chemical Mapping and Geo-physical Mapping. Till the end of XI Plan, GSI has covered 254417 sq.km. by GCM and 165948 sq.km. by GPM. GSI, on its own with its full sanctioned strength of Geologists and Geophysicists, is capable of covering about 3.5 lakh sq.km. by GCM and 2 lakh sq.km. by GPM during the XII Plan. If the total OGP area has to be covered expeditiously i.e. by the end of XII Plan, as suggested by Chawla Committee report and Mackinsey report, then the remaining area left out to be covered is about 2.1 lakh sq.km. for GCM and 4.55 sq.km. for GPM, which can be covered either by outsourcing or by service contracts. The left out non-priority area for mineral Investigation of about 24.67 lakh sq.km. is planned to be covered by GCM at a rate of 70,000 sq.km. per year and by GPM at the rate of 45,000 sq.km.per year."

**13. The Committee are constrained to note that despite the recommendations made by the Chawla Committee and Mackinsey Report to expeditiously implement programmes to cover left out areas for National Geochemical Mapping and Geophysical Mapping Aeromagnetic Survey in the country, the Government is yet to take a decision to cover them (about 2.1 lakh sq.km. for Geo-Chemical Mapping and 4.55 sq.km. for Geo-Physical Mapping) either by outsourcing or by Service Contracts. The Committee expect the Government / Geological Survey of India to take up these activities without any loss of time. The Committee are further dismayed to note that in spite of their recommendation to prepare a perspective plan for 100% of Geo-Chemical Mapping and Geo-Physical Mapping, no action has been initiated by Government/GSI in this regard. The Committee, therefore, again reiterate their earlier recommendation and would like to be apprised of the perspective plan prepared by the Government/GSI in this regard.**

### **ROLE OF IBM**

#### **Recommendation Serial No.13**

14. The Committee noted that as against the target of 2000, IBM has inspected 2177 mines for administration of MCDR,1988, approval of mining plans, schemes and Mine Closure Plans. During 2011-12, IBM has inspected 1741 mines (upto December, 2011) spread over in 20 States as against the target of inspections of 2500 mines. With the reviewing and restructuring of functions and role of IBM underway, the Committee would like IBM to set more targets for mines inspection. The representative of the Ministry of Mines had also informed the Committee that the frequency of inspection was not good enough to control the violations due to shortage of staff in IBM. The Committee desired that the frequency of inspections should be considerably increased and the Ministry should expedite the recruitment of additional staff for IBM to enable it to fulfill its mandate.



15. The Ministry in their action taken reply have informed the Committee as under:-

"1. During 2011-12, IBM has inspected 2563 mines spread over in 20 States as against the target of inspections of 2500 mines. Considering the effective and efficient administration of the mining sector, the Committee on review & restructuring of the functions and role of IBM has recommended that:

(a) All mechanized mines/lease would be inspected as frequently as possible but at least once in a year.

(b) All mines/leases with area more than 50 hectares would be inspected annually.

(c) In case of all other mines/leases, annual inspections would be conducted in at least 40% of mines.

2. The Committee has recommended enhancing IBM inspections from present 2500 to more than 4800. Thus, after implementation of recommendations of the Committee on review & restructuring of the functions and role of IBM, and with strengthening of IBM by fresh recruitments, targets, coverage and the frequency of inspections shall go up and IBM shall be able to fulfill its mandate as pro-active regulator."

**16. Taking note of low number of targets fixed for inspection of mines by Indian Bureau of Mines (IBM), the Committee had desired that the frequency of inspection should be considerably increased if IBM is to remain as an effective body. The Committee had also recommended to expedite the recruitment of additional staff for IBM to enable it to fulfill its mandate. The Committee are, however, astonished to observe that although the Ministry of Mines have constituted a Committee to Review & Restructure the functions and role of IBM and inter-alia has recommended that all mechanized mines/leases be inspected as frequently as possible but at least once in a year, all mines/leases with area more than 50 hectares would be inspected annually and in case of all other mines/leases, annual inspections would be conducted in at least 40% of mines; strangely the reply of the Government is silent on the implementation of the recommendations of the Committee. The Committee are of the opinion that with strengthening of IBM by fresh recruitments, targets, coverage and the frequency of inspections shall go up and**

**IBM shall be enable to fulfill its mandate as pro-active regulator. The Committee would therefore, like to be apprised of the status report on the action taken by the Government on the implementation of recommendations of the Committee on review & restructuring of the functions and role of IBM.**

**MINE EXPANSION PROJECT OF HINDUSTAN COPPER LIMITED(HCL)**

**Recommendation Serial No.18**

17. The Committee noted that a total outlay of Rs. 341.14 crore has been approved for HCL for the year 2012-13 including Mine development Expenditure of Rs. 85 crore, Greenfield Exploration/Development of New Mines amounting to Rs. 20.00 crore and Mine Expansion programme amounting to Rs. 208.14 crore. Further, an amount of Rs. 38.00 crore had been proposed to be utilized on account of replacement and renewals of the existing plant and machinery. The Committee were dismayed to note that allocation of Rs. 189.00 crore during the year 2011-12 for Mine expansion programme were reduced to Rs. 32.82 crore at RE stage. The reasons cited by HCL for such shortfall was on account of occurrence of some litigation cases which has resulted in delay in finalization of Mine Expansion contracts. Further, at BE stage during 2011-12, it was anticipated that the contractors would draw 10% mobilization advance. However, due to delay in finalization of the contractors, there had been less drawing of mobilization advance by the contracts. The Committee further noted that the production of ore and Metal-In-Concentrate fell short of target mainly due to inadequate availability of loading and handling equipment during 2010-11 and 2011-12, which shows the inability of the company to resolve these issues in a serious and effective manner. The frequent breakdown of equipment at Khetri Copper Complex is an indication that the Replacement and Renewals Programmes were not being implemented in right perspective. The Committee were not at all satisfied the way the court cases were being pursued by HCL in a casual manner. The only conclusion that the Committee can draw was that

HCL had failed to perform on all fronts. The Committee would like the Ministry to conduct performance audit of the company and take necessary corrective measures to bring about improvement in the overall performance of the company including pursuing the court cases on fast track basis. The Government had formulated an ambitious plan for mine expansion programme for 2012-13 and an amount of Rs. 208.14 crore had been projected to be utilized during 2012-13. The Committee had expected HCL to make all out efforts to utilize the earmarked funds and complete the mine expansion schemes without any further time and cost overruns.

18 The Ministry, in their action taken reply have informed the Committee as under:-

"During FY 2010-11, achievement of ore production was 103% of the target. However, in FY 2009-10 and FY 2011-12 achievements vis-a-vis targets were 89% and 96% respectively. MIC production during 2009-10, 2010-11 and 2011-12 was below the target. The reasons for shortfall in target are frequent failure of underground equipment at Khetri Copper Complex (KCC), falling grade and low process efficiency at KCC and not the inadequate loading and handling equipment as given in the report. Till FY 2009-10, the focus of Company's annual expenditure plan was on renewal and replacement of old equipment and mine development. No mine expansion was implemented by the Company after 1982. HCL has prepared an ambitious plan for mine expansion in 2009-10 for sustaining long term profitability and rolled out eight mine expansion projects concurrently, despite limitation of capacity in the Company."

**19. The Committee find that reply of the Ministry of Mines to Committee's recommendation is silent on the issue of conducting performance audit of HCL to bring about improvement in the overall performance of the company. Although, HCL has proposed an ambitious plan for mine expansion in 2009-10 for sustaining long term profitability and concurrently rolled out eight mine expansion projects, the Committee note with concern the underutilization of funds for expansion plan during 2011-12. Taking note of the reasons for shortfall in target due to frequent failure of underground equipment at Khetri Copper Complex (KCC), falling grade and low**

**process efficiency at KCC, the Committee would like the HCL to give highest priority to modernize the mining equipment and complete the mine expansion schemes. This would go a long way in enhancing the profitability of the company, the Committee feel. The Committee would, therefore, like the Government to ensure regular performance audit of HCL mines and implementation of Mine Expansion Project and they would like to be apprised in this regard.**

## **CHAPTER –II**

### **OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation Serial No.1**

The Committee note that the budgetary allocation of the Ministry of Mines for the year 2012-13 is Rs.2942.64 crore as compared to Rs.1589.42 crore (BE) for the year 2011-12 which were later increased to Rs.1942.24 crore at RE State. Against the said allocation, the actual utilization of the budgetary allocations for the year 2011-12 was Rs.991.92 crore (upto December, 2011). The Committee are distressed to note that the Ministry have failed to utilize the budgeted and revised allocations and could utilize only 62.40% of the BE (upto December, 2011) which was substantially increased at RE stage. The Committee's examination revealed that the trend of utilization of funds in the financial year 2011-12 was more or less a repetition of the financial year 2010-11. During 2010-11, the BE were Rs.1763.17 crore which were reduced to Rs.1128.05 crore and the actual utilization of funds was only Rs. 1063.42 crore. The Committee feel that such persistent shortfall in utilization of the plan outlays clearly indicate the fiscal indiscipline and laxity on the part of the Ministry, its subordinate offices and PSUs. Though the Ministry have stated that the monthly meeting to monitor the progress of expenditure and status of the progress of the schemes are taken by the Secretary followed by Quarterly Performance Review meetings at each organization/PSUs, there is no noticeable improvement in the utilization of the plan outlay. The Committee are also of the view that the under-utilization of funds year after year gives credence to the fact that the monitoring mechanism is not that effective to give the desired results. The Committee, therefore, recommend the Ministry to be more prudent in budget formulation and in the implementation of schemes.

#### **Action Taken**

The Ministry has been taking all effort to regulate the expenditure following all Government of India Orders viz. FRBM Act, 2003 and economy orders issued from time to time and periodical monitoring. The Ministry notes the valuable recommendation of the Hon'ble Committee and will take effort to implement the same to the maximum extent possible.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

#### **Recommendation Serial No. 3**

On the scrutiny of the Annual Plan 2011-12 of the Ministry of Mines, the Committee find the low utilization of funds by the Government/PSUs in the first three quarters of the financial year and find it difficult to understand that despite the fact that expenditure and physical pattern is regularly monitored, a huge allocation was left unspent and was to be utilized only during the last

quarter of the year. The Committee feel that underutilization of the funds would have an adverse impact on the performance and achievements of the physical targets set for various programmes. The Committee are inclined to infer that it amounts to improper and unscientific planning with non-serious approach to achieve the targets. The Committee, therefore, recommend that the Ministry should review the present monitoring system and make it more accountable and some norms should also be laid down to ensure uniform quarterly spending to avoid lapses responsible for sluggishness in the financial expenditure and physical achievements. The Committee would like to be apprised of the action taken by the Government in this regard.

### **Action Taken**

#### **Geological Survey of India(GSI):**

1. During the last two financial years of XI Plan FY 2010-11 and FY 2011-12, GSI has taken utmost care in fund utilisation following proper scientific measures in both preparing and execution of the budget utilisation. In FY 2010-11 the trend of fund utilised was 26.30% in 1st Qtr, 63.97% was progressively upto 2<sup>nd</sup> Qtr., 75.64% till 3<sup>rd</sup> Qtr and 93.15% till 4<sup>th</sup> Qtr against the total allotment(RE), estimated without considering the ship payment. With the ship payment the scenario is further improved at final stage (94.50%) as the ship payment was not a regular issue. In FY 2010-11 the ship payment was made in the month of March'11. Again during In FY 2011-12 the trend of fund utilised was 24.36% in 1st Qtr, 55.06% was progressively upto 2<sup>nd</sup> Qtr., 75.19% till 3<sup>rd</sup> Qtr and 98.31% till the 4<sup>th</sup> Qtr against the total allotment (without the ship payment). It may be appreciated that FY 2011-12 GSI so far spent the highest percentage (99.11%) / amount (Rs.339.30 crore) of Plan fund. This achievement was not only in fund utilisation equally reflected in achieving the physical targets in all geo-scientific domains except in aerial surveys as the navigational system was not in order and minor shortage noticed in marine territorial water survey under Survey and Mapping Scheme(Mission I) and in Large Scale Mapping under Mineral Exploration Scheme(Mission II) mainly due to shortage of manpower. This may be mentioned that all the newly recruited geoscientists are normally assigned to take up the Mission I (Survey and Mapping) ground surveys particularly and while they are enough trained engaged them in Mission II (Mineral Exploration). These achievements were possible due to hard working of GSI and strict monitoring on regular basis by the Ministry of Mines. GSI always been engaged in financial management adhering to all financial norms particularly the FRBM Act.

#### **Indian Bureau of Mines(IBM):**

2. Out of sanctioned BE for 2011-12 of Rs.22.00 crore, an amount of Rs.2.24 crores was surrendered well before the end of financial year and the Final Estimates were modified to Rs.19.76 crores. The major surrender include:

- i) Rs.0.88 crore under Tribal Area Sub-Plan as the concerned State Governments viz.Chattisgarh, Jharkhand & Maharashtra did not

propose any scheme for utilization of funds in their respective State.

- ii) Rs.0.77 crore under IT Head
- iii) Rs.0.15 crore under Motor Vehicle due to ban on purchase/replacement of new vehicles by the Government.

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

3. HCL has formed a dedicated project team and appointed a "Responsible Manager" for each project to monitor the progress of execution. The team will work under the overall guidance of Director (Mining) in the Corporate Office. Utilization of funds varies from quarter to quarter depending upon the date of commencement of the project and its progress on the ground. Therefore, it is not possible to ensure uniform level of expenditure in each quarter.

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

4. The approved plan outlay vis-à-vis the actual expenditure for BE 2011-12 of National Aluminium Company Ltd. (NALCO) is as under:-

(Rs. in crore)

Sl. No.	Schemes	BE 2011-12	Actual 2011-12
1	Phase – II Expansion	180	205
2	Utkal - E, Coal Mines	94	15
3	Upgradation of Alumina Plant	162	117
4	Green field project	32	154
5	Wind power plant- I	200	23
6	Expansion Phase III		
	a. Pottangi Mine & 5th Stream Refinery.	3	0
	b. 220 Ka Upgradation	40	-
	c. 2 x 250 CPP	-	-
7	Addition, Modification & Replacement	346	287
<b>TOTAL</b>		<b>1057</b>	<b>801</b>

5. The Company has shortfall of expenditure during the plan period 2011-12 mainly under the following plan heads:-

Sl. No.	Scheme
1	Utkal - E, Coal Mines
2	Wind power plant- I
3	Expansion Phase III
	a). Pottangi Mine & 5th Stream Refinery.
	b). 220 Ka Upgradation
	c). 2 x 250 CPP
4	Addition, Modification & Replacement

6. The Company has informed that the shortfall in expenditure did not impact the production (except alumina) as well as the performance of the Company for the year 2011-12, which can be gauged by the following facts:-

**Projection of Physical output**

7. The above mentioned schemes from Sl. No. 1 to 3 are under project execution stage. Company had not projected any physical output out from these projects during the plan period 2011-12. The plan expenditure was meant to be spent to meet the timelines and mainly aimed to achieve further progress and completion.

8. For the year 2011-12, the actual utilization of funds was Rs. 801 crore which was 76% of the approved outlay. The shortfall in expenditure in many schemes were due to extraneous factors beyond the control of NALCO. In spite of that, the Company has projected a challenging target of Rs 2343 crore for current year.

9. Actual fund utilization during 1<sup>st</sup> quarter of financial year 2012-13 is Rs 243 crore against target of Rs 515 crore (utilisation 47%). The shortfall is due to non-utilisation of Rs 267 crore earmarked for green field project, which is due to pending issue at Department of Atomic Energy (DAE) for equity participation by NALCO in the 2 X 700 MW Nuclear power project in Kakkarpar, Gujarat.

10. To overcome underutilization of approved outlay, Govt. of India has appointed a high level committee under chairmanship of Member Secretary, NMCC, under Ministry of Commerce and Industry. The Committee has set quarterly targets of annual plan and reviews the expenditure vis-à-vis outlay every month. Further, annual plan expenditure has been set as a target for NALCO in the MOU signed with Ministry of Mines, whereas as any shortfall from target will have direct bearing on the MOU score and consequent performance related payment to employees and Directors of the Company.

11. Further, the annual plan outlay is being reviewed by Secretary, Ministry of Mines at regular intervals with the Company. Ministry has taken up the matter with DAE from time to time for resolving the issues for equity participation by NALCO in the Nuclear power project in JV with NPCIL, as per approved plan.



## Shortfall of production from existing rated capacity (AMR items)

12. The expenditure on AMR items, constitutes several small projects for replacement and up-gradation of the existing plant and machinery to maintain the rated capacity. The shortfall in the AMR expenditure is mainly due to lower spending in major heads such as lean slurry project for transport of fly ash, construction of 4<sup>th</sup> ash pond, etc. due to external reasons. The achievement in the AMR plan head during the year 2011-12 stands at Rs. 287 crore, which is around 83% of the plan projection. Considering the past trend of achievement, the present achievement is a respectable achievement for the Company.

13. The Physical Performance against target during the financial year 2011-12 is indicated below:-

(Rs. in crore)

S. No	Schemes	Unit	Projection (MOU)	Actual Production		Total	% achievement
				Existing plant	2 <sup>nd</sup> phase expansion		
1	Bauxite	Lakh Tonnes	60.00	48.00	2.02	50.02	83
2	Alumina Hydrate	Lakh Tonnes	20.00	15.22	1.21	16.43	82
3	Cast Metal	Lakh Tonnes	4.38	3.08	1.05	4.13	94
4	Power	MU	7,160	4,811	1,389	6,200	87

- Mines could not achieve the annual target of 60.00 lakh MT due to delay in commissioning of additional stream in Alumina Refinery, since Bauxite is produced as per requirement of refinery only and not for sale. The requirement of refinery was met in full.
- Alumina Refinery could also not achieve annual target of 20.00 lakh Alumina Hydrate production mainly due to delay in commissioning of 4<sup>th</sup> stream under 2<sup>nd</sup> phase expansion project. Against the production target of 4.25 lakh MT, only 1.21 lakh MT of Alumina Hydrate was produced from stream-IV commissioned under 2<sup>nd</sup> phase expansion. While most of the equipments were duly installed, production could not start in full swing for want of commissioning of a few equipments.
- The annual target could not be achieved at the CPP unit, as power production during the year has been affected due to constraints in coal supply from MCL including lower grade, high moisture and high ash coal and due to restriction in generation to minimize ash disposal to ash pond in order to maximize life of ash pond.

- Smelter achieved capacity utilization of 94%. There was a planned shutdown of about 120 pots since September, 2011 due to non-availability of coal resulting a lower generation of power and due to low uneconomical metal prices.

14. From the above mentioned facts, it is clear that the shortfall in the plan expenditure has not impacted the physical performance of the Company during 2011-12. The Company has strong convincing reasons as to the following:-

15. The shortfall in production/performance is otherwise due to fluctuation in the business cycle and a reflection of the overall economic scenario upon which the Company has very little control. The market dynamics and general economic scenario affects the physical and financial performance of the Company more than the plan expenditure.

16. The monitoring system has been reviewed. The annual plan expenditure targets have been divided into quarterly targets and are now being reviewed by Secretary, Ministry of Mines on quarterly basis. Further, the same is also being reviewed at the level of National Manufacturing Competitiveness Council (NMCC), under PMO. However, the concern of the Committee is noted and the Company shall take necessary action to ensure achievement of targets set.

#### **Science & Technology Programme (S&T):**

17. The Budget allocated during 2010-11 and 2011-12 were the same i.e. Rs.3.00 crore in respective years. The actual utilization of funds during 2010-11 was Rs.3.00 crore and 2011-12 was Rs.267.22 lakh respectively. The reason for less utilization of funds during the financial year 2011-12 are as follows:-

- (i) The 9<sup>th</sup> Project Evaluation and Review Committee (PERC) in its meeting held on 20.12.2011 approved two projects namely Management of Toxic Aluminium, JNARDDC, Nagpur and Upgradation of Seismic Monitoring System, NIRM. The funds were kept for the above two project. However, the Standing Scientific Advisory Group (SSAG) approved/selected only one project.
- (ii) Few Scientific Organisations did not submit the utilization Certificate for their previous grant and did not apply for release of installments during 2011-12.

18. The Projects are approved by the Standing Scientific Advisory Group for duration of two or three years. The grants released to the Institute once in a year subject to the submission of Utilisation Certificate of the previous grants

from the Institute. Hence quarterly spending of funds can not be possible in grants case, however, all possible efforts would be made to incur expenditure regularly.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

#### **Recommendation Serial No. 4**

##### **Schemes for North Eastern Region**

The Committee are concerned to note that against the lumpsum provisions of Rs.17.90 crore and Rs.19.00 crore during 2009-10 and 2010-11 respectively for North Eastern region including Sikkim, the actuals were nil. Again, during 2011-12 against a provision of Rs.20.00 crore, the actuals (tentative) are reported to be nil. The Committee cannot but deplore the way required attention has not been given by the Ministry to this region. The Committee, therefore, strongly recommend that the Ministry should strive hard to identify and timely implementation of the schemes in this region. The Committee would like to know the schemes identified by the Ministry for implementation in this region during the year 2012-13 and the steps taken for optimum utilization of funds as targeted.

##### **Action Taken**

1. The Government policy in Budgetary (Plan) allocation has changed thoroughly since October, 1996 while a preliminary exercise undertaken by the Planning Commission in consultation with the various Ministries/Department. At this juncture, the then Prime Minister announced "New Initiatives for North Eastern Region" and stipulated that at least 10% of the Budget(s) of the Central Ministries/Department will be earmarked for the development of North Eastern States. Thereafter it revealed that the expenditure on the North East by some Union Ministries during 1997-98 fell short of the stipulated 10% of the GBS for that year. Observing such state of affairs, the Planning Commission had to take up further step for funding NER by creating a Central Pool of Resources for the North East out of the unspent amount of stipulated 10% of GBS to support infrastructure development projects in the North East.

2. The organisation-wise allocation of budget for North Eastern Region including Sikkim and their actual expenditure since 2009-10 is as under:-

(Rs.in crore)

Organisation	2009-10		2010-11		2011-12	
	Allocation	Actual Expr.	Allocation	Actual Expr.	Allocation	Actual Expr.
GSI	16.00	3.43	16.20	11.50	18.10	16.06
IBM	1.90	1.36	2.80	1.61	2.20	1.45
Total	17.90	4.79	19.00	13.11	20.30	17.51

### **Geological Survey of India(GSI):**

3. GSI has taken up appropriate steps for utilization of the fund as far as possible for the purpose of NER. But due to statutory allocation (10% of GSI budget) to NER, GSI has faced certain difficulties for its optimum utilization.

4. The GSI budget, as a whole (including NER), is being projected on short (Annual Plan) and long term (Five Year Plan) basis based on the geoscientific activities taken up by GSI. But, Planning Commission is being allocating the grants separately for GSI (Non NER) as per its Plan activities, but NER as per the policy of the Govt. i.e. 10% of the total Plan budget of GSI is allocated to NER. Though the fund is not projected separately for NER but it is granted as per the Govt. policy, and it becomes the responsibility of GSI for utilization of this funds. Interestingly, NER is not having 10% of total geographical extent of the entire country, neither having proper infrastructure and as a result the NER fund remains always unspent. Nevertheless, the unspent NER funds as per the Govt. policy, goes to the Central Pool of Resources for North East to support its infrastructural development projects. But GSI is grossly responsible for the unspent fund of NER. This existing allocation process creates an unstable situation in Financial Management of GSI. There always remains a gap between the geoscientific (operational) activities of GSI in NER vis-à-vis the utilization of Plan Fund there. It takes place mainly due to the restriction that NER budget can not be diverted to GSI (Non NER) in spite of that there is a requirement of NER unspent fund, elsewhere in other parts of the country. Surprisingly the other way is applicable i.e. GSI (Non NER) fund could be utilized for the purposes of NER.

5. Moreover, NER has certain other problems as far as GSI is concerned. In GSI particularly, it has been observed that every year the Plan fund earmarked for NER is perpetually lacking its utilization. It is not that GSI did not put serious efforts in this regard, basically, there is no scope for optimal utilization of NER granted fund. During the last two years (FYs 2010-11 and 2011-12) there have been noticeable utilization of Plan expenditure in NER. But, it is mainly due to the sizable sum allocation under salary (Plan) head in comparison to the previous years and also Govt. has lifted the embargo/restriction for procurement of new vehicles. Further, now stipulated allotment of NER has put an impact or variation in expenditure percentage on both for GSI (Non NER) and GSI (Total) during XI Plan period. In addition, most of the GSI (Govt.) offices in NER are presently operating from the private houses, where it is difficult to set up important laboratories and major official establishments. Though processing action for construction of GSI's own office building and Laboratory in NER has already been initiated, however, it is a time taking process. Once those establishments are completed in NER there will be ample scope for utilization of sizable fund in future. GSI is always very keen in search of mineral resources and for utilisation of required fund in NER and Ministry has also shown positive attitude in all aspects.

### **Indian Bureau of Mines(IBM):**

6. IBM out of allocation of Rs.1.90 crore for NER during 2009-10 has utilized Rs.1.36 crore. Similarly, during 2010-11 and 2011-12 out of NER allocation of Rs.2.80 crore and Rs.2.20 crore, IBM has been able to utilize Rs.1.61 crore and Rs.1.45 crore respectively. The reasons for under utilization of funds:

- i) Less Demand for Machinery & Equipments from North Eastern States in the year 2010-11.
- ii) Less response to the Tender notices for supply of equipments in the year 2011-12.
- iii) Firms could not supply the Machinery & Equipments to the destination States well before 31.3.2012.
- iv) There is no infrastructure for after sales services for the equipments in the North Eastern States and, hence, quotations got disqualified.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

### **Mineral Production**

#### **Recommendation Serial No. 5**

While scrutinizing the annual report of the Ministry of Mines for the year 2011-12 it has been revealed that based on the overall trend so far the index of mineral production (base 2004-05) for the year 2011-12 is estimated to be 130.38 as compared to 131.36 for 2010-11 showing a negative growth of 0.75%. The decline in production is due to the restriction on exports, temporary discontinuance of mining for want of environmental clearance, etc. The Committee has also been informed that the total value of mineral production (excluding atomic minerals) during 2011-12 has been estimated at Rs.2,10,334.55 crore which shows a decrease of about 1.02% over that of the previous year. The decline in value of mineral is due to the restriction on export, temporary discontinuance of mining production for want of environment clearance. The Ministry have been mandated for the regulation of mines and the development of mineral resources to ensure basic uniformity in mineral administration so that the development of mineral resources keep pace and is in consonance with national policy. The Committee had earlier recommended that the Ministry must take all endeavors for environment clearance either by the Central Government or from concerned State Government. The Committee have not been apprised what steps the Ministry have taken for obtaining such clearances. The Committee, therefore, take exceptions for not taking appropriate steps for obtaining environment clearances. The Committee desire that in future all steps should be taken expeditiously by Ministry for obtaining environment and forest clearances and also expect the Ministry of Environment and Forests to dispose of the pending mining projects expeditiously in respect of environment and forest clearances. The Committee, therefore, expect that the Ministry should act as a facilitator by taking necessary steps in removing all the constraints impeding the development of resources in the country.

## **Action Taken**

1. The index of mineral production (base 2004-05) for the year 2011-12 is estimated to be 128.4 as compared to 131.0 for 2010-11 showing a negative growth of 2%. The decline is mainly in respect of iron ore (-17.8%), manganese ore (-17.7%) and chromite (-9.7%). The decline in production is due to suspension of mining activities in Karnataka as per Hon'ble Supreme Court order, discontinuance of mining for want of environmental clearance, suspension of mining operations as per statutory orders, development work in certain mines, etc.

2. Steps taken by Ministry of Mines for obtaining environment and forest clearances from Ministry of Environment and Forests to dispose of the pending mining projects expeditiously:

Ministry of Mines constituted a Central Coordination-cum-Empowered Committee (CCEC) under the Chairmanship of Secretary (Mines) to monitor and minimize the delays in grant of various approvals by the concerned Ministries/Departments in the Central Government for grant of mineral concessions with representative from Ministry of Environment & Forest. Other members of the Committee include representative of Ministries of Defence, Home Affairs and Steel and representatives of DGCA, IBM and GSI. The last meeting of CCEC was held on 28<sup>th</sup> June, 2012.

3. Series of meetings of CCEC were held. The need to have an efficient and transparent system for processing environment and forest clearances in respect of mineral concession cases approved by the Ministry of Mines, was discussed in all the meetings. It was decided that the State Governments would prepare a list of cases awaiting Forest clearance and send it to the MOEF, so that they could be expeditiously followed up.

4. Till the last meeting held on 26.3.2012, State Governments of Chhattisgarh, Jharkhand, Gujarat and Rajasthan had sent their lists to the Ministry of Mines, which were forwarded to the MOEF. All other State Governments have been requested to send their respective lists to the MoEF directly under intimation to the Ministry of Mines.

5. CCEC had constituted a Working Group under the Chairmanship of Additional Secretary (Mines) with representatives from MoEF, NICs of the Ministry of Mines and the MoEF and the State Governments of Chhattisgarh, Gujarat, Karnataka and Madhya Pradesh to evolve software solution for monitoring the pendency of FCA applications at the State Government level. This Working Group had held a series of meetings and arrived at conclusions on all aspects of the software. The representative of MoEF informed during the CEC meeting held on 16.01.2012 that the said software had been operationalized from 02.01.2012. The software had different categories of applications submitted by various agencies for forest clearances, mining being one of them. He also informed that the MoEF had issued detailed guidelines on the working of the software, and training programmes in the regional offices for the State functionaries had also commenced.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

## **Recommendation Serial No.7**

Under modernization and replacement scheme, the Committee observe that the first installment for the ship procurement of Rs. 39.74 crore was paid during the financial year 2010-11. The second installment of Rs. 71.99 crore was paid in September 2011 (financial year 2011-12) after receiving the 1<sup>st</sup> Batch of Supplementary and the amount for third installment of Rs. 89.73 crore has been received through second batch of supplementary and has been paid on 22<sup>nd</sup> March 2012. The Committee further note that during 2012-13 under M&E Head a considerable budget of Rs. 374.00 crore (Rs. 287.00 crore – construction costs of both Ocean Going Research Vessel and Geotechnical vessel; Rs. 87.00 crore – For acquisition of Laboratory and drilling equipment) has been proposed. The Ministry have further apprised the Committee that though, the ship payment will be continued by seeking funds through supplementary grants as and when required in other cases, GSI would approach the Ministry at appropriate stage for financial support as the present indicated budget of Rs. 194.00 crore and construction budget of Rs. 10.00 crore may not be sufficient for GSI to carry out all of its proposed projects. While acknowledging the fact that GSI under international contractual obligations had to make payment for procurement of Ocean Going Research Vessel, and Geotechnical Vessel, the Committee are not convinced with the GSI seeking a budgetary allocation of Rs. 710 crore during 2012-13 as against an allocation of Rs. 196.96 crore for the year 2011-12, the actual expenditure till Feb., 2012 including ship payment was only Rs. 100.83 crore which is nearly 50 percent of the funds allocated for the year. The Committee are in no doubt that necessary steps to infuse funds for modernization and replacement of equipments by GSI should indeed, be taken. However, they would like to be apprised of the reasons for lower utilization of funds during 2011-12. Considering the pace of work required under modernization and replacement scheme, the Committee express their apprehension that in the absence of proper utilization of budgetary allocations, the targets set for 12<sup>th</sup> Plan are not likely to be achieved. The Committee would, therefore, like to be informed of the detailed investment plan of the Ministry / GSI during 2012-13 and the XIIth Plan for the same.

### **Action Taken**

1. It is clearly observed from the table below that during FY 2011-12 the expenditure till February was Rs. 228.96 crore including ship payment (Rs. 71.99 crore paid in September'11) which works out to be 66.88% against the allotment Rs.342.36 crore, it was mainly because of bulk of the fund Rs. 89.73 crore for ship payment was due to be paid in March 2012. It may be mentioned again that during FY 2011-12 the expenditure till the end of financial year (March'12) was Rs.339.30 crore (including ship payment) against the total allotment of Rs. 342.36 crore (including ship payment) which works out to be 99.11% of utilisation of fund. This was the all time highest utilisation of Plan fund so far. Even without the ship payment which are operational expenditure in nature also the expenditure till Feb'12 was Rs.156.97 crore which works out to be 86.90% of utilisation of fund against

the allotment Rs.180.64 crore [Rs. 342.35 crore – (Rs. 71.99 crore 2<sup>nd</sup> instalment of ship payment + Rs.89.73 crore 3<sup>rd</sup> Instalment of ship payment) = Rs.180.64 crore].

**Trend of Plan fund utilization during FY 2011-12**

	Apr 11	May' 11	June' 11	July' 11	Aug' 11	Sept' 11	Oct'11	Nov' 11	Dec' 11	Jan' 12	Feb' 12	Mar'12	Alltment	% of Fund Utilization
With Ship Payment	7.62	20.07	44.00 (12.85)	70.39	86.50	171.45 (50.08)	181.97	192.26	207.82 (60.70)	221.75	228.96 (66.88)	339.30 (99.11)	342.36	99.11
Without ship payment	7.62	20.07	44.00 (24.36)	70.39	86.50	99.46 (55.06)	109.98	120.27	135.83 (75.19)	149.76	156.97 (86.90)	177.58 (98.31)	180.64	98.31

Note: Figure in the bracket is the percentage of utilization.

2. The detailed investment plan of GSI during 2012-13, under two circumstances i.e. (i) under the existing Plan allocation of Rs.194.00 crore alongwith its monthwise phasing and (ii) proposed requirement of plan funds during 2012-13 are given in the following two table separately.

**Month-wise phasing of proposed Rs.194.00 crore Plan Expenditure for FY 2012-13  
(Rs. in crore)**

Expenditure	April 2012*	May 2012*	June 2012	July 2012	Aug. 2012	Sept. 2012	Oct. 2012	Nov. 2012	Dec. 2012	Jan. 2013	Feb. 2012	March 2013
Operational Expenditure	5.23	8.68	9.00	8.00	8.00	17.00	9.00	10.00	16.09	11.00	13.00	12.00
Capital (including Modernisation Prog)	0.03	0.80	1.00	1.00	1.00	55.00	2.00	2.00	1.00	1.00	1.00	1.17
TOTAL(Monthly Expenditure)	5.26	9.48	10.00	9.00	9.00	72.00	11.00	12.00	17.09	12.00	14.00	13.17
Progressive Expenditure		14.74	24.74	33.74	42.74	114.74	125.74	137.74	154.83	166.83	180.83	194.00
% of Utilisation of Fund			12.75			59.14			79.81			100.00

\* Actual Expenditure

**Proposed requirement of Plan Fund during FY 2012-13  
(Rs. in Crore)**

Heads	Subheads	Allocated	Proposed Requirement
Revenue		126.00	166.00
Capital	Motor Vehicle	1.00	1.00
	M&E	64.00	64.00 + 262.50
	Other Capital	3.00	3.00
<b>Total</b>		<b>194.00</b>	<b>496.50</b>

3. The brief Proposed Investment Plan for XII Plan as indicated in the XII Plan Proposal of GSI is given below:

1. Systematic Geological Mapping and Specialised Thematic Mapping: Rs **10** crores

1 National Geochemical Mapping: Rs **160** crores

2 National Geophysical Mapping: Rs **20** crores



- 3 National Hyperspectral Mapping: Rs **50** crores  
4 National Geomorphological Mapping: **2** crores  
5 Marine Coastal Survey : Rs **330** crores  
6 Multisensor Aero-geophysical Survey : Rs **45** crores  
7 National Geophysical Data Repository: Rs **10** crores  
8 Exploration activity in energy sector: Rs **56** crores  
9 Exploration activity in non-energy sector : Rs **204** crores  
10 National Drill Core Repository: Rs **25** crores  
11 Data Dissemination in virtual sector (including OCBIS): Rs **230** crores  
12 Research and Development: Rs **172** crores  
13 Training and Capacity building: Rs **32** crores  
14 Modernization Activity: a) Procurement of High Cost Items:
- (i) Committed (Repl Vessel and Geotechnical Vessel): Rs **612** crores ;
  - (ii) Proposed (Two coastal launches): Rs **100** crores;
  - (iii) Lab and Drilling item (State of the art drilling machines such as reverse circulations, hydraulic rigs etc): Rs **670**crores
- 15 Expenditure under Dir. & Admn, Misc Major Expdt and Motor vehicle : Rs **325** crores  
16 Construction budget of GSI: Rs **263** crores  
17 For outsourced items: Rs **1282** crores
- (a) National Aeromagnetic Mapping - Rs.700 cr
  - (b) NGCM - Rs.442 cr. and
  - (c) NGPM - Rs.140 cr.
- Total : Rs.4598 crore**

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

### **National Aluminium Company Ltd.(NALCO)**

#### **Recommendation Serial No.14**

The Committee note that during 2011-12, plan outlay of NALCO was increased to Rs. 1333 crore at RE stage from Rs. 1057 crore. According to the Ministry, the actual utilization of funds was however, Rs. 741 crore (upto Feb., 2012) which comes to 70% of the approved outlay of Rs. 1057 crore. The reasons for under utilization of funds were reported to be delay in land acquisition for construction of R&R colony, project works of the Utkal-E project, stoppage of work at the Wind Power Plant, as environment clearance is yet to be obtained, delay in construction of the slurry system of Ash disposal and construction of Ash pond, etc. The "Committee are not at all convinced with the reasons cited by the Ministry for under utilization of the approved outlays as these reasons are being repeatedly cited by the Ministry year after year. Keeping in view the perennial problems being faced by NALCO halting the implementation of ongoing schemes and ultimately affecting the utilization of funds, the Committee expect that the funds earmarked for 2012-13 will be optimally utilized and the problems faced by

NALCO during the last year would be overcome by taking timely corrective measures to obviate any reduction of funds. The Committee would like to be apprised of the action plan of the Ministry/NALCO to utilize the enhanced funds allocated for the year 2012-13.

### **Action Taken**

1. For the year 2011-12, the actual utilization of funds was Rs. 801 crore which was 76% of the approved outlay. The shortfall in expenditure in many schemes were due to extraneous factors beyond the control of NALCO. In spite of that, the Company has projected a challenging target of Rs 2343 crore for current year.

2. Actual fund utilization during 1<sup>st</sup> quarter of financial year 2012-13 is Rs 243 crore against target of Rs 515 crore (utilisation 47%). The shortfall is due to non-utilisation of Rs 267 crore earmarked for green field project, which is due to pending issue at Department of Atomic Energy (DAE) for equity participation by NALCO in the 2 X 700 MW Nuclear power project in Kakkarpar, Gujarat.

3. To overcome underutilization of approved outlay, Govt of India has appointed a high level committee under chairmanship of Member Secretary, NMCC, under Ministry of Commerce and Industry. The Committee has set quarterly targets of annual plan and reviews the expenditure vis-à-vis outlay every month. Further, annual plan expenditure has been set as a target for NALCO in the MOU signed with Ministry of Mines, whereas as any shortfall from target will have direct bearing on the MOU score and consequent performance related payment to employees and Directors of the Company.

4. Further, the annual plan outlay is being reviewed by Secretary, Mines at regular intervals with the Company. Ministry has taken up with Dept of Atomic Energy for resolving the issues for equity participation by NALCO in the Nuclear power project in JV with NPCIL, as per approved plan.

5. The details of Annual plan 2012-13 along with constraints/ likely achievement are as under:-

<b>S No</b>	<b>Name of the Scheme/ Project/ Programme</b>	<b>Projection 2012-13 (Rs crore)</b>	<b>Constraint/ Assistance required</b>	<b>Action Plan</b>
1	II-Phase Expansion	191	Closing of contracts and resolving the cases of liquidatory damages	Contract closing procedure finalized and being monitored on monthly basis.
2	Utkal - E, Coal Mines	198	Forest clearance (stage-I-pending with Govt.of	Regular follow up being made by NALCO as well

			Odisha.. Acquisition of private land with the help of State Govt. Withholding of land acquisition for Coal mines by Govt of Odisha till finalisation of master plan for over burden dump and development of common infrastructure for coal evacuation for Talcher coal fields.	as by Secretary, Mines, Govt. of India with Govt of Odisha. Hon'ble Minister, Mines also has taken up with State Govt.
3	Addition modification and replacement	416	Would be achieved.	Monthly monitoring
4	Upgradation of Alumina refinery	160	Would be achieved.	-do-
5	Wind farm	75	Would be achieved.	-do-
6	Green Field Projects	1,182	Approval of DAE/ GoI for 49% equity participation in Nuclear Power project. Resolving water cess issue and allocation of water, etc. for smelter and power project in Odisha. Clearance from Ministry of Environment & Forest, GoI for starting AP project based on Gudem and KR Konda deposits.	The matter of approval of DAE/ GoI for 49% equity participation in Nuclear Power project is being perused by Ministry of Mines with Dept of Atomic Energy.
7	<b>III-Phase Expansion</b>			
a	220KA Upgradation of Smelter	100	Statutory clearance including public hearing etc.	Environment impact Assessment study and Environmental clearance are being pursued.
b	2 X 250 CPP	15	Statutory clearance including Environmental clearance etc.	Meeting of MOEF was held on 3 <sup>rd</sup> July for issue of Terms of Reference
c	Refinery 5th stream including Pottangi Mine	6	Resolving issues related to raising CSR expenditure to 3% of PAT from presently	CMD, NALCO has taken up the matter with Chief Secretary, Govt of Odisha.

			2% of PAT, over and above. There are certain provisions in proposed MMDR Bill.	
	<b>Total</b>	<b>2,343</b>		

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

### **Implementation of Utkal E-Coal Block project and Pottangi Bauxite Mine**

#### **Recommendation Serial No.15**

The Committee note that the allotment of Utkal E-coal Block project and Pottangi Bauxite Mine have been held up for want of mining lease, land acquisition, forest clearance etc. by the State Government. The Committee are dismayed to find that the coal block which was allotted by the Government of India to NALCO in 2004 to meet its coal requirement of new power units has still made no headway as land acquisition, construction of R&R Colony and project execution are yet to take place. The Committee in their earlier report had recommended that the Ministry should take necessary measures for commissioning of the project at the earliest but it is still facing many roadblocks. Although an investment of Rs. 198 crore out of the total project cost of Rs. 337 crore has been proposed for Utkal-E case project during 2012-13, the project is languishing for want of various clearances from the concerned State Government. The Committee, therefore, would like the Ministry to seriously take up the matter with the authorities concerned for removing the obstacles which the project has been facing.

#### **Action Taken**

1. Utkal-E block was allotted to NALCO on 27.08.2004 by the Ministry of Coal. The mining plan was approved by the Ministry of Coal in 2006 and the environmental clearance from Ministry of Environment & Forest was received in December, 2009. Ministry of Coal has forwarded mining lease approval to Govt. of Odisha vide letter dated 14.06.2011. Now, after getting the mining lease approval by Ministry of Coal, the activities have picked up.

2. The major pending activities of Utkal-E coal block, as on date, are as under:

- Disbursement of payment among land owners for acquisition of private land in mining lease area.
- Transfer of lease deed for revenue land in favour of NALCO.
- Grant of Stage-I & II forest clearance.
- Approval of mine closure plan by M/o Coal, Govt. of India.
- Construction of approach road linking to State Highway-63.
- Signing of mining lease deed with State Govt.

3. At present the major hurdles are getting the forest clearance and acquiring private land for R&R colony. The action plan chalked out for the same are being deliberated and followed up every month with several agencies of State Govt., at highest level. Separately, the Ministry of Mines is also pursuing the matter with the State Government of Odisha and Ministry of Coal, Govt. of India for expediting pending issues in the matter, as per details given below:-

- DO letter dated 23<sup>rd</sup> March, 2012 from Secretary (Mines) to Chief Secretary, Govt. of Odisha for expediting approval of Stage-I forest clearance and for construction of common approach road for evacuation of coal through State Highway-63 linking to Utkal-E coal block.
- DO letter dated 23<sup>rd</sup> March, 2012 from Secretary (Mines) to Secretary (Coal) for granting approval for extension of normative date of coal production from 26.2.2008 to 1.7.2012 and also for mine closure plan in respect of Utkal-E coal block.

4. However, getting forest clearance is a long drawn process. Another major challenge is acquiring private as well as Govt. land for this greenfield project for commissioning of the project as per schedule. Further, the Govt. of Odisha vide office order dated 24.02.2012 has put hold on acquisition of private / Government land till comprehensive master plan for the coal fields as being proposed by CMPDI / IDCO is approved to sort out issues related to acquisition of additional land inside / outside coal bearing areas for the purpose of over burden dump. Construction of coal handling plant, workshop, etc. NALCO has taken up the matter with Commissioner-cum Secretary, Dept. of Steel & Mines, Govt. of Odisha.

5. The progress of Utkal-E coal block is as under :-

- a) A presentation on mine closure plan was made before the Technical Members of the Standing Committee, Ministry of Coal, Govt. of India(GoI) on 2<sup>nd</sup> April, 2012.
- b) Revised land scheduled and revised mining lease map for 211.18Ha of land approved by Ministry of Coal, GoI was submitted to the Govt. of Odisha on 20.04.2012.
- c) Reply for additional land requirement (beyond 211.18Ha of land) for mining activities was sent to Commissioner-cum- Secretary, Department of Steel and Mines, Govt. of Odisha on 13.04.2012.
- d) Based on land rate finalised by RPDAC, full payment for land has been deposited by NALCO with district administration in September, 2011. Disbursement of compensation to land affected persons in mining lease area started by Dist. Administration, Angul in April, 2012.
- e) Work is on for various jobs of resettlement and rehabilitation colony. However, the award of work which is at final stage can start after approval of R&R plan by Collector, Angul. Power supply to R&R colony

is being arranged through State Electricity Authority. Collector, Angul approved the Master Plan for R&R colony on 6.6.2012.

**Constraints:**

6. The present constraint being stage-I forest clearance and acquisitions of private land

- (a) Forest diversion proposal (FDP) for 418 Acre out of 489 Acre forest land was approved by PCCF, Odisha in June, 2010. Constant follow up being made for issue of certificate for balance 71 Acre land (under forest dwellers act) by District administration for which FDP of Utkal-E is getting delayed.
- (b) Although, the lease deed has been signed between IDCO & state authorities for alienation of 126 acres Govt. land in mining lease area and 54 acres in R&R colony area, the land is yet to be handed over to NALCO till date. However, ground rent and cess for above land from 2008-09 onwards was deposited regularly.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

**The Mineral Exploration Corporation Limited (MECL),**

**Recommendation Serial No.17**

The Mineral Exploration Corporation Limited (MECL), a premier exploration agency in the country has been allocated Rs. 10.00 crore under promotional mineral exploration programme through internal resources and Rs. 9.00 crore in promotional grant through Gross Budgetary Support for carrying out its exploration activities during 2012-13 as against Rs.9.00 crore at BE 2011-12. The Committee note that the physical performance of MECL was affected during the last three years due to several constraints like technical requirement/non-availability of locations, the exploration drilling carried out during the year 2009-10 & 2010-11 in some of the project like Dhol-Ki-Patti for rock phosphate in Rajasthan, Rupa for dolomite in Arunachal Pradesh and Tangnub for limestone in Meghalaya have resulted in less achievement in physical targets. The Committee also observed that exploration in two new schemes namely Gurla (North) for Copper-Lead-Zinc in Rajasthan and Nimi-Pyakatsu block for limestone in Nagaland have been taken up during the year. The committee desire that concerted efforts should be made by the Ministry/MECL to complete the targets within the respective annual plan instead of spilling over the projects. The Committee would like MECL to take up more mineral exploration programmes for realizing its dream of becoming the leader in exploration of minerals by 2020.

**Action Taken**

1. A sum of Rs.9.00 crore has been allocated for capital expenditure through internal resources and Rs.10.00 crore for promotional exploration

programme for the year 2012-13. As regards the promotional projects, they are usually to be completed between 6 – 18 months depending upon their size. Some projects spill over to next annual plan and further budgetary provisions are made accordingly.

2. Further, to take up more and more exploration projects, MECL keeps shelf of proposals. Presently six detailed exploration proposals for different mineral commodities like copper at Banera in Bhilwara district of Rajasthan, gold in Pahardia prospect, district West Singhbhum, Jharkhand, potash in Bharusari sub-basin district Hanumangarh, Rajasthan, copper ore in Muradpur prospect, North-Khetri copper belt, district Jhunjhunu, Rajasthan, Jaitpur for potash in Rajasthan and Mawlong Ishamati for limestone in Meghalaya were approved by the Technical Sub-Committee of SCPP. Now all these proposals shall be put up to next SCPP for their final approval.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

## **National Mineral Policy 2008**

### **Recommendation Serial No.20**

The Committee have been given to understand that the Government announced a New National Mineral Policy, 2008 which endeavours to attract technology and fresh investment through specific measures. The Union Government is also reported to have prepared a draft Model State Policy in line with the National Mineral Policy, 2008 and circulated to all the State Governments to prepare their own State Policies. Admittedly, both the Union and State Governments have to act in concert and in a well coordinate manner to achieve the objectives of the New Policy. However, the Committee have not been apprised of the status of the corresponding Mineral Policy to be prepared by the various State Governments. The Committee are of the strong view that unscientific mining has been taking place in the country including massive illegal mining in the absence of effective regulatory mechanism in the States. The Committee would, therefore, like the Ministry to accelerate the policy measures by according it the top priority. The Ministry should effectively interact with all State mining Departments and get the policy measures finalized in a time bound manner. The Committee would like the Ministry to apprise them of the status of formulation of Mineral Policy by the State Governments.

### **Action Taken**

As per available information State Government of Madhya Pradesh, Gujarat, and Karnataka have drafted Mineral Policies. State Government of Goa and State Government of Odisha are drafting their policies.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

## **Strategic Plan**

### **Recommendation Serial No.21**

The Committee have further been informed that the Ministry of Mines have prepared a detailed Strategic Plan document "Unlocking the Potential of Indian Mineral Sector" in order to systematize the functioning of the Ministry and align it more directly with the vision emanating from the National Mineral Policy. The Committee hope that the proposed Strategic Plan Document prepared by the Ministry though belated would provide the much needed impetus in the field of exploration and exploitation of minerals in the country, particularly, when about 50% of the obvious geological potential in the country remains unexplored. In such a scenario, the functioning of the Geological Survey of India (GSI) and the Mineral Exploration Corporation Limited (MECL) assume great importance. The Committee would, therefore, like the role of these two premier exploration organizations to be clearly defined in the proposed document. The Committee desire that the Ministry should prepare an action plan to implement the Strategic Plan Document within a specific time frame.

#### **Action Taken**

Ministry has commenced action on the implementation of Strategic Plan, and actionable points identified for year 2012-13 are given below:

<b>Sl. No.</b>	<b>Actions</b>	<b>Target</b>
1.	Expand resource & reserve base to meet future demand by ensuring	
(a)	Increase in mineral reserves through greater exploration.	
(i)	Improving quality of reporting of exploration data.	Notify guidelines for reporting of exploration data in terms of UNFC system.
(ii)	Biannual meeting of CGPB.	First meeting is likely to be organized on August or September, 2012. Second meeting is likely to be organized on February or March, 2013.
(iii)	Intensifying regional exploration of minerals.	Actual increment to National Mineral Inventory (for Field Seasons (F.Ss) ending 31 <sup>st</sup> March 2012)
(iv)	Procurement of Ocean Going Research Vessel.	Payment of fourth installment and fifth installment for Procurement Action within 31.10.2012 and 31.03.2013 respectively.
(v)	Expanding mine capacity of HCL.	Development of Malanjkhand under Ground Mines Environment clearance, detailed engineering and preparation of mine design within 30.09.2012. Deepening of Khetri Mine – Commissioning of



<b>Sl. No.</b>	<b>Actions</b>	<b>Target</b>
		waste rock hoisting system within 30.11.2012. Development of Banwas Mine- Mine development work upto 1100 metre. Re-opening of Kendadih Mine – Environment clearance within 30.06.2012. Re-opening of Kendadih Mine – complete De-watering of mine within 31.12.2012. Deepening of Surda Mine – start mine development within 30.11.2012. Opening of new Chapri-Sideswar Mine – Environment clearance within 30.06.2012.
(b)	Acquisition of international assets for identified minerals.	
(i)	Participation in leading international events.	Participation in PDAC, Mining Indaba, China Mining and others.
(ii)	Signing MoU's with mineral rich countries.	Signing MOUs with Peru, Bolivia, Tanzania and States of Australia.
(iii)	Holding JWG's/ Steering Committee meetings/ Video Conferencing – National Resources – Canada, Afghanistan, Quebec.	Holding JWG's/ Steering Committee Meetings/ Video Conferencing.
(iv)	Promoting Investment in mining sectors abroad/ holding investors meetings. Leading delegation.	Promoting Investment in mining sectors abroad.
2.	Reduce delays in grant of Exploration Licence and Mining Lease, Environment & Forest Clearance & Land acquisition.	
(i)	Draft MMDR Bill to replace the existing MMDR Act, 1957.	Obtain recommendations of Standing Committee on draft Bill.
(ii)	Draft six sub-legislations for new MMDR Bill. 2011.	Complete drafting of six sets of sub-legislation covering mineral concession grants, scientific mining, royalty and regulatory aspects.
(iii)	Implementation of project on Mining Tenement.	Finalization of DPR recommendations.
(iv)	Eliminate pendency of prior approval cases over 6 months.	Website database in Mineral Concession Approval System (MCAS) showing pendency of mineral concession proposals below months.

<b>Sl. No.</b>	<b>Actions</b>	<b>Target</b>
(v)	Preliminary scrutiny of all new mineral concession proposals within one month.	Website database in MCAS showing pendency of new mineral concession proposals below one month.
(vi)	Ensure quicker disposal of Revision cases.	Disposal of cases within one year as on 31 <sup>st</sup> December, by 31 <sup>st</sup> March of the subsequent year.
3.	Put core enablers in place for Infrastructure, Human Capital & Technology	
(i)	Implementation of High Power Committee for "Restructuring of GSP".	Implementation of the recommendation of HPC remaining to be implemented (5 nos.) by 31.03.2013.
(ii)	Finalizing S&T projects for better mining technologies, extraction technologies, extraction technologies & downstream application.	Development of glass ceramics from red mud – Project completion.
4.	Ensuring Sustainable Mining and Development.	
(i)	Rolling out Sustainable Development Framework for the mining sector.	Stakeholder workshops and implementation as pilot in two States within 31.12.2012. Monitoring of mine closure activities in mines and Development of mechanism to capture data on mine closure.
(ii)	Roll out of Corporate Plan of NALCO.	Government of India approval for JV with NPCIL for nuclear power project(s) within 31.07.2012. Commissioning of renewable energy plant-Wind Power (50MW). Alumina Refinery project agreement with GMDC within 31.08.2012. ERP Implementation-All modules within 31.12.2012.
5.	Focus on Information, Education & Communication efforts.	
(i)	Operationalisation of Mineral Advisory Council (MAC) as highest policy making body for mineral sector in the country.	Meeting of the MAC to be scheduled in January, 2013.
(ii)	Business Development Plans for sub-sectors.	Preparation of sub Sector Reports for metals within 31.12.2012.

<b>Sl. No.</b>	<b>Actions</b>	<b>Target</b>
(iii)	Establishing Indian Geoscience Advisory Council.	Constitution of IGC within 31.10.2012. Meeting of IGC within 28.02.2013.
(iv)	Bidding for 36 <sup>th</sup> IGC 2020 and participation in 34 <sup>th</sup> IGC 2012.	Submission of bid document within 30.04.2012. Participation in 34 <sup>th</sup> IGC and presentation of bid.
(v)	Phase III GSI portal project-implementation of OCBIS.	EFC Approval within August, 2012. Short listing of vendor/ firm for implementing project within 31.01.2013. Award of work contract in March, 2013.
(vi)	Circulation of NGCM reports.	Monitoring of circulation by GSI of NGCM Reports of the relevant Field Season 2009-10 ending 30 <sup>th</sup> September 2010.
6.	Implementation & Governance	
(i)	Efficient regulation of mining accountability of mineral resources from mine to end-use/ export.	Commence online system for reporting of mineral transactions to identify minerals produced illegally within 31.12.2012. Criteria for selection of recognized qualified persons (RQP) to be fixed within 31.01.2013. Increasing efficiency of regulation of mining leases for major minerals through issue of comprehensive guidelines for Mining Plan within 31.10. 2012. Commence online system for reporting of mineral transactions to identify minerals produced illegally within 31.12.2012. Criteria for selection of recognized qualified persons (RQP) to be fixed within 31.01.2013. Increasing efficiency of regulation of mining leases for major minerals through issue of comprehensive guidelines for Mining Plan within 31.10.2012. Controlling of illegal mining by analysis of data generated in IBM inspections and administration of MCDR 1988 and further follow up through CCEC meeting with State Governments within 15.02.2013.
(ii)	Quality management for GSI.	Implementation of peer review recommendations for enhancement of field targets under 5 missions [Mission-I: Baseline Geoscience Data; Mission-II: Natural Resource  Assessment, Mission-III: Geo-informatics; Mission-IV: Fundamental and Multidisciplinary Geosciences and Mission-V: Capacity Building & Training (for the Field Season 2013-14)  Peer Review of 75% reports of the Field Session 2010-12

Sl. No.	Actions	Target
		Quarterly Monitoring of achievements of the targets for each Mission(Mission-I (Baseline Geoscience Data) STM-15000 Sq. km GCM 46000 sq Km : GPM 22000 sq. km Multi Sensor Survey 25000 L Km Bathymetry 5000 km Swath Bathymetry 50,000 sq. km Systematic coverage within TW & adjacent EEZ 1700 Sq. km: Mission-II (Natural Resources Assessment):LSM 2500 km: DM 40 sq km drilling 66000m; Mission-III (Geionformatics 30 Nos items. Mission IV: (Fundamental and Multidisciplinary Geoscience): 127 Nos. items: Mission-V(Capacity Building & Training) 80 Nos. items for the field session 2012-13 ending 31.3.2012.
(iii)	Increasing efficiency in regulation of mining leases for major minerals through Mining Plan.	Increasing efficiency for regulation of mining leases for major minerals through issue of comprehensive guidelines for mining plan within 31.03.2012.
(iv)	Meeting of Central Coordination-cum-Empowered Committee	Holding quarterly meetings for the CCEC.
(v)	Monitoring action taken by MECL for repositioning.	Placing order for Rs. 9.00 crores by March 2013.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

### **Implementation status of Recommendations contained in 17<sup>th</sup> Report**

#### **Recommendation Serial No.22**

The Committee observe that though the Hon'ble Minister of Mines was required to make a Statement in Lok Sabha regarding the status of implementation of the recommendations of the Committee contained in 17<sup>th</sup> Report by 29 February, 2012 under Direction 73A of the Directions by the Speaker, Lok Sabha, the same has not been made so far. The Committee, therefore, recommend that the Ministry should ensure making of the same immediately and expect the Ministry to be more careful in future and ensure that the Statement be made invariably by the Hon'ble Minister on each of the original Reports of the Committee within the specific period i.e. six months after presentation of Report to Parliament as per Direction 73A of the Directions by the Speaker, Lok Sabha.

### **Action Taken**

It may be seen that the 17<sup>th</sup> Report of the Standing Committee on Coal & Steel was presented to Lok Sabha/laid in Rajya Sabha on 29<sup>th</sup> August, 2011. The Office of the Committee had requested this Ministry to furnish ATNs on the observations/recommendations contained in the said report by 29<sup>th</sup> November, 2011. This Ministry furnished the ATNs on 23<sup>rd</sup> November, 2011 to the Office of the Committee on Coal & Steel. Thereafter, the statement by Hon'ble Minister of Mines regarding the status of the implementation of recommendations contained in the 17<sup>th</sup> Report was made on 11<sup>th</sup> May, 2012 in Lok Sabha and 14<sup>th</sup> May, 2012 in the Rajya Sabha. The Ministry, therefore, pleads for condonation of delay occurred in respect of the 17<sup>th</sup> report. The Ministry will honour the recommendation of the Hon'ble Committee to be more careful in future and would abide by the valuable direction in respect of making of statement by the Hon'ble Minister on each of the original reports of the Committee within the specific period.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

## **CHAPTER – III**

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

#### **Recommendation Serial No.19**

The Committee are, however, concerned to note that though they in their 17th Report presented to Parliament on 29.8.2011 had recommended that the closed mines at Rakha and Kendadih be immediately opened, the Government have failed to restart them during 2011-12. Taking note of the fact that the environment clearance for Rakha mines is pending with Ministry of Environment and Forest since 11th July, 2011 and renewal of Kendadih mining lease is still pending for cabinet approval with Government of Jharkhand, the Committee cannot but deplore the inordinate delay in reopening of these fields so far. The Committee feel that it not only reflects poorly on monitoring and examination of the projects on the part of the Ministry but also its obtrusiveness with regard to implementation of Committee's recommendation. The Committee, therefore, again strongly urge the Ministry to accord priority for opening up of these mines and vigorously process the matter with Ministry of Environment and Forest and the concerned State Government for statutory clearances. The Committee also expect that Rs. 208.14 crore allocated for mine expansion programme including Rs. 26.31 crore and Rs. 24.65 crore respectively for opening of Kendadih and Rakha Mines will be fully utilized and physical targets achieved.

#### **Action Taken**

The projects for re-opening of Rakha and Kendadih Mines at Ghatsila are part of HCL's mine expansion plan. The status of the above projects is as below:

(i) Kendadih Mines: Contract has been awarded to the successful bidder on 20.1.2012. De-watering of mine has commenced from 7.2.2012. The work of restoration of power facilities at site is in progress.

(ii) Rakha Mine: The tender process was initiated on 16.9.2010. While considering applications in response to Request for Qualification (RFQ) issued on 16.9.2010, the applications of three bidders were found non responsive as bids were not fully complying with the terms and conditions of the RFQ document. All the three disqualified bidders filed separate writ petitions before Calcutta High Court against disqualification of their RFQ applications. While in two court cases High Court in its interim judgment allowed the petitioner to take part in tender pending final outcome of court judgment, whereas in the 3rd case, the court allowed participation without examining the question of legality of disqualification. When the price bid were opened on 4.8.2011 the L-1 bidder was the bidder who had taken part in the bid process on the basis of court judgment although his application in response to RFQ was not found compliant by HCL. The Company filed a SLP in the Supreme Court for directing High Court of Kolkata to decide the legality of

disqualification of L-1 bidder. The matter is pending with High court of Kolkata and is Sub-judice.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

## CHAPTER – IV

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

#### Recommendation Serial No.2

The Committee are further perturbed to note that though the Ministry of Mines had proposed the Annual Plan Outlay of Rs.3467.44 crore for the year 2012-13 to augment and modernize the mining activities and investigation of mineral resources, an outlay of Rs.2942.64 crore only has been approved with Gross Budgetary Support (GBS) of Rs. 243.00 crore. As a sequel to it, reduction in approved outlay in respect of Geological Survey of India has come down from 710.00 crore to 194.00 crore and in the case of IBM from Rs.31.88 crore to Rs.24.00 crore. The proposed allocation for construction activities in Geological Survey of India and Indian Bureau of Mines has been drastically reduced from Rs.79.23 crore to Rs.11.00 crore. Undoubtedly, the reduction in the outlay will have an adverse impact in undertaking the planned activities in the mining sector. The Committee would, therefore, like the Ministry to utilize their allocated resources in an efficient and judicious manner so that they could present a strong case for increased allocation at RE stage.

#### Action Taken

##### **Geological Survey of India(GSI):**

1. GSI had proposed Rs. 710.00 crore (excluding the proposed Rs.74.00 crore as Construction Budget) as the financial Plan Outlay (BE) for the Financial Year(FY) 2012-13. Under this budget grant, Rs. 374.00 crore was proposed under Machinery & Equipment (M&E) head. Break up of Rs.374.00 crore: Rs.287.00 crore – for construction costs of both Ocean Going Research Vessel and Geotechnical vessel; Rs. 87.00 crore –For acquisition of Laboratory and drilling equipment. However, Ministry of Finance has approved Rs. 194.00 crore (excluding Rs.10.00 crore under construction budget) as the Plan Budget to GSI for FY 2012-13. In that case, GSI will face serious financial crunch for taking up the operational expenditure particularly in Mission I and II, where substantial items have been projected with enhanced targets during FY 2012-13. During FY 2012-13 keeping in view of an additional manpower about 534 fresh Geologists (trained from GSITI), GSI has envisaged about 588 items with enhanced targets in comparison to the previous year. Out of which bulk of the items would be taken up under Mission I & II i.e. 216 items under Mission I and 128 items under Mission II. Fund crunch will put a serious impact on this as well as in implementation of Phase III Portal development - Online Core Business Integrated System (OCBIS) and on procurement modernization items.



2. In addition to that, in the current financial year (FY 2012-13) Rs.54.00 crore out of sanctioned Rs.64.00 crore under M&E Sub Head is to be provisioned for part payment of ship construction, which will put a huge impact on the Modernisation Programme of GSI. As a result only Rs.10 crore will be available for procurement of modernisation items. During FY 2010-11 and FY 2011-12, the entire ship payments i.e. 1<sup>st</sup> Instalment Rs.39.74 crore in FY 2010-11 and 2<sup>nd</sup> and 3<sup>rd</sup> Instalments Rs. 71.99 crore and Rs. 89.73 crore respectively during FY 2011-12 have been made from the supplementary grants. During FY 2012-13, while submitting the Annual Plan, a total of about Rs.212.40 crore was estimated (US\$ 46948000 considering Rs. 45.24 for one US\$ as per Cabinet note) for payment of both the two instalments (4<sup>th</sup> instalment is due in September 12 and 5<sup>th</sup> Instalment is due in March '13). Thereafter the cost has been re-estimated to Rs. 267.60 crore considering extensive increase of US\$ (dollar) price (now it is Rs.57 /- per US\$) in the international market. Hence each instalment works out to be Rs. 133.80 crore. For payment of 4<sup>th</sup> Instalment Rs. 54 crore will be provisioned from GSI budget and remaining Rs.79.80 crore will be required as supplementary grant and for payment of 5<sup>th</sup> Instalment the entire Rs. 133.80 crore will be required as supplementary grant. Hence, during FY 2012-13 a total ~ Rs.213.60 crore [Rs267.60 crore for both 4<sup>th</sup> & 5<sup>th</sup> Instalment – Rs.54 crore = Rs.213.60 crore] is required as supplementary grant towards ship payment. GSI would approach to the Ministry at appropriate stage for further financial support for ship payment through supplementary grants at its different stages. Apart from this, while Ministry enquired about the requirement of bare minimum additional fund by keeping the entire geological activities / targets intact projected in CGPB, GSI in reply has proposed a sum of Rs.32.50 crore as an additional fund. Break up of the amount and justifications are given below :

**Proposed requirement of Plan fund during FY 2012-13  
(Rs. in Crore)**

<b>Heads</b>	<b>Sub-heads</b>	<b>Allocated</b>	<b>Proposed Requirement</b>
Revenue		126.00	166.00
Capital	Motor Vehicle	1.00	1.00
	<b>M&amp;E</b>	64.00	64.00 + 262.50
	<b>Other Capital</b>	3.00	3.00
<b>Total</b>		<b>194.00</b>	<b>496.50</b>

3. Undoubtedly, the reduction in the outlay (both Plan and construction budgets) will have an adverse impact in undertaking the planned activities. GSI in this respect, appeals to the Ministry as well as Parliamentary Standing Committee for increase in allocating Plan Fund for the FY 2012-13 at RE stage. GSI will of course take all precaution to utilize the allocated fund in efficient and judicious manner abiding strictly the FRBM Act so that the Planning Commission could be approached through MOM for required fund at RE Stage.

### **Indian Bureau of Mines (IBM):**

4. Approved outlay for 2012-13 in respect of IBM is not adequate to meet the requirements. IBM needs additional sum of (i) Rs.3.00 crore under Plan Outlay due to filling up of vacant posts and (ii) Rs.4.00 crore under Ministry of Urban Development budget for construction of office building at Bhubaneswar.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

#### **Comments of the Committee**

(Please see para 9 of Chapter I of the Report)

#### **Recommendation Serial Nos. 8 & 9**

The Ministry have further informed the Committee that as per the Chawla Committee Report and Mackinsey Report, certain areas of Natural Geochemical Mapping, Geophysical Mapping Aeromagnetic Survey has been recommended for covering either by outsourcing or by Service Contract. It has been further informed that GSI has proposed such programme, which is yet to be approved by the Government and if it is approved, more funds will be required for the purpose during 2012-13. The Committee expect the Government to approve these programmes immediately for being taken up by GSI with additional funds during 2012-13 for their implementation. The Committee would like to know the status of these programmes.

The Committee have been given to understand that against 100% geo-chemical and geo-physical mapping in Australia and 94% in Canada, it is just 20 percent of the Obvious Geological Potential (OGP) in our country which is just 6 percent of the total land mass. The Committee would like the Government / GSI to prepare a perspective plan for 100 percent geochemical and geophysical mapping of the entire country and inform them of the same.

#### **Action Taken (For recommendation Nos. 8 & 9)**

Out of 32.80 lakh sq.km. of the land area of India, GSI is committed to cover 8.13 lakh sq.km. in Geochemical Mapping and Geophysical Mapping covering the entire 5.71 lakh sq.km. of the Obvious Geological Potential Zone (OGP) area of the country in First Phase of GCM and GPM. Till the end of XI Plan, GSI has covered 254417 sq.km. by GCM and 165948 sq.km. by GPM. GSI , on its own with its full sanctioned strength of Geologists and Geophysicists, is capable of covering about 3.5 lakh sq.km. by GCM and 2 lakh sq.km. by GPM during the XII Plan. If the total OGP area has to be covered expeditiously i.e. by the end of XII Plan, as suggested by Chawla Committee report and Mackinsey report, then the remaining area left out to be covered is about 2.1 lakh sq.km. for GCM and 4.55 sq.km. for GPM, which can be covered either by outsourcing or by service contracts. The left out non-priority area for mineral Investigation of about 24.67 lakh sq.km. is planned to be covered by

GCM at a rate of 70,000 sq.km. per year and by GPM at the rate of 45,000 sq.km.per year.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

### **Comments of the Committee**

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

## **Hindustan Copper Limited(HCL)**

### **Recommendation Serial No.18**

The Committee note that a total outlay of Rs. 341.14 crore has been approved for HCL for the year 2012-13 including Mine development Expenditure of Rs. 85 crore, Greenfield Exploration/Development of New Mines amounting to Rs. 20.00 crore and Mine Expansion programme amounting to Rs. 208.14 crore. Further, an amount of Rs. 38.00 crore has been proposed to be utilized on account of replacement and renewals of the existing plant and machinery. The Committee, are however, dismayed to note that allocation of Rs. 189.00 crore during the year 2011-12 for Mine expansion programme were reduced to Rs. 32.82 crore at RE stage. The reasons cited by HCL for such shortfall is on account of occurrence of some litigation cases which has resulted in delay in finalization of Mine Expansion contracts. Further, at BE stage during 2011-12, it was anticipated that the contractors would draw 10% mobilization advance. However, due to delay in finalization of the contractors, there has been less drawing of mobilization advance by the contracts. The Committee further note that the production of ore and Metal-In-Concentrate fell short of target mainly due to inadequate availability of loading and handling equipment during 2010-11 and 2011-12, which shows the inability of the company to resolve these issues in a serious and effective manner. The frequent breakdown of equipment at Khetri Copper Complex is an indication that the Replacement and Renewals Programmes are not being implemented in right perspective. The Committee are not at all satisfied the way the court cases are being pursued by HCL in a casual manner. The only conclusion that the Committee can draw is that HCL has failed to perform on all fronts. The Committee, therefore, would like the Ministry to conduct performance audit of the company and take necessary corrective measures to bring about improvement in the overall performance of the company including pursuing the court cases on fast track basis. The Government has formulated an ambitious plan for mine expansion programme for 2012-13 and an amount of Rs. 208.14 crore has been projected to be utilized during 2012-13. The Committee expect that HCL would make all out efforts to utilize the earmarked funds and complete the mine expansion schemes without any further time and cost overruns.

### **Action Taken**

During FY 2010-11, achievement of ore production was 103% of the target. However, in FY 2009-10 and FY 2011-12 achievements vis-a-vis targets were 89% and 96% respectively. MIC production during 2009-10, 2010-11 and 2011-12 was below the target. The reasons for shortfall in target are frequent failure of underground equipment at Khetri Copper Complex (KCC), falling grade and low process efficiency at KCC and not the inadequate loading and handling equipment as given in the report. Till FY 2009-10, the focus of Company's annual expenditure plan was on renewal and replacement of old equipment and mine development. No mine expansion was implemented by the Company after 1982. HCL has prepared an ambitious plan for mine expansion in 2009-10 for sustaining long term profitability and rolled out eight mine expansion projects concurrently, despite limitation of capacity in the Company.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

#### **Comments of the Committee**

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

**CHAPTER – V**  
**OBSERVATIONS/RECOMMENDATION IN RESPECT OF WHICH FINAL**  
**REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

**Geological Survey of India(GSI):**

**Recommendation Serial No. 6**

The Committee note that against the proposed allocation of Rs. 710 crore for the year 2012-13 including budgetary grant of Rs. 374.00 crore under M&E head, the approved outlay were only Rs. 194.00 crore. According to the Ministry of Mines, plan outlays of Rs. 194.00 would not be adequate if the expenditure on account of projected activities of GSI during the year proceed as per schedule and additional funds would be required to accomplish the projected programmes/schemes. Further, the Ministry have informed the Committee that enhanced support would be needed broadly for (i) items under Mission I and II programmes for survey and mapping and National Resources Assessment, (ii) implementation of phase III portal development – Online Core Business Integrated System (OCBIS) modernization of equipment and (iii) expanded role of GSI as envisaged in the new National Mineral Policy (2008) and as recommended by the High Powered Committee (2009) on the functioning of GSI. The Committee are, however, constrained to note that the achievement of GSI during XI plan period 2007-12 (till Feb.) have fallen far short of the actual targets in various fields such as systematic geophysical mapping, large scale mapping detailed mapping (sq.km), drilling etc. The Committee regret to observe that physical targets for XIth plan were formulated on the basis of availability of projected manpower, which could not be materialized as per the expectations. The Committee further observe that negligible progress has only been made in the mineral exploration in North East Region and Northern region. Keeping in view the targets achieved during 11<sup>th</sup> plan and the fact that though GSI had projected enhanced targets for 588 items during 2012-13 with additional manpower of about 534 fresh geologists, the Committee cannot but deplore the way the outlays approved are drastically reduced. The Committee, therefore, feel that to accelerate the pace of various schemes of GSI where the performance has not been upto the mark during XI plan period due to shortage of manpower, adequate funds would be essentially required. The Committee, therefore, recommend the Ministry to take up the matter again with the Ministry of Finance with proper justifications to ensure adequate funding of the schemes so that the manpower which has been recruited recently is adequately utilized to achieve the enhanced targets for 2012-13 for locating the mineral resources of the country. The Committee also recommend that the much needed modernization of GSI which could not be completed during XIth plan should be completed as early as possible including induction of required manpower.

## **Action Taken**

The allocated Plan Budget (Rs 194.00 crores) would not be adequate if the expenditure on account of projected activities proceed as per schedule. The augmentation of funds would be needed to bridge the gap between the indicated budget and already projected requirement (Rs.710 crore), which needs to be provided as mid Plan support. Enhanced support would be needed broadly for (i) The items under Mission I and II programmes, (ii) implementation of Phase III Portal development - Online Core Business Integrated System (OCBIS) modernization of equipment and (iii) expanded role of GSI as envisaged in the new National Mineral Policy (2008) and as recommended by Hoda Committee (2007), the High Powered Committee (2009) on the functioning of GSI. As regard Mission I and II, a proposal for bare minimum Fund has already been submitted to the Ministry. Interaction with the Ministry on fund mobilisation for the Project OCBIS is still on, hopefully it will materialise in near future. As regard Modernisation equipment it is already discussed that during FY 2012-13 under M&E head Rs.64 crore is allocated and out of that Rs. 54 crore is to be provisioned for ship payment, hence only Rs. 10 crore is available for procurement of modernisation equipment while NGCM and NGPM surveys are the major thrust areas of the XII Plan proposal. It may be mentioned that XII Plan projection for procurement of Lab and Drilling item is Rs670 crore and in the light of that during FY 2012-13 itself was projected Rs. 87 crore exclusively for procurement of Lab and Drilling equipments and as per the discussion in PPRC Meeting held on 10.05.2012 a revised projection of ~ Rs. 33 crore was submitted considering the ship payment. But finally it is reduced to Rs. 10 crore only available for procurement of Lab and Drilling equipment while Planning Commission considered Rs.54 crore has to be provisioned from GSI's own budget (M&E Head) for ship payment. This will certainly hamper the progress of Modernisation programme of GSI in the beginning of XII Plan itself.

2. Till the end of XI Plan the manpower position was not enough but the recent recruitment and if the induction process is taken up with full gear then during the XII Plan itself the considerable strength will be gained by GSI and in consequence to this the difference in performance of GSI will be noticed provided the supply of fund remains steady. In this regard, Ministry of Finance has been requested time and again to ensure adequate funding of the scheme both at the Secretary and Minister level and the matter is continuously followed.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

## **Comments of the Committee**

(Please see para 9 of Chapter I of the Report)

## **Role of IBM**

### **Recommendation Serial No.10**

The Committee note that Indian Bureau of Mines (IBM), a subordinate organization under the Ministry of Mines, is primarily responsible for the promotion of systematic and scientific development of mineral resources of the country, conservation of minerals and protection of environment in mines, other than coal, petroleum & natural gas, atomic minerals and minor minerals. The Committee have been informed that the Government have constituted a Committee on 23.07.2009 to review the role and functions of IBM. The Committee feel that the role and functions of IBM needs to be examined, to make it more effective and a result oriented regulatory authority for the development in the field of mining industry etc. The Committee would like to be apprised of the finding of the Committee and action taken by the Government on the recommendation made by it.

#### **Action Taken**

1. To give fillip to the Indian Mining Sector, the Planning Commission constituted a High Level Committee to Review the National Mineral Policy under the Chairmanship of Shri Anwarul Hoda, the then Member, Planning Commission. Based on the recommendations of the Hoda Committee, the Government formulated National Mineral Policy 2008 (NMP 2008) and adopted the same in March 2008. For implementation of National Mineral Policy 2008, several initiatives have been taken by the Ministry of Mines which are at different stages of completion.

2. In terms of the policy directions given in the National Mineral Policy 2008, the Government has constituted a Committee for review and restructuring of the functions and role of the Indian Bureau of Mines under the Chairpersonship of Joint Secretary (Minerals & Regulation), Ministry of Mines. The Committee submitted the "Report of the Committee for Review and Restructuring of the Functions and Role of IBM" to the Government on 4<sup>th</sup> May 2012. The Committee has formed its conclusions on the basis of:

- The National Mineral Policy 2008 which envisaged a strategy for sustainable mineral development in the country and enunciated important role for IBM.
- The Mines & Minerals (Development & Regulation) Bill 2011 which has been introduced in the Winter Session of the Parliament in 2011.
- Sustainable Development Framework (SDF) Report prepared for the Ministry of Mines as enunciated in the National Mineral Policy 2008.
- Report on "Unlocking the Indian Mineral Potential-Strategy for Ministry of Mines" prepared for the Ministry of Mines.

- Report of the Working Group on Mineral Exploration & Development (Other than Coal & Lignite) for Twelfth Five Year Plan
- Responses to a detailed questionnaire circulated to the stakeholders.
- Meetings and interactions with stakeholders.

3. The report of the Committee for Review and Restructuring of the functions and role of IBM has recommended a new vision for IBM, which aims at IBM to evolve as a National Technical Regulator for providing information of all on mines & minerals. Correspondingly, a new Charter of Functions has been laid out. One of the major underlying and guiding factors in the entire restructuring process is the National Mineral Policy, 2008 which envisages IBM to play an important role such as development of a proper inventory of resources and reserves, a mining tenement registry and a mineral atlas; and ensuring enforcement of mining plans for adoption of proper mining methods and optimum utilization of minerals. The policy also envisages strengthening of Indian Bureau of Mines with man power, equipment and skill to the level of state-of-the-art. In conformity with the Vision and Charter of IBM, the Committee for Review and Restructuring of the functions and role of IBM, in its Report, recommended strengthening of IBM and worked out the broad regulatory and developmental goals and strategies and overall capacity requirements in terms of core activities. The key function to be performed by IBM recommended by the Committee includes regulatory and developmental activities. These are:

- Regulatory Functions:
- (i) Technical inputs for devising, modification, accreditation etc to independent body for grant of recognition to qualified persons (RQPs) for preparing mining plans.
  - (ii) Processing of Mining Plans and Schemes of Mining- To develop micro-level system and sub-systems and procedure for the transparent and timely processing thereof.
  - (iii) Mining Regulation through Inspections- The focus of the regulation will be to ensure scientific, sustainable and optimal mining practices with more emphasis on ensuring implementation of relevant rules and regulations and mining plans. To focus on regulation of mineral processing also.
  - (iv) Grant of Stopping permissions in underground mines keeping the best interest of the development in mind.
  - (v) Monitoring of Environmental Impact Assessment (EIA) & Environmental Management Plan (EMP)- To evolve as a nodal agency for monitoring and implementation of various environmental issues in mining areas including that of EMP.
  - (vi) Monitoring of Sustainable Development Framework (SDF)- To formulate the schemes, programmes, system and modalities for implementation of principles of SDF.



- (vii) Transparent Mechanism for ad-valorem royalty- To develop system for computation of royalty on ad-valorem basis involving State Governments in order to ensure effectiveness of the system.
- (viii) Processing of Mine Closure Plan - To ensure that all protective measures including reclamation and rehabilitation works are completed before the lease is determined.
- (ix) Co-ordination with State Governments for curbing illegal mining activities
- (x) Processing of mineral concessions, work programme and its implementation in Off-shore mineral deposits as an Administering Authority under Off-shore Areas Minerals (Development & Regulation) Act 2002.

Developmental Functions:

- (i) R&D in Mineral processing- To study existing facilities, the nature of work being done in the private sector and have an institutional mechanism of working together for supplementing and reinforcing endeavour of the country to climb up the technology ladder.
- (ii) Information support and advisory services to the Government as well as mineral industry particularly on marketing, specifications and uses of minerals, mineral legislation, inventory of mineral resources, mining leases taxation, etc.
- (iii) Mineral intelligence and information support
- (iv) Periodic updation of National Mineral Inventory along with latest version of the UNFC system and a Tenement Registry.
- (v) Repository on Mines & Minerals- Collection and processing of all information on every aspect right from minerals to scrap in respect of mines and minerals.
- (vi) To bring out the publications on various topical interests such as best practices, R&D, applied research relevant to mineral industry.
- (vii) Training and Capacity building- IBM to emerge as 'trainer' for the State Governments and industry personnel apart from human resource development of own employees.
- (viii) Assistance to State Governments for improvement of State level regulatory systems.
- (ix) Information, Education and Communication in the field of development, conservation and socio-economic issues arising out of mining activities
- (x) As a facilitator to bring out automation, mechanization and computerization in the mineral sector.

4. With the enunciation of National Mineral Policy, 2008, exploration and mining activities are likely to increase manifold. At present, there are more than 10,000 mining leases in the country. This number is bound to increase and would add to the responsibility of IBM. The Committee opined that each and every discipline of IBM carries out scientific tasks which require technical skills and expertise in handling costly equipments/instruments. The nature of work also involves collection, processing, storage and retrieval of highly technical & commercially sensitive information.

5. The Government is presently examining the recommendations of the report and is in the process of preparation of paper for seeking approval of the Cabinet/Ministry of Finance to implement the recommendations of the report.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

### **Recommendation Serial No.11**

The Committee note that the Indian Bureau of Mines performs regulatory functions through enforcement of Mineral Conservation and Development Rules, 1988 relevant provisions of the Mines and Minerals (Development and Regulation) Act, 1957 the Mineral Concession Rules, 1960 and the Environmental (Protection) Act, 1986 and rules made there under. The Committee are, however, disturbed to find that despite regulatory mechanism already in place for the scientific development and conservation of mineral resources in the country, rampant illegal mining are taking place unabated. Consequent to inspection of mines, during the year 2011-12 (upto December, 2011) 2447 violations of various provisions of MCDR, 1988 were pointed out in respect of 989 mines and 710 violations were rectified, 7 prosecution cases were launched in various courts, 5 cases were decided in favour of IBM for which a total fine of Rs. 34,000 was imposed and 8 cases were compounded for which a fee of Rs. 68,000/- was recovered. Besides, mining operations were suspended under rules 13(2) and 56 of MCDR 1988 in 55 mines for not carrying out mining operations in accordance with the approved mining plan/scheme of mining. Taking note of the fact that during 2011-12 (upto December,2011) 80238 cases of illegal mining were detected by State Governments, the Committee regret to note very low number of prosecutions launched by IBM for violation of MCDR, 1988 during the year. The Committee are surprised to note that the number of cases detected by the State Governments have risen from 12838 in 2010-11 to 80238 in 2011-12 (upto December, 2011). Though IBM is reported to have taken various measures including formation of a task force to curb the illegal mining, 20 State Government have constituted Task Forces for checking illegal mining and 17 States have framed rules to curb illegal mining, but to the dismay of the Committee, the clandestine business of illegal mining is still playing havoc on the mineral resources of the country. The only conclusion the Committee can draw is that the measures put in place are either being implemented half-heartedly or are only in papers as no perceptible results are discernible. The Committee would like the Ministry to sensitize and remind the State Governments towards their constitutional obligations to preserve and conserve the mineral resources of the country instead of these being plundered through this nefarious business. The Committee also feel that in the absence of effective mechanism to prosecute the violators, the illegal mining and violation of provisions of the existing statutes cannot be checked. The Committee, therefore, recommend that the Ministry should take up the required steps and ensure that prosecution be launched in all the cases of illegal mining. The Committee would also like to be apprised of the

major violations and the reasons for not prosecuting them by IBM during 2011-12.

### **Action Taken**

1. Indian Bureau of Mines performs regulatory functions through enforcement of Mineral Conservation and Development Rules, 1988 applicable to mining leases only. During 2011-12, IBM has inspected 2563 mines spread over in 20 States as against the target of inspections of 2500 mines. Consequent to inspection of mines, during the year 2011-12 upto March, 2012, 4013 violations of MCDR, 1988 were pointed out in respect of 1722 mines, and during this period, 1924 violations were rectified, 10 prosecution cases were launched, 05 cases were decided in favour of IBM for which a total fine of Rs. 34,000/- was imposed and 09 cases were compounded for which a fee of Rs. 73,000/- was recovered. Suspension of mining operations under rule 13(2), 45 and 56 of MCDR, 1988 has been resorted to by IBM in 398 mines as these are the alternate and efficacious options of having deterrent effect on the defaulting mine owners.

2. Thus, out of the total 4013 violations, compliance reported is 2332 (1924 violations rectified + 10 prosecutions launched + 398 mines suspended) which constitutes 58% of the total violations pointed out. Violations pointed out during the last quarter of 2011-12 are under various stages of follow up / compliance. With the existing manpower of inspecting officers, the outcome of inspections is satisfactory.

3. The State Governments are the competent authorities as per provisions under Section 23C of MMDR Act, 1957 to monitor, prevent and curb illegal mining activities in areas which are situated adjacent to or outside mining lease or any other areas. No statutory powers are vested with IBM to curb illegal mining. Hence, the number of prosecution cases launched by IBM for violation of MCDR, 1988 cannot be co-related with the number of cases of illegal mining detected by State Governments. For the cases detected by the State Governments, punitive action is taken by the respective State Governments.

4. The Quarterly Return received from the State Governments is the source for IBM for compilation of data in this regard. For the year 2011-12, Quarterly Returns upto the Quarter ended December, 2011 were received from the State Governments and 9409 cases of illegal mining of major minerals (Earlier, due to typographical mistake, the same were inadvertently reported as 80238 cases instead of 8238 cases for the Quarter ended September, 2011) have been detected and reported by the State Governments. The number of cases of illegal mining for major minerals detected by the State Governments has factually gone down from 12838 in 2010-11 to 9409 in 2011-12 (upto December 2011). State Governments also, from the rules made under Section 23(c) of the MM(D&R) Act, 1957, derive powers to seize the vehicle involved in illegal mining, confiscate the minerals illegally mined along with fine and take action for prosecution.

5. The Justice M.B. Shah Commission of Inquiry set up to inquire into cases of illegal mining of iron ore and manganese vide Notification No.S.O.2817(E) dated 22<sup>nd</sup> November, 2010 has submitted its first Interim Report on 14.7.2011 recommending some urgent remedial measures to prevent further illegal mining, its trade, transportation and export, which include amendment in the MMDR Act, 1957; amendment to Mineral Concession Rules, 1960; amendment to Guidelines issued by IBM; policy changes and measures for strengthening the State Government machinery. The Government, after analyzing the recommendations in the first Interim Report of the Commission, has tabled an Action Taken Report in the Parliament. Subsequent to this, the Justice Shah Commission of Inquiry prepared part Reports for the State of Goa and is in the process of completing the total Report on Goa, which will then be examined and tabled in the Parliament with an Action Taken Report. On a request from the Commission, considering that it still needs to cover several States, the Government has moved a proposal for seeking extension of tenure for the Commission by one year.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

### **Recommendation Serial No.12**

The Ministry have informed the Committee that the Union Government has appointed a Commission of Inquiry consisting of justice M.B.Shah, retired judge of the Supreme Court in November, 2010 to inquire into the large scale mining of iron ore and manganese ore without lawful authority in several States. The Commission has reportedly submitted its first interim report to the Ministry of Mines on 14.7.2011. The Indian Bureau of Mines has taken action on the recommendations as contained in the interim report. The Committee would like to know the precise recommendations of the Committee and expect that the Ministry would take into consideration these recommendations for taking suitable action to stop illegal mining. The Committee also like the Ministry to apprise them of the final report of the Committee.

### **Action Taken**

1. The Central Government has appointed Shri Justice M. B. Shah Commission of Inquiry under the Commission of Inquiry Act, 1952 to enquire into the large scale mining of iron ore and manganese or without lawful authority in several States vide Cabinet decision dated 16.8.2010. The Commission has been set up vide Notification S. O. 2817 dated 22<sup>nd</sup> November, 2010 with following terms of reference:

- (i) to inquire into and determine the nature and extent of mining and trade and transportation, done illegally or without lawful authority, of iron ore and manganese ore, and the losses resulting there from; and to identify, as far as possible, the persons, firms, companies and others that are engaged in such mining, trade and

- transportation of iron ore and manganese ore, done illegally or without lawful authority;
- (ii)** to inquire into and determine the extent to which the management, regulatory and monitoring systems have failed to deter, prevent, detect and punish offences relating to mining, storage, transportation, trade and export of such ore, done illegally or without mining, storage, transportation, trade and export of such ore, done illegally or without lawful authority, and the persons responsible for the same;
  - (iii)** to inquire into the tampering of official records, including records relating to land and boundaries, to facilitate illegal mining and to identify, as far as possible, the persons responsible for such tampering; and
  - (iv)** to inquire into the overall impact of such mining, trade, transportation and export, done illegally or without lawful authority, in terms of destruction of forest wealth, damage to the environment, prejudice to livelihood and other rights of tribal people, forest dwellers and other persons in the mined areas, and the financial losses caused to the Central and State Governments.

2. The Commission shall submit its report to the Central Government as soon as possible but not later than eighteen months from the date of its first sitting.

3. The Commission has started functioning under the Chairmanship of Shri Justice M. B. Shah from Ahmedabad (Gujarat) and held its first sitting on 17.01.2011. So far the Commission has undertaken visits to Andhra Pradesh, Goa, Jharkand, Karnataka and Odisha. The Commission of Inquiry has submitted its First Interim Report to the Ministry of Mines on 14.07.2011 focusing primarily on operation of mines and regulation of mining operations, development of mineral resources, and regulation of the arrangements for the storage of minerals and stocking thereof. The Ministry has tabled the First Interim Report of the Commission of Inquiry with Memorandum of the action taken before the Lok Sabha on 20.12.2011 and before the Rajya Sabha on 30.04.2012. The Commission has also submitted in term report on Goa in two parts and the final report is still awaited from the Commission. The tenure of the commission has been extended till 16.07.2013 by the Government.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

### **Recommendation Serial No.13**

The Committee also note that as against the target of 2000, IBM has inspected 2177 mines for administration of MCDR,1988, approval of mining plans, schemes and Mine Closure Plans. During 2011-12, IBM has inspected 1741 mines (upto December, 2011) spread over in 20 States as against the target of inspections of 2500 mines. With the reviewing and restructuring of functions and role of IBM underway, the Committee would like IBM to set more targets for mines inspection. The representative of the Ministry of Mines has also informed the Committee that the frequency of inspection is not good enough to control the violations due to shortage of staff in IBM. The Committee, therefore, desire that the frequency of inspections should be considerably increased if IBM is to remain as an effective body. The Ministry should expedite the recruitment of additional staff for IBM to enable it to fulfill its mandate.

#### **Action Taken**

1. During 2011-12, IBM has inspected 2563 mines spread over in 20 States as against the target of inspections of 2500 mines. Considering the effective and efficient administration of the mining sector, the Committee on review & restructuring of the functions and role of IBM has recommended that:

- (a) All mechanized mines/lease would be inspected as frequently as possible but at least once in a year.
- (b) All mines/leases with area more than 50 hectares would be inspected annually.
- (c) In case of all other mines/leases, annual inspections would be conducted in at least 40% of mines.

2. The Committee has recommended enhancing IBM inspections from present 2500 to more than 4800. Thus, after implementation of recommendations of the Committee on review & restructuring of the functions and role of IBM, and with strengthening of IBM by fresh recruitments, targets, coverage and the frequency of inspections shall go up and IBM shall be enable to fulfill its mandate as pro-active regulator.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

#### **Comments of the Committee**

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

### **Recommendation Serial No.16**

The Committee are shocked to note that NALCO had applied for Pottangi Bauxite Mine lease long back in the year 1992. But despite recommendations of the Ministry of Mines to the Odisha Government and necessary follow up by the company with the State Government authorities to ensure early

sanction of the mining lease, a positive result is yet to be achieved. Allotment of this mining lease to NALCO is all the more important for augmenting bauxite supply for its aluminium plant to be set up in future. Against the approved outlay of Rs. 256 crore during XIth plan for Pottangi Bauxite mine, the actual were nil. The Committee deprecate that the Ministry have failed to act as a facilitator on behalf of NALCO for getting necessary clearances from different authorities, and as such no significant progress has been made in the project. The Committee urge upon the Ministry to take up the matter with the concerned State Government and impress upon them for early clearances and to ensure the timely completion of the project.

#### **Action Taken**

1. The mining lease application was submitted by Company to Government of Odisha in August, 1992. The State Government of Odisha had conveyed its in-principle recommendation for grant of Pottangi Bauxite mines in favour of NALCO on 30.07.2004 with 5 conditions which were suitably clarified by NALCO on 27.02.2006 after several rounds of discussions. Thereafter, the Company has been pursuing with the State Government at its own level for expediting the mining lease. Separately, the Ministry of Mines has also been impressing upon the State Government from time to time for sending a proposal as expeditiously as possible for obtaining prior approval of the Central Government for allotment of Pottangi bauxite deposits in favour of NALCO, as per the following details:

<b>S. No</b>	<b>Date</b>	<b>Details</b>
1	27.04.07	Gazette Notification by Government of India Reserving Pottangi deposit in favour of NALCO for 10 years.
2	14.09.07	Letter from Secretary, Ministry of Mines to Chief Secretary, Government of Odisha to expedite forwarding of mining lease application to Government of India for prior approval.
3	10.07.08	Hon'ble Minister Mines, Government of India writes to Chief Minister, Odisha requesting grant of mining lease of Pottangi in favour of NALCO.
4	29.9.08	Secretary(Mines) writes to Chief Secretary, Odisha for expediting grant of Pottangi bauxite mines to NALCO.
5	21.11.08	Secretary Mines, Ministry of Mines, Government of India meets Hon'ble CM, Odisha and makes a presentation on NALCO's need of Pottangi mines.
6	1.12.08	A DO letter was sent from Secretary (Mines) to Chief Secretary, Government of Odisha requesting for forwarding proposal for obtaining prior approval of Central Government for allotment of Pottangi bauxite deposits in favour of NALCO.
7.	30.6.09	DO letter was sent from Minister(Mines), Government of India to Chief Minister, Government of Odisha for expediting recommendation of State Government for grant of mining lease of Pottangi deposit.
8.	17.8.09	A DO letter sent from Additional Secretary (Mines) to Principal Secretary to the Chief Minister, Government of Odisha to sort out all contentious issues related to Pottangi.
9.	27.1.10	Secretary (Mines) meets Chief Secretary and other officers of State Government of Odisha and emphasizes the need for urgent lease of

		Pottangi deposit to NALCO for its further growth and for sustaining existing production facilities over economic life of the plants.
10	26.4.11	A DO letter was sent from Secretary (Mines) to Chief Secretary, Government of Odisha requesting that the impasse relating to the grant of Pottangi bauxite deposit in favour of NALCO is resolved amicably so that NALCO's investment plans in Odisha progress unhindered.
11	4.7.11	DO letter was sent from Minister of State (Independent Charge) for Mines, Government of India to Chief Minister, Government of Odisha requesting that the impasse be resolved and State Govt.'s recommendation for grant of ML of Pottangi in favour of NALCO is granted at an early date.
12	22.10.11	In the follow up Pottangi mines in favour of NALCO, Secretary (Mines) met the Chief Secretary, Govt. of Odisha.
13	27.10.11	Secretary (Mines) had discussed the matter with Chief Secretary, Govt. of Odisha over telephone.
14	2.11.11	A DO letter was sent from Secretary (Mines) to Chief Secretary, Government of Odisha requesting for resolving the matter of grant of Pottangi bauxite deposit in favour of NALCO to enable the Company to make unimpeded progress in its investment plans for 3 <sup>rd</sup> phase expansion in Odisha.

2. A meeting was held with Chief Secretary, Govt. of Odisha On 05.07.2011, on role of NALCO Foundation. It was appraised that, SPV will be a duplication of existing RPDAC. Rather, NALCO Foundation is better placed to serve the local people. Further, on 25<sup>th</sup> July, 2011, NALCO management had a meeting with Secretary, Steel & Mines, Govt. of Odisha to appraise on the issues related to NALCO's contribution towards peripheral development in Pottangi area as a part of CSR activities and to their query, further clarification was furnished to them vide letter dated 26<sup>th</sup> July, 2011 explaining comparative cost of bauxite and alumina for last 3 years of NALCO.

**Latest status:**

3. A token amount of Rs. 1.00 crore was kept due to pending mining lease approval. Stringent conditions imposed by Odisha Govt. on Periphery Development / Corporate Social Responsibility issues were earlier contested by NALCO.

4. The Govt. of Odisha has communicated their in-principle approval for reservation of Pottangi Bauxite Mine in favour of NALCO vide letter dated 7<sup>th</sup> May, 2012 with some new conditions like increase in CSR expenditure by NALCO Foundation from 1% to 2% of profit after tax (PAT) or Rs. 20 crore, whichever is higher, and this should be over & above 1% of PAT spent through Rehabilitation and Periphery Development Advisory Committees (RPDAC), etc. Besides, this contribution should be over and above additional benefits that may accrue on account of the proposed MMDR Bill. NALCO should make the contribution w.e.f. 01.04.2010.

5. The same have been deliberated in the Board. While the Board agreed to increase the CSR expenditure to 3% of PAT from presently 2% of PAT, it was observed that there were certain provisions in MMDR Bill and Companies Bill on CSR and advised the Company to negotiate with State Govt. so that overall expenditure on CSR should not exceed the ultimate provisions in



MMDR Bill and Companies Bill 2011. The Board has also advised the Company to take up the matter with the Select Committee of Parliament through Ministry of Mines. The Board authorized CMD to negotiate with State Govt.

[Ministry of Mines, O.M. No. 5(2)/2012-IF dated 17.08.2012]

**NEW DELHI;**  
**14 December, 2012**  
**23 Agrahayana, 1934 (Saka)**

**KALYAN BANERJEE**  
**Chairman**  
**Standing Committee on Coal and Steel**

**ANNEXURE- I**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND  
STEEL (2012-13) HELD ON 12.12.2012 IN COMMITTEE ROOM C,  
PARLIAMENT HOUSE ANNEXE, NEW DELHI**

The Committee sat from 1000 hrs. to 1030hrs.

**PRESENT**

Shri Kalyan Banerjee- **Chairman**

**MEMBERS**

**LOK SABHA**

2. Shri Hansraj G. Ahir
3. Shri Vishwa Mohan Kumar
4. Shri Pakauri Lal
5. Shri Babu Lal Marandi
6. Shri Govind Prasad Mishra
7. Shri Pashupati Nath Singh
8. Shri Uday Pratap Singh
9. Shri Om Prakash Yadav

**SECRETARIAT**

1. Shri R.S. Kambo - Joint Secretary
2. Shri Shiv Singh - Director
3. Shri Arvind Sharma - Deputy Secretary

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

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

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

(ii) Draft Report on Action Taken by the Government on observations/

recommendations contained in the 25<sup>th</sup> Report of the Committee on Demands for Grants(2012-13) of the Ministry of Mines; and

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

4. The Committee adopted the above Reports relating to the Ministry of Mines and Steel without any modifications. The draft Report relating to the Ministry of Coal was also adopted with minor modification. The Committee then authorized the Chairman to finalise the Reports and present the same to both the Houses of Parliament.

5. \*\* \*\* \*\* \*\* \*\* \*\* \*\* \*\* \*\*

**The Committee then adjourned.**

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\*\*Do not pertain to this Report.

**ANNEXURE- II**

**(Vide Para IV of Introduction)**

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE TWENTY-FIFTH REPORT  
OF THE STANDING COMMITTEE ON COAL AND STEEL**

I.	Total No. of Recommendations made	22
II.	Recommendations that have been accepted by the Government ( <i>vide</i> recommendation at Sl. Nos. 1, 3, 4, 5, 7, 14, 15, 17, 20, 21 and 22)	11
	Percentage of total	50%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies( <i>vide</i> Recommendation at Sl. No. 19)	01
	Percentage of total	04.54%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee ( <i>vide</i> recommendation at Sl. Nos. 2, 8, 9 and 18)	04
	Percentage of total	18.18%
V.	Recommendations in respect of which final replies of the Government are still awaited ( <i>vide</i> recommendation at Sl. Nos. 6, 10, 11, 12, 13 and 16)	06
	Percentage of total	27.27%