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**STANDING COMMITTEE ON  
COAL AND STEEL  
(2010-2011)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF MINES**

**DEMANDS FOR GRANTS  
(2009-2010)**

*[Action Taken by the Government on the Observations/Recommendations contained in the  
Second Report of the Standing Committee on Coal and Steel (Fifteenth Lok Sabha)  
on Demands for Grants (2009-2010) of the Ministry of Mines]*

**NINTH REPORT**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 2010/Agrahayana, 1932 (Saka)*

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(2010-2011)

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of the Ministry of Mines]*

*Presented to Lok Sabha on 7.12.2010  
Laid in Rajya Sabha on 7.12.2010*



LOK SABHA SECRETARIAT  
NEW DELHI

*December, 2010/Agrahayana, 1932 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON  
COAL AND STEEL (2010-11)

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Hansraj G. Ahir
3. Shri Jaywant Gangaram Awale
4. Shri Sanjay Bhoi
5. Shri Abu Hasem Khan Choudhury
6. Shri Ismail Hussain
7. Shri Yashbant Laguri
8. Shri Narahari Mahato
9. Shri Babu Lal Marandi
10. Shri Govind Prasad Mishra
11. Kumari Saroj Pandey
12. Shri Ramesh Rathod
13. Shri Rakesh Sachan
14. Shri Adhi Sankar
15. Shri Pashupati Nath Singh
16. Smt. Rajesh Nandini Singh
17. Shri Rajiv Ranjan Singh (Lalan)
18. Sardar Sukhdev Singh Libra
19. Shri Shibu Soren
20. Dr. G. Vivekanand
21. Vacant\*

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\*Shri Chandrakant B. Khaire, MP (LS) ceased to be member of the Committee *w.e.f.* 27.9.10.

*Rajya Sabha*

22. Mohd. Amin
23. Shri Ali Anwar Ansari
24. Shri Jugul Kishore
25. Shri Kishore Kumar Mohanty
26. Dr. Dasari Narayana Rao
27. Ms. Mabel Rebello
28. Shri Dhiraj Prasad Sahu
29. Shri Nand Kumar Sai
30. Shri Jai Prakash Narayan Singh
31. Shri R.C. Singh

SECRETARIAT

1. Shri Ashok Sarin — *Joint Secretary*
2. Shri Shiv Singh — *Director*
3. 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 Ninth Report (Fifteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Second Report of the Standing Committee on Coal and Steel (Fifteenth Lok Sabha) on "Demands for Grants (2009-10)" of the Ministry of Mines.

2. The Second Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 18th December, 2009. Replies of the Government to all the observations/recommendations contained in the Report were received on 23rd March, 2010.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 29th October, 2010.

4. An analysis on the Action Taken by the Government on the observations/recommendations contained in the Second Report (Fifteenth Lok Sabha) of the Committee is given at Annexure-III.

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;  
23 November, 2010  

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2 Agrahayana, 1932 (Saka)

KALYAN BANERJEE,  
Chairman,  
Standing Committee on Coal and Steel.

## CHAPTER I

### REPORT

This Report of the Standing Committee deals with Action Taken by the Government on the observations/recommendations contained in the Second Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel (2009-10) on Demands for Grants (2009-10) of the Ministry of Mines which was presented to Lok Sabha on 18th December, 2009.

2. The Action Taken Notes have been received from the Ministry of Mines in respect of all the 17 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, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16 and 17

Total: 16  
Chapter-II

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

Total: 00  
Chapter-III

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

Serial No. 9

Total: 1  
Chapter-IV

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

Total: 00  
Chapter-V



**3. The Committee desire that replies to the comments in Chapter-I of this Report should be furnished to the Committee at the earliest.**

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

**A. Under utilization of funds during 11th Plan**

**Recommendation (Serial No. 3)**

5. The Committee noted that out of the total outlay of Rs. 8404 crore approved for the 11th Five Year Plan for Ministry of Mines, the actual utilization of fund during 2007-08 and 2008-09 was Rs. 1548.65 crore and 1621.09 crore respectively. Thus, during first two years of the Plan the Ministry could utilize only 38% of the allocated fund. Even at the end of the 2nd quarter of 2009-10 only about 22% of the approved allocation of current year had been utilised. While the fund utilisation by National Aluminium Company Limited (NALCO) in the first year of 11th Plan *i.e.* 2007-08 was satisfactory, they had failed to utilize the allotted funds during 2008-09. Similarly, out of Rs. 1391 crore allotted for the year 2009-10, NALCO had utilised only about 20% of the fund at the end of the 2nd quarter. They further noted that utilisation of funds by Geological Survey of India was far from satisfactory during the year 2008-09. During the first two years of XI Plan, the actual expenditure by Geological Survey of India (GSI) was merely about 25% of the XI Plan outlay and out of allocated Rs. 160.00 crore for the year 2009-10, they could utilise only 24.46% in the first two quarter. The actual utilization of funds should have been more than 40% by this time. The Committee deprecated the under utilisation of allotted fund both by NALCO and GSI. They desired that the precise reasons in this regard need to be identified with a view to taking corrective measures for full utilisation of Plan funds for various schemes/projects during the remaining years of the 11th Plan.

6. The Ministry in their Action Taken Reply have stated as follows:—

**Geological Survey of India (GSI)**

The expenditure incurred by GSI quarter wise during 2007-08 and 2008-09 is given below:—

FY 2007-08

(Rs. in crore)

				Qtr.1		Qtr.1+2		Qtr. 1+2+3		Final Exp.	
	<b>SCHEMES</b>	<b>BE</b>	<b>RE</b>	June'07	Exp. % to BE	Sept.'07	Exp. % to BE	Dec.'07	Exp. % to BE	Mar.'08	Exp. % to RE
1.	Survey and Mapping	31.18	38.87	5.15	16.52	22.99	73.73	23.71	76.04	33.49	86.16
2.	Mineral Exploration	13.05	23.28	2.84	21.76	6.11	46.82	11.89	91.11	19.32	82.99
3.	Spl. Investigation	0.31	6.14	0.13	41.94	0.26	83.87	1.84	593.55	5.18	84.36
4.	R&D and Other Exploration (Antarctica)	4.96	7.22	0.51	10.28	1.17	23.59	2.51	50.60	4.88	67.59
5.	Information Dissemination	13.84	19.39	0.57	4.12	1.96	14.16	3.98	28.76	12.40	63.95
6.	HRD (Training)	1.00	3.44	0.17	17.00	0.36	36.00	1.22	122.00	2.87	83.43
7.	Modernisation and Replacement	58.66	58.66	5.64	9.61	7.89	13.45	12.28	20.93	40.59	69.20
	<b>TOTAL</b>	<b>123.00</b>	<b>157.00</b>	<b>15.01</b>	<b>12.20</b>	<b>40.74</b>	<b>33.12</b>	<b>57.43</b>	<b>46.69</b>	<b>118.73</b>	<b>75.62</b>

## FY 2008-09

(Rs. in crore)

				Qtr.1		Qtr.1+2		Qtr. 1+2+3		Final Exp.	
	<b>SCHEMES</b>	<b>BE</b>	<b>RE</b>	<b>June'08</b>	<b>Exp. % to BE</b>	<b>Sept.'08</b>	<b>Exp. % to BE</b>	<b>Dec.'08</b>	<b>Exp. % to BE</b>	<b>Mar.'09</b>	<b>Exp. % to RE</b>
1.	Survey and Mapping	50.40	49.96	6.50	12.90	34.26	67.98	37.50	74.40	47.05	94.18
2.	Mineral Exploration	23.50	23.44	4.58	19.49	8.80	37.45	13.58	57.79	20.36	86.86
3.	Spl. Investigation	4.70	5.22	0.75	15.96	1.76	37.45	2.70	57.45	4.21	80.65
4.	R&D and Other Exploration (Antarctica)	8.00	7.74	0.75	9.38	2.11	26.38	3.47	43.38	6.11	78.94
5.	Information Dissemination	16.00	14.90	1.26	7.88	3.38	21.13	9.10	56.88	12.14	81.48
6.	HRD (Training)	2.60	2.79	0.31	11.92	0.98	37.69	1.56	60.00	2.41	86.38
7.	Modernisation and Replacement	54.80	43.60	1.58	2.88	6.83	12.46	20.48	37.37	40.02	91.79
	<b>TOTAL</b>	<b>160.00</b>	<b>147.65</b>	<b>15.73</b>	<b>9.83</b>	<b>58.12</b>	<b>36.33</b>	<b>88.39</b>	<b>55.24</b>	<b>132.30</b>	<b>89.60</b>

From analysis of above it is observed that during the FY 2007-08, GSI was initially allocated a Plan Budget (BE) outlay of Rs. 123.00 crore, without the Direction and Administration (D&A) component. No matching grant was provided under Non-plan Budget. Non-availability of these D&A funds led to curtailment of funds under most of the schemes. These were partially replenished at the RE stage. However, during the FY 2007-08, Rs. 118.73 crore was spent under Plan budget against the allotment Rs. 157.00 crore, which works out to be around 75.62% utilisation of funds. Expenditure under most of the Operational heads range between 63.95% and 86.16%. Expenditure under Modernisation and Replacement Scheme is about 69.20%.

During FY 2008-09, an amount of Rs. 132.30 crore has been utilized under Plan head which works out to 82.69 % against the total Plan Budget allocation (BE) Rs. 160.00 crore and 89.60% against RE Rs. 147.65 crore. The total operational expenditure in the period under review, covered under Survey and Mapping, Mineral Exploration, HRD and Special Investigations, Research and Development, Information Dissemination which is 87.72 % of the allocations (BE) and 88.69% against RE. Only the expenditure under the Modernization and Replacement Head, which covers expenditure on procurement of equipment, etc, has been low at ~ 73.03% against BE and 91.79% against RE . There is low expenditure in comparison to the BE (73.03%) allotment as some of the modernisation items, which were projected for acquisition, could not materialize due to complex administrative processing and intricate purchase procedures.

However, if we compare the two above tables, over all expenditure figure has been increased from Rs. 118.73 crore in 2007-08 to Rs. 132.30 crore in 2008-09 *i.e.* increase from 75.62% to 89.60% in respect of respective REs. Even expenditure percentage increased also in all the schemes except Special Investigation. Significant increase of expenditure has been noticed in modernisation scheme (increased from 69.20% in 2007-08 to 91.79% in 2008-09).

## Postion in 2009-10

(Rs. in crore)

			Qtr.1		Qtr. 1+2		Qtr. 1+2+3		
	SCHEMES	BE	RE	Jun.' 09	Exp.% to BE	Sep.' 09	Exp.% to BE	Dec.' 09	Exp.% to BE
1.	Survey and Mapping	57.96	48.10	5.03	8.68	18.24	31.47	31.50	54.35
2.	Mineral Exploration	24.56	21.60	3.79	15.43	7.75	31.56	12.63	51.43
3.	Spl. Investigation	4.30	3.33	0.62	14.42	1.57	36.51	2.43	56.51
4.	R&D and Other Exploration (Antarctica)	10.12	7.87	1.09	10.77	2.44	24.11	3.67	36.26
5.	Information Dissemination	15.87	13.83	2.01	12.67	3.41	21.49	5.82	36.67
6.	HRD (Training)	3.35	2.92	0.57	17.01	1.34	40.00	2.13	63.58
7.	Modernisation and Replacement	43.84	40.35	2.21	5.04	6.16	14.05	28.52	65.05
	<b>TOTAL</b>	<b>160.00</b>	<b>138.00</b>	<b>15.32</b>	<b>9.58</b>	<b>40.91</b>	<b>25.57</b>	<b>86.70</b>	<b>54.19</b>

In the FY 2009-10, GSI has been allocated Rs. 160.00 crore under Plan Budget (BE). An amount of Rs. 97.19 crore has so far been utilised under Plan Head till January 2010, which works out to be 60.74 % against the Plan Budget allocation (BE) Rs. 160.00 crore and 70.43% against the Plan outlay (RE) Rs. 138.00 crore. Most of the expenditure under operational heads/schemes are satisfactory except in R&D and Information Disseminations schemes. January to March is the prime period for all types of field/plan activities, expectantly, the allocated fund will be utilised in full. Under ME head also out of Rs. 35.00 crore ~ Rs. 25.91 crore has already been utilised. Among the geophysical sensors, Gravimeter has already been delivered to GSI. Moreover, many of the low cost instruments are also in advanced stage. Hence, it is quite likely that the ME head budget will be utilised in full. Rather, some of the low cost instruments would spill over to FY 2010-11 due to shortage of ME head fund as the Plan Outlay for FY 2009-10 has been finally pegged at Rs. 138.00 crore in RE Stage.

## National Aluminium Company Ltd. (NALCO)

Plan outlay *vis-à-vis* actual expenditure for 11th Five Year Plan in respect of NALCO is as follows:—

(Rs. in crore)

Name of the Scheme/Project/ Programme	Approved Plan	2007-08 Actual Exp.	2008-09 Actual Exp.	2009-10 Actual Exp. till Dec.'09	Total Plan Exp. till Dec.'09	Utilization % till Dec.'09
A M R	706.08	118.90	126.17	122	368	52%
II-Phase Expansion	4,345	1,247.56	1,254.43	284	2,786	64%
Utkal-E Coal	298	2.01	0.80	53	55	19%
Green Field Smelter	1,010	—	3.30	1	4	0%
Pottangi Bauxite Mine	256	—	—	—		0%
Upgradation of Alumina Refinery	312	—	3.14	7	10	3%
III-Phase Expansion		—	3.44	2	5	—
<b>Total</b>	<b>6,927.08</b>	<b>1,368.47</b>	<b>1,391.28</b>	<b>469</b>	<b>3,228.75</b>	<b>47%</b>

From the facts presented above, it may please be seen that the overall plan expenditure till December, 2009, that is almost mid of the XIth plan period, the utilization is 47% of the approved plan outlay. Any temporary shortfall during a particular year is mainly due to postponing of a project activity. It is expected that the balance will be achieved during the plan period. The Greenfield projects were scheduled to take off in later half of the plan period only where the expenditure is relatively low till date. The Company has taken appropriate action in this regard to expedite the projects like setting up project offices in Hyderabad for Andhra Bauxite Mine and in Jakarta for Indonesia smelter projects, respectively.

Progress on Pottangi mining was delayed on account of non-receipt of mining lease from the Government of Orissa, which is still awaited.

The Utkal-E coal block project was delayed on account of delay in receipt of several statutory clearances, land acquisition, etc. from the State Government of Orissa.

### Remedial measures

1. Company has identified several new areas where the Greenfield projects are being planned. The plan in Indonesia is in advance stage. On the domestic front, the Company was

allotted the mining lease in Andhra Pradesh for mining and refining of bauxite.

2. Since any project activity on the Pottangi bauxite mine could start only after the clearance of the State Government allotment of the mining lease at Pottangi is being vigorously pursued with the State Government.
3. As regards Utkal-E project, major activity such as land acquisition, construction of R&R colony is underway. Recently the Company has deposited the money payable towards land acquisition with the State Government. The same is being vigorously pursued with State authorities.

**7. Keeping in view the dismal performance of GSI and NALCO in fund utilization during the first two years of 11th Plan and by the end of second quarter of 2009-10, the Committee had desired that the precise reasons in this regard need to be identified with a view to taking corrective measures to ensure optimum utilization of funds for various schemes/projects during the remaining years of the 11th Plan. The Ministry have explained that only the expenditure under the Modernization and Replacement Head, which covers expenditure on procurement of equipment, etc, has been low at 73.03% against BE and 91.79% against RE. They have further stated that there is low expenditure in comparison to the BE (73.03%) allotment as some of the modernisation items, which were projected for acquisition, could not procured due to complex administrative processing and intricate purchase procedures. The expansion plan of NALCO and modernisation of GSI have been badly hampered for one reason or the other and both the organisations have failed to overcome them thus affecting their overall performance. The Committee regret to observe that procurement of equipments have been delayed on account of complex administrative and procurement procedure and the Ministry have given no assurance to improve the system. The Committee hardly need to emphasise that immediate steps need to be taken to tone up the administrative processing and simplify the intricate procurement procedures to avoid cost and time overrun.**

**B. Implementation of Computerized Online Register of Mining Tenement System**

**Recommendation (Serial No. 4)**

8. The Committee observed that anticipated expenditure during the year 2009-10 in respect of some of the schemes of Indian Bureau of Mines *viz.* Inspection of Mines for Scientific and Systematic Mining,

Mineral Conservation and Mines Environment, Mineral Beneficiation studies - utilization of low grade and sub-grade ores and analysis of environmental samples and Collection, Processing, Dissemination of data on Mines and Minerals through various publications is not keeping pace with the expenditure of previous two years. Indian Bureau of Mines had embarked upon an ambitious new project *viz.* Computerized Online Register of Mining Tenements System which would create a single window information sources on mineral resources in the country to make the information available to all concerned. The project which was to be taken up in the very first year of the XI Plan and completed under a time bound programme could not be initiated even in first two years of Plan. The Committee deprecated the fact that no expenditure was incurred in respect of this project during the first two years of the XI Plan. This is nothing but regrettable. The Committee, therefore, desired that this project may be accorded top priority and proactive steps taken to ensure its expeditious completion.

9. The Ministry in their Action Taken Reply have stated as follows:—

The Plan expenditure under four schemes during 2007-08, 2008-09 and 2009-10 (upto December, 2009) is as indicated in the following table:—

(Rs. in crores)

Name of the Scheme/Project	Annual Plan			Remark
	2007-08 Actual Exp.	2008-09 Actual Exp.	Anticipated Exp. 2009-10 (Exp. Upto Dec.'09)	
Inspection of Mines for Scientific and Systematic mining, Mineral Conservation and Mines Environment	7.26	8.59	9.52 (6.57)	69
Mineral beneficiation studies—utilization of low grade and sub grade ores and analysis of environmental samples	4.68	5.97	6.54 (5.11)	78
Technological upgradation and modernization.	2.90	4.42	6.28 (4.00)	64
Collection, processing, dissemination of data on mines and minerals through various publications.	1.29	1.80	2.44 (1.65)	68
<b>Total</b>	<b>16.13</b>	<b>20.78</b>	<b>24.78 (17.33)</b>	



It will be seen from the above against the approved plan outlay of Rs. 17.00 crore and Rs. 19.00 crore for the years 2007-08 and 2008-09, the expenditure was of the order of Rs. 16.13 crore and Rs. 20.78 crore resulting in final utilization of 94.9% and 109.4% respectively in respect of these schemes. Similarly, the expenditure upto December, 2009 in respect of these schemes for 2009-10 was Rs. 17.33 crore against the outlay of Rs. 19.00 crore for 2009-10, resulting in final utilization of 91.2%. With the re-appropriation of Rs. 8.14 crore under Plan for 2009-10, the approved outlay works out to Rs. 27.14 crore against which the estimated expenditure is of the same order.

The project on Computerized Online Register of Mining Tenement System was conceptualized with external aid from France. However, due to change in policy of Government not to accept any tied-aid or loan with binding conditions from G-8 countries (including France), the project had to be recast for meeting the entire expenditure from within the domestic budget. Discussions were held with Department of Space, Ministry of Science and Technology, Survey of India etc. to conceptualize approach to the project.

Subsequently, ISRO was contacted who had stated that they had already done Carto-Sat imageries for the entire country. They have been asked to digitize mineral lease maps for Durg district in Chhattisgarh and Bellary district in Karnataka and geo-reference the same in the first phase. An amount of Rs. 30.00 lakh has also been sanctioned for payment to ISRO for the work. Representatives from GSI, NIC etc. have also been associated with the project. The project with spatial data and mineral registry would be demonstrated as a pilot project. Thereafter, it will be replicated in one district each in AP, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu as also in the two districts of Goa.

**10. The Committee had earlier desired that Computerized Online Register of Mining Tenements System might be accorded top priority and proactive steps taken to ensure its expeditious completion. The Ministry have informed the Committee that due to change in the Government policy not to accept any tied-aid or loan with binding conditions from G-8 countries including France, the project had to be recast for meeting the entire expenditure from within the domestic budget. The Committee expect the Ministry to take necessary steps for the early implementation of the project in view of its importance for creating a single window information sources on mineral resources in the country.**

### C. 2nd Phase Expansion of NALCO

#### Recommendation (Serial No. 8)

11. NALCO was stated to be facing constraints in implementation of 2nd phase of expansion due to late appointment of the technical supplier for supply of basic engineering, package for improvement in Alumina Refinery and Smelter, poor performance of working agencies, late delivery of equipments and naxalite menace. The Committee were of the view that reasons furnished by the Ministry/NALCO for delay in implementation of 2nd phase expansion were not unforeseen and unavoidable. NALCO had failed to take pre-emptive action to remove such constraints which had adversely affected the expansion plan which clearly showed lack of farsightedness on their part. The Committee, therefore, desired that necessary measures at least now may be taken to remove these bottlenecks.

12. The Ministry in their Action Taken Reply have stated that the delay in obtaining Secretariat for Industrial Assistance approval for process improvement proposal through RIO TINTO ALCAN (RTA) had a cascading effect in the project implementation of the 2nd phase expansion. NALCO had taken advance action of pre-qualification of bidders for appointment of Engineering, Procurement, Construction Management (EPCM) consultant, etc. to arrest delays, which were foreseen by the Company.

Further, poor response from competent bidders/agencies due to the industrial boom in the post liberalization era, late delivery of equipment by the suppliers, though committed, were never envisaged while preparing the project schedule. The Naxal attacked in April, 2009 at Damanjodi mines has also affected the project commissioning.

It may be noted that, in spite of above adversities, NALCO had completed all the 240 pots in the smelter plant under 2nd Phase Expansion, on 17.12.2009 and had also commissioned the 9th Unit of captive power plant in August, 2009. The 10th Unit of CPP was scheduled for commissioning during March, 2010.

In case of mines and refinery complex, it might be noted that, the overall progress achieved is 94.3% is up to December, 2009 which was lagging mainly due to slow progress of 2 to 3 agencies in the construction activities, which was now likely to be commissioned by January, 2011.

## Recovery Plan

- In order to arrest the delays, review by Chairman-cum-Managing Director (CMD) and Director (Project and Technical) with consultants and top executives of the bidders are being conducted on regular basis.
- Director (Project and Technical) had several review with the prime consultant M/s. Engineers India Ltd. (EIL), with vendors top executive both at site and head office level in order to arrest further delay.
- CMD and Director (Project and Technical) has also met CMD, Bharat Heavy Electricals Ltd. (BHEL) to expedite commissioning of steam and power plant and 10th unit of captive power plant. CMD also reviewed the matter with M/s. Braithwaite and Burn Standard for supply of alumina wagons.
- Activities at site has started in night shift with deployment of consultant safety engineer (wherever possible) in order to give boost to the construction. Visit to manufacturer workshop, review and follow up of critical packages are also being undertaken to expedite the project completion.
- NALCO will leave make all out efforts including offloading of works to other agencies where the existing ones are showing no sign of achieving desired progress for early completion of the Refinery Project.

**13. Since NALCO was facing constraints in the implementation of Second Phase Expansion Plan due to late appointment of the technical supplier for supply of basic engineering package for improvement in Alumina Refinery and Smelter, poor performance of working agencies and late delivery of equipments etc., the Committee had desired that necessary measures might be taken to remove them. Although a number of measures are stated to have been taken/being taken by NALCO to remove bottlenecks affecting its ongoing expansion plan, no perceptible improvement however, has been noticed. The Committee would like to point out that the early completion of Second Phase Expansion of NALCO assumes much significance in view of its brand image in national and international market in the production of aluminium. The Committee would like the Ministry to play the role of active facilitator to help NALCO to remove the bottlenecks lest the expansion plan of NALCO should delay.**

## **D. Allotment of Pottangi and Utkal-E Coal Mine Project**

### **Recommendation (Serial No. 9)**

14. The Committee noted that NALCO has been facing problems of land acquisition and various clearances from different authorities for developing of Pottangi bauxite mine and Utkal coal Block even after lapse of 5 years of allotment. The Committee in their 24th Report had urged upon the Ministry of Mines for speedy disposal of such clearance. The Committee were constrained to observe that no significant progress had been made in this regard. Early development of above projects was significant in view of the ongoing expansion plan of the company. The Ministry of Mines, should therefore, take up this matter at highest level with the Government of Orissa so as to ensure the timely completion of the projects. The Committee also desired that in order to solve issues related to land acquisition, NALCO should come up with attractive compensation packages and proper implementation of R&R policy so that grievances of project affected persons were addressed.

15. The Ministry in their Action Taken Reply have stated as follows:—

### **Pottangi Mines**

The State Government of Orissa 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.

After signing of MOU between NALCO and Orissa Industrial Infrastructure Development Corporation (IDCO) (a State Government undertaking) for setting up of an aluminium park at Angul on 19.09.2009, in the presence of Chief Minister of Orissa, a change in attitude of State authorities towards NALCO has been observed. On 2.3.10 this Ministry was informed orally by Government of Orissa that they have decided to grant mining lease of Pottangi to NALCO. However, formal letters are yet to come.

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

- Mining lease application of Utkal-E is shortly being forwarded to Dept. of Coal, Government of India, by Government of Orissa for final approval. Mining plan has already been approved.
- Ministry of Environment and Forests (MoEF) had accorded the environmental clearance for Utkal-E coal mine project *vide* their letter dated 10.12.2009.
- DFO, Angul has forwarded forest de-reservation proposal to Regional Chief Conservator of Forest, Angul and the same is under scrutiny.

### **Private Land Acquisition:**

On 30.12.2009, an amount of Rs. 50.71 crore has been deposited to IDCO for acquisition of 402.54 acres of private land covering 4 villages *i.e.* Nandichhod, Gopinathpur, Kundajhari and Kosala.

### **Government Land Acquisition:**

M/s. IDCO is yet to transfer the lease in favour of NALCO although the lease deed has been executed and registration has already been completed between IDCO and Government of Orissa for 43.84 Ha. of Government Land.

M/s. IDCO forwarded the document for 98.85 Ha. of land to Tahsildar, Chhendipada on 16.01.2009 for further scrutiny.

## **R&R Issues of Utkal-E Coal Mine Project**

The R&R policy for Utkal-E coal mine project of NALCO has been planned as per the guidelines provided in the National R&R Policy, 2007, Orissa State R&R Policy, 2006 and instruction of Rehabilitation and Periphery Development Advisory Committee (RPDAC) Sub-Committee. The salient features are as follows:—

- Construction of R&R colony along with all necessary amenities like road, school, temple, dispensary, tubewells, community centre and market place etc. The houses to be provided for each land displaced people shall be of 450 Sq. ft. plinth area and a residential plot of 0.10 acre.
- Each physically and mentally retarded person, divorcee, widow, orphans of landless families shall be given a compensation (one-time) of Rs. 1.66 lakhs.

- Imparting vocational training and ITI training for displaced/ affected family members.
- Giving employment to persons from land displaced families (one person per family) both direct and indirect way.
- One time financial assistance in lieu of employment, for mining project @ Rs. 3,00,000/- per family.
- Other benefit and packages for displaced families such as : *ex-gratia* for multiple displaced persons, shifting allowance, maintenance allowance per month for first year, assistance for self-relocation and house building assistance, etc.

16. The Committee had desired the Ministry of Mines to take up the matter at highest level with the Government of Orissa so as to ensure the timely completion of the projects *i.e.* Pottangi Bauxite Deposit and mining lease of Utkal E-Coal Mine to NALCO. The Ministry in their reply have stated that though all the five conditions put by the State Governments were suitably clarified by NALCO on 27.02.2006 followed by impressing upon the State Government from time to time to send proposal to Central Government for allotment of Pottangi Bauxite deposits in favour of NALCO, it was only after signing an MOU between NALCO and Orissa Industrial Development Corporation for setting up an aluminium park at Angul on 19.09.2009, there has been some positive response from the State Government but no formal letter has been issued so far. Similarly, Utkal-E Coal Block which was allotted to NALCO in 2004 by the Government of India is still bogged down with various statutory and other clearances and approvals. The development of the coal block is absolutely necessary for the coal requirement of 9th and 10th Captive Power Plant of the Company. The Committee are not satisfied with the progress for development of these two projects of NALCO as they have been lingering on for considerable time without any tangible result. The Committee would like the Ministry to immediately take up the matter with the Government of Orissa at the highest level so as to resolve all pending issues without any further delay so as to complete expansion programme in time. The Committee would like to be apprised of the progress made in this regard.

## CHAPTER II

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

#### **Recommendation (Serial No. 1)**

The Minister of Mines made a statement in Parliament on the status of implementation of recommendations contained in the 32nd Report of the Committee on 23.12.2008. It is evident therefore that while six recommendations have been implemented by the Government, one recommendation relating to procurement of high cost items by Geological Survey of India (GSI) was under process. The Committee hope that the Ministry of Mines will monitor the progress made by GSI for speedy implementation of the said recommendation.

#### **Action Taken**

The Ministry has started vigorously monitoring of the procurement process of capital assets for GSI. After the termination of the procurement process for heliborne sensors in July, 2008, the Ministry initiated a system of weekly reports on progress of the procurement of heliborne sensors, deep sea vessel and geotechnical vessel. As a result the procurement process for the heliborne sensors was completed and orders were placed within 2008-09 itself. In the case of deep sea vessel and geotechnical vessel, the Ministry has got GSI to revise its PERT Chart and is closely monitoring progress on weekly basis. A meeting was also held between Additional Secretary (Mines) and Secretary (Shipping) to sort out contractual issues between GSI and the Shipping Corporation of India (SCI) (Consultant) on 5.02.2009.

Detailed monitoring is also done through the Plan Projects Review Committee (PPRC) meeting held during 2009 on (16th PPRC Meeting held on 27.02.2009; 17th PPRC Meeting held on 8.06.2009 and 18th PPRC Meeting held on 24.08.2009) and in Quarterly Performance Review (QPR) meetings chaired by Secretary (Mines).

GSI for all its Plan activities is in close co-ordination with the Ministry of Mines. Similarly, Ministry is also extending all possible logistic supports and examining the progress of modernisation programme time to time through its monitoring body — Plan Project Review Committee

(PPRC). The details of the procurement status of the high value equipments have been provided in the reply of Recommendation of Para 3.29.

### **Filling up of posts in different categories**

Presently GSI is having acute shortage of manpower almost in every Scientific and Technical (S&T) stream particularly so in Group 'A and B' officers cadre and the vacancies in certain cases are in the order of 39.5% to 61.30% which is adversely affecting the activities of GSI. Even in Geology Stream, which is the main scientific stream of the organisation is functioning with only 46.40% filled in strength against the sanctioned strength (2500). GSI to deal with the situation, has submitted a Comprehensive Perspective Plan Proposal for Recruitment of Group "A and B" officers in all the S&T streams within a scheduled time frame. The Government has already accepted the proposal and also directed GSI for recruitment to the tune of 300 geologists per year and filling up of vacant positions in other S&T streams over a period of three years. Accordingly, GSI has initiated the process of induction in 2009 and UPSC has called for bulk recruitment from the financial year 2009-10 itself.

Following steps have been taken to fill up various posts in Geological Survey of India:—

- (1) Perspective plan for recruitment in GSI envisages proposed recruitment for the main Geology stream up to the year 2012. While the number of vacancies reported for the year 2005 were 95 the same has gradually been increased to 300 for Geologist Examination 2008 and 2009 for the post of Geologist (Jr.) and this level is likely to continue for the next few years till shortfall is made up.
- (2) Instructions have been issued to GSI for elimination of delay in issuing offer of appointments to the candidates recommended by UPSC following Geologists' Examination and Engineering Services Examination. Induction training capacity has been increased.
- (3) GSI has been declared as Attached Office, and delegated more powers. To reduce processing time, GSI has been authorized to refer DPC cases directly to UPSC up to the JAG level (up to the rank of Pay Scale PB 4 + Grade Pay Rs. 8700/-) and take up all DPC matters except requiring approval of ACC.
- (4) Recruitment Rules for Geology/Geophysics/Chemistry and Engineering Group 'A' Streams are being amended on the patterns of Organised Group 'A' service which includes provisions of combined service as eligibility criteria which will facilitate availability of eligible officers for promotion.



- (5) Vacancy position is being monitored in monthly meetings by Additional Secretary [Mines] and Secretary [Mines] in QPR meetings.
- (6) Liaison is maintained with UPSC to ensure that all issues are sorted out at the earliest.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

### **Recommendation (Serial No. 2)**

The Committee note that for the year 2009-10, the Planning Commission has approved a total outlay of Rs. 1647.82 crore for Ministry of Mines, as against the outlay of Rs. 1783.01 cores proposed by the Ministry. During 2008-09, an outlay of Rs. 2160.00 crore be provided to the Ministry which was reduced to Rs. 1958.26 crore at RE stage and the actual expenditure was Rs. 1628.09 crore. While the expenditure under Non-Plan Head during 2008-09 has been satisfactory by and large with the implementation of 6th Pay Commission Recommendations, the Ministry had to surrender a sizeable amount under Plan Head since the procurement of certain equipments for the modernization of GSI could not materialize. They are concerned to note that in the case of National Aluminium Company Limited (NALCO) plan outlay for 2009-10 has been reduced to Rs. 1391.00 crore from Rs. 1701.00 crore in 2008-09. Similarly, Annual Plan of Geological Survey of India (GSI) was reduced to Rs. 160 crore for 2008-09 and is the same for 2009-10 against the proposal of the Ministry of Rs. 283.35 crore and 231.45 crore respectively for the said years. In respect of Indian Bureau of Mines, the fund approved for the years 2008-09 and 2009-10 was Rs. 19 crore each as against the amount of Rs. 35.66 crore and 36.35 crore proposed by the Ministry. Further, the allocation approved by the Planning Commission for construction related work was far less than the amount proposed by the Ministry during the years 2008-09 and 2009-10. From the foregoing, it is evident that the Ministry of Mines have grossly failed in proper utilization of funds raising doubt over their capacity to plan and execute schemes/objectives, which is unfortunate to say the least. The Committee desire that Ministry of Mines should gear up their machinery and ensure that the sanctioned outlays are utilized in a proper manner so that planned objectives are fully achieved.

### **Action Taken**

As stated above the Ministry has started vigorously monitoring capital assets procurement process of GSI. Besides close monitoring of other subordinate office and PSUs for Plan activities has also been geared up.

## Geological Survey of India (GSI)

Financial Performance of GSI against the approved plan outlay during 2008-09 and 2009-10 *i.e.* 2nd and 3rd Years of XI Plan.

(Rs. in crore)

		2008-09			2009-10			Total Appro- ved Outlay in 2nd and 3rd yrs. (April'08 to Dec.'09) [RE]	Total Actual Expenditure in 2nd and 3rd Yrs. (April'08 to Dec.'09)	Percentage (%)of Achievement in 2nd and 3rd Yrs. against RE
		App- roved BE	App- roved RE	Actual Exp.	App- roved BE	App- roved RE	Actual Exp. till Dec.'09			
1.	Survey and Mapping	50.40	49.96	47.05	57.96	48.10	31.50	98.06	78.55	80.10
2.	Mineral Exp.	23.50	23.44	20.36	24.56	21.60	12.63	45.04	32.99	73.25
3.	Spl. Investigation	4.70	5.22	4.21	4.30	3.33	2.43	8.55	6.64	77.66
4.	R&D and Other Expl.	8.00	7.74	6.11	10.12	7.87	3.67	15.61	9.78	62.65
5.	Inf. Dissmination	16.00	14.90	12.14	15.87	13.83	5.82	28.73	17.96	62.51
6.	HRD	2.60	2.79	2.41	3.35	2.92	2.13	5.71	4.54	79.51
7.	Mod and Rep.	54.80	43.60	40.02	43.84	40.35	28.52	83.95	68.54	81.64
	<b>Total</b>	<b>160.00</b>	<b>147.65</b>	<b>132.30</b>	<b>160.00</b>	<b>138.00</b>	<b>86.70</b>	<b>285.65</b>	<b>219.00</b>	<b>76.67</b>

The Shortfall in expenditure under all the operational schemes (Survey and Mapping, Mineral Exploration, Spl. Investigation, Information Dissemination and HRD) were as follows:—

During FY 2008-09, an amount of Rs. 132.30 crore has been utilized under Plan head which works out to 82.69% against the total Plan Budget allocation (BE) Rs. 160 crore and 89.60% against RE Rs. 147.65 crore. The expenditure under the Modernization and Replacement Head, which covers expenditure on procurement of equipment, etc. has been low as some of the modernisation items, which were projected for acquisition, could not be materialized as these sophisticated equipment are not “off the shelf” items.

In the FY 2009-10, GSI has been allocated Rs. 160.00 crore under Plan Budget (BE). An amount of Rs. 97.19 crore has so far been utilised under Plan Head till January 2010, which works out to be 60.74 % against the Plan Budget allocation (BE) Rs. 160.00 crore and 70.43% against the Plan outlay (RE) Rs. 138.00 crore. Most of the expenditure under operational heads/schemes are satisfactory except in R&D and Information Disseminations schemes.

The Scheme-wise progress of expenditure is as follows:—

(Rs. in crore)

	<b>Scheme</b>	<b>BE</b>	<b>RE</b>	<b>Exp. Upto End Jan.'10</b>
1.	Survey and Mapping	57.96	48.10	38.04
2.	Mineral Exp.	24.56	21.60	14.00
3.	Spl. Investigation	4.30	3.33	2.47
4.	R&D and Other Expl.	10.12	7.87	3.92
5.	Inf. Dissmination	15.87	13.83	6.66
6.	HRD	3.35	2.92	2.25
7.	Mod and Rep.	43.84	40.35	29.85
	<b>Total</b>	<b>160.00</b>	<b>138.00</b>	<b>97.19</b>

January to March is the prime period for all types of field/plan activities, expectantly, the allocated fund will be utilised in full. Under ME head also out of Rs. 34.00 crore, Rs. 25.00 crore has already been utilised. Geophysical sensors pertaining to Heliborne Survey, will be delivered to GSI at the closing of the current financial year 2009-10, moreover, many of the low cost instruments are also in advanced stage, hence, it is quite likely that the entire ME head budget will be utilised in full.

GSI has increased its monitoring of expenditure, which is also revised in monthly and quarterly meetings in the Ministry. Central Geological Programming Board's meeting twice a year as against earlier once a year.

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

The reduction in plan outlay for the year 2009-10 from Rs. 1701 crore to Rs. 1391 crore is mainly due to reduction in revised estimated cost of 2nd phase expansion project from Rs. 5003 crore to Rs. 4402 crore (at November, 2008 price level).

The 2nd phase expansion project with an original capital cost of Rs. 4092 (revised to Rs. 4402 crore) started in the year 2004-05, and till March, 2009, a sum of Rs. 3203 crore had been spent. Out of balance Rs. 1200 crore, Rs. 952 crore was projected in the Annual Plan 2009-10 considering the schedule for commissioning the project.

The progress is monitored on monthly basis and also on quarterly in QPR meetings.

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

The details of allocations of funds under Non-plan and Plan Outlay for 2008-09 and 2009-10 in respect of IBM are as follows:—

(Rs. in crore)

Major Head	2008-09				2009-10				
	Proposed Outlay	Budget Estimates	Revised Estimates	Actual Exp.	Proposed Outlay	Budget Estimates	Supplementary grants	Proposed Revised Estimates	Anticipated Exp.
Plan	35.66	19.00	22.61	20.80	36.35	19.00	8.14	30.05	27.14*
Construction	1.00	1.00	1.00	0.00	1.00	1.00	0.00	1.00	1.00
Total Plan	36.66	20.00	23.61	20.80	37.35	20.00	8.14	31.05	28.14
Non Plan	18.46	17.86	26.33	25.20	38.65	30.55	2.14	32.50	32.50#

\* Plan Expenditure upto Dec., 2009 is Rs. 17.89 crores.

# Non Plan Expenditure upto Dec., 2009 is Rs. 30.77 crores.

The Proposed Outlay of IBM is based on the requirements from different divisions of IBM. It would be seen from the above table that sanctioned outlays were fully utilized by IBM in 2008-09, during 2009-10 (upto Dec., 2009) expenditure under Plan and Non-Plan was Rs. 17.89 crores and Rs. 30.77 crores respectively. By end of 2009-10 it is estimated that entire funds under Plan and Non-Plan would be utilized.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

### **Recommendation (Serial No. 3)**

The Committee note that out of the total outlay of Rs. 8404 crore approved for the 11th Five Year Plan for Ministry of Mines, the actual utilization of fund during 2007-08 and 2008-09 was Rs. 1548.65 crore and 1621.09 crore respectively. Thus, during first two years of the Plan the Ministry could utilize only 38% of the allocated fund. Even at the end of the 2nd quarter of 2009-10 only about 22% of the approved allocation of current year has been utilised. While the fund utilisation by National Aluminium Company Limited (NALCO) in the first year of 11th Plan *i.e.* 2007-08 was satisfactory, they have failed to utilize the allotted funds during 2008-09. Similarly, out of Rs. 1391 crore allotted for the year 2009-10, NALCO has utilised only about 20% of the fund at the end of the 2nd quarter. They further note that utilisation of funds by Geological Survey of India was far from satisfactory during the year 2008-09. During the first two years of XI Plan, the actual expenditure by Geological Survey of India (GSI) was merely about 25% of the XI Plan outlay and out of allocated Rs. 160.00 crore for the year 2009-10, they could utilise only 24.46% in the first two quarter. The actual utilization of funds should have been more than 40% by this time. The Committee deprecate the under utilisation of allotted fund both by NALCO and GSI. They desire that the precise reasons in this regard need to be identified with a view to taking corrective measures for full utilisation of Plan funds for various schemes/projects during the remaining years of the 11th Plan.

### **Action Taken**

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

The expenditure incurred by GSI quarter-wise during 2007-08 and 2008-09 is given below:—

FY 2007-08

(Rs. in crore)

				Qtr.1		Qtr.1+2		Qtr. 1+2+3		Final Exp.	
	<b>SCHEMES</b>	<b>BE</b>	<b>RE</b>	June'07	Exp. % to BE	Sept.'07	Exp. % to BE	Dec.'07	Exp. % to BE	Mar.'08	Exp. % to RE
1.	Survey and Mapping	31.18	38.87	5.15	16.52	22.99	73.73	23.71	76.04	33.49	86.16
2.	Mineral Exploration	13.05	23.28	2.84	21.76	6.11	46.82	11.89	91.11	19.32	82.99
3.	Spl. Investigation	0.31	6.14	0.13	41.94	0.26	83.87	1.84	593.55	5.18	84.36
4.	R&D and Other Exploration (Antarctica)	4.96	7.22	0.51	10.28	1.17	23.59	2.51	50.60	4.88	67.59
5.	Information Dissemination	13.84	19.39	0.57	4.12	1.96	14.16	3.98	28.76	12.40	63.95
6.	HRD (Training)	1.00	3.44	0.17	17.00	0.36	36.00	1.22	122.00	2.87	83.43
7.	Modernisation and Replacement	58.66	58.66	5.64	9.61	7.89	13.45	12.28	20.93	40.59	69.20
	<b>TOTAL</b>	<b>123.00</b>	<b>157.00</b>	<b>15.01</b>	<b>12.20</b>	<b>40.74</b>	<b>33.12</b>	<b>57.43</b>	<b>46.69</b>	<b>118.73</b>	<b>75.62</b>

## FY 2008-09

(Rs. in crore)

				Qtr.1		Qtr.1+2		Qtr. 1+2+3		Final Exp.	
	SCHEMES	BE	RE	June'08	Exp. % to BE	Sept.'08	Exp. % to BE	Dec.'08	Exp. % to BE	Mar.'09	Exp. % to RE
1.	Survey and Mapping	50.40	49.96	6.50	12.90	34.26	67.98	37.50	74.40	47.05	94.18
2.	Mineral Exploration	23.50	23.44	4.58	19.49	8.80	37.45	13.58	57.79	20.36	86.86
3.	Spl. Investigation	4.70	5.22	0.75	15.96	1.76	37.45	2.70	57.45	4.21	80.65
4.	R&D and Other Exploration (Antarctica)	8.00	7.74	0.75	9.38	2.11	26.38	3.47	43.38	6.11	78.94
5.	Information Dissemination	16.00	14.90	1.26	7.88	3.38	21.13	9.10	56.88	12.14	81.48
6.	HRD (Training)	2.60	2.79	0.31	11.92	0.98	37.69	1.56	60.00	2.41	86.38
7.	Modernisation and Replacement	54.80	43.60	1.58	2.88	6.83	12.46	20.48	37.37	40.02	91.79
	<b>TOTAL</b>	<b>160.00</b>	<b>147.65</b>	<b>15.73</b>	<b>9.83</b>	<b>58.12</b>	<b>36.33</b>	<b>88.39</b>	<b>55.24</b>	<b>132.30</b>	<b>89.60</b>

From analysis of above it is observed that during the FY 2007-08, GSI was initially allocated a Plan Budget (BE) outlay of Rs. 123.00 crore, without the Direction and Administration (D&A) component. No matching grant was provided under Non-plan Budget. Non-availability of these D&A funds led to curtailment of funds under most of the schemes. These were partially replenished at the RE stage. However, during the FY 2007-08, Rs. 118.73 crore was spent under Plan budget against the allotment Rs. 157.00 crore, which works out to be around 75.62 % utilisation of funds. Expenditure under most of the Operational heads range between 63.95% and 86.16%. Expenditure under Modernisation and Replacement Scheme is about 69.20 %.

During FY 2008-09, an amount of Rs. 132.30 crore has been utilized under Plan head which works out to 82.69 % against the total Plan Budget allocation (BE) Rs. 160.00 crore and 89.60% against RE Rs. 147.65 crore. The total operational expenditure in the period under review, covered under Survey and Mapping, Mineral Exploration, HRD and Special Investigations, Research and Development, Information Dissemination which is 87.72 % of the allocations (BE) and 88.69% against RE. Only the expenditure under the Modernization and Replacement Head, which covers expenditure on procurement of equipment, etc, has been low at ~ 73.03% against BE and 91.79 % against RE . There is low expenditure in comparison to the BE (73.03%) allotment as some of the modernisation items, which were projected for acquisition, could not materialize due to complex administrative processing and intricate purchase procedures.

However, if we compare the two above tables, over all expenditure figure has been increased from Rs. 118.73 crore in 2007-08 to Rs. 132.30 crore in 2008-09 *i.e.* increase from 75.62% to 89.60% in respect of respective REs. Even expenditure percentage increased also in all the schemes except Special Investigation. Significant increase of expenditure has been noticed in modernisation scheme (increased from 69.20% in 2007-08 to 91.79% in 2008-09).



## Position in 2009-10

(Rs. in crore)

			Qtr.1		Qtr. 1+2		Qtr. 1+2+3		
	<b>SCHEMES</b>	<b>BE</b>	<b>RE</b>	<b>Jun.' 09</b>	<b>Exp.% to BE</b>	<b>Sep.' 09</b>	<b>Exp.% to BE</b>	<b>Dec.' 09</b>	<b>Exp.% to BE</b>
1.	Survey and Mapping	57.96	48.10	5.03	8.68	18.24	31.47	31.50	54.35
2.	Mineral Exploration	24.56	21.60	3.79	15.43	7.75	31.56	12.63	51.43
3.	Spl. Investigation	4.30	3.33	0.62	14.42	1.57	36.51	2.43	56.51
4.	R&D and Other Exploration (Antarctica)	10.12	7.87	1.09	10.77	2.44	24.11	3.67	36.26
5.	Information Dissemination	15.87	13.83	2.01	12.67	3.41	21.49	5.82	36.67
6.	HRD (Training)	3.35	2.92	0.57	17.01	1.34	40.00	2.13	63.58
7.	Modernisation and Replacement	43.84	40.35	2.21	5.04	6.16	14.05	28.52	65.05
	<b>TOTAL</b>	<b>160.00</b>	<b>138.00</b>	<b>15.32</b>	<b>9.58</b>	<b>40.91</b>	<b>25.57</b>	<b>86.70</b>	<b>54.19</b>

In the FY 2009-10, GSI has been allocated Rs. 160.00 crore under Plan Budget (BE). An amount of Rs. 97.19 crore has so far been utilised under Plan Head till January 2010, which works out to be 60.74 % against the Plan Budget allocation (BE) Rs. 160.00 crore and 70.43% against the Plan outlay (RE) Rs. 138.00 crore. Most of the expenditure under operational heads/schemes are satisfactory except in R&D and Information Disseminations schemes. January to March is the prime period for all types of field/plan activities, expectantly, the allocated fund will be utilised in full. Under ME head also out of Rs. 35.00 crore ~ Rs. 25.91 crore has already been utilised. Among the geophysical sensors, Gravimeter has already been delivered to GSI. Moreover, many of the low cost instruments are also in advanced stage. Hence, it is quite likely that the ME head budget will be utilised in full. Rather, some of the low cost instruments would spill over to FY 2010-11 due to shortage of ME head fund as the Plan Outlay for FY 2009-10 has been finally pegged at Rs. 138.00 crore in RE Stage.

## National Aluminium Company Ltd. (NALCO)

Plan outlay *vis-à-vis* actual expenditure for 11th five year plan in respect of NALCO is as follows:—

(Rs. in crore)

Name of the Scheme/Project/ Programme	Approved Plan	2007-08 Actual Exp.	2008-09 Actual Exp.	2009-10 Actual Exp. till Dec.'09	Total Plan Exp. till Dec.'09	Utilization % till Dec.'09
A M R	706.08	118.90	126.17	122	368	52%
II-Phase Expansion	4,345	1,247.56	1,254.43	284	2,786	64%
Utkal-E Coal	298	2.01	0.80	53	55	19%
Green Field Smelter	1,010	—	3.30	1	4	0%
Pottangi Bauxite Mine	256	—	—	—		0%
Upgradation of Alumina Refinery	312	—	3.14	7	10	3%
III-Phase Expansion		—	3.44	2	5	—
<b>Total</b>	<b>6,927.08</b>	<b>1,368.47</b>	<b>1,391.28</b>	<b>469</b>	<b>3,228.75</b>	<b>47%</b>

From the facts presented above, it may please be seen that the overall plan expenditure till December, 2009, that is almost mid of the XIth plan period, the utilization is 47% of the approved plan outlay. Any temporary shortfall during a particular year is mainly due to postponing of a project activity. It is expected that the balance will be achieved during the plan period. The Greenfield projects were scheduled to take off in later half of the plan period only where the expenditure is relatively low till date. The Company has taken appropriate action in this regard to expedite the projects like setting up project offices in Hyderabad for Andhra Bauxite Mine and in Jakarta for Indonesia smelter projects, respectively.

Progress on Pottangi mining was delayed on account of non-receipt of mining lease from the Government of Orissa, which is still awaited.

The Utkal-E coal block project was delayed on account of delay in receipt of several statutory clearances, land acquisition, etc. from the State Government of Orissa.

### Remedial measures

1. Company has identified several new areas where the Greenfield projects are being planned. The plan in Indonesia

is in advance stage. On the domestic front, the Company was allotted the mining lease in Andhra Pradesh for mining and refining of bauxite.

2. Since any project activity on the Pottangi bauxite mine could start only after the clearance of the State Government allotment of the mining lease at Pottangi is being vigorously pursued with the State Government.
3. As regards Utkal-E project, major activity such as land acquisition, construction of R&R colony is underway. Recently the Company has deposited the money payable towards land acquisition with the State Government. The same is being vigorously pursued with State authorities.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

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

(Please see Para No. 7 of Chapter-1 of the Report)

#### **Recommendation (Serial No. 4)**

The Committee observed that anticipated expenditure during the year 2009-10 in respect of some of the schemes of Indian Bureau of Mines *viz.* Inspection of Mines for Scientific and Systematic Mining, Mineral Conservation and Mines Environment, Mineral Beneficiation studies – utilization of low grade and sub-grade ores and analysis of environmental samples and Collection, Processing, Dissemination of data on Mines and Minerals through various publications is not keeping pace with the expenditure of previous two years. Indian Bureau of Mines has embarked upon an ambitious new project *viz.* Computerized Online Register of Mining Tenements System which would create a single window information sources on mineral resources in the country to make the information available to all concerned. The project which was to be taken up in the very first year of the XI Plan and completed under a time bound programme could not be initiated even in first two years of Plan. The Committee deprecate the fact that no expenditure was incurred in respect of this project during the first two years of the XI Plan. This is nothing but regrettable. The Committee, therefore, desired that this project may be accorded top priority and proactive steps taken to ensure its expeditious completion.

## Action Taken

The Plan expenditure under four schemes during 2007-08, 2008-09 and 2009-10 (upto December, 2009) is as indicated in the following table:—

(Rs. in crores)

Name of the Scheme/Project	Annual Plan			Remark
	2007-08 Actual Exp.	2008-09 Actual Exp.	Antici- pated Exp. 2009-10 (Exp. Upto Dec.'09)	% of Exp.
Inspection of Mines for Scientific and Systematic mining, Mineral Conservation and Mines Environment	7.26	8.59	9.52 (6.57)	69
Mineral beneficiation studies—utilization of low grade and sub grade ores and analysis of environmental samples	4.68	5.97	6.54 (5.11)	78
Technological upgradation and modernization	2.90	4.42	6.28 (4.00)	64
Collection, processing, dissemination of data on mines and minerals through various publications	1.29	1.80	2.44 (1.65)	68
<b>Total</b>	<b>16.13</b>	<b>20.78</b>	<b>24.78 (17.33)</b>	

It will be seen from the above against the approved plan outlay of Rs. 17.00 crore and Rs. 19.00 crore for the years 2007-08 and 2008-09, the expenditure was of the order of Rs. 16.13 crore and Rs. 20.78 crore resulting in final utilization of 94.9% and 109.4% respectively in respect of these schemes. Similarly, the expenditure upto December, 2009 in respect of these schemes for 2009-10 was Rs. 17.33 crore against the outlay of Rs. 19.00 crore for 2009-10, resulting in final utilization of 91.2%. With the re-appropriation of Rs. 8.14 crore under Plan for 2009-10, the approved outlay works out to Rs. 27.14 crore against which the estimated expenditure is of the same order.

The project on Computerized Online Register of Mining Tenement System was conceptualized with external aid from France. However, due to change in policy of Government not to accept any tied-aid or loan with binding conditions from G-8 countries (including France), the project had

to be recast for meeting the entire expenditure from within the domestic budget. Discussions were held with Department of Space, Ministry of Science and Technology, Survey of India etc. to conceptualize approach to the project.

Subsequently, ISRO was contacted who had stated that they had already done Carto-Sat imageries for the entire country. They have been asked to digitize mineral lease maps for Durg district in Chhattisgarh and Bellary district in Karnataka and geo-reference the same in the first phase. An amount of Rs. 30.00 lakh has also been sanctioned for payment to ISRO for the work. Representatives from GSI, NIC etc. have also been associated with the project. The project with spatial data and mineral registry would be demonstrated as a pilot project. Thereafter, it will be replicated in one district each in AP, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu as also in the two districts of Goa.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

### **Comments of the Committee**

(Please *see* Para No. 10 of Chapter-1 of the Report)

### **Recommendation (Serial No. 5)**

The Committee note that the modernisation of GSI was the main thrust area of 10th Five Year Plan. The Committee are, however, distressed to note that Research Vessel and Heliborne Survey System could not be purchased during 10th Plan as a result of which the modernisation programme of GSI has suffered a serious set-back. The Committee in 24th Report had also expressed their dissatisfaction over the performance of GSI during the 10th Plan. The Committee in their 32nd Report had urged upon the Ministry to facilitate GSI for procurement of Research Vessel and Heliborne Survey System without any further delay. Although, a helicopter for the Heliborne Survey System has been purchased, the sensors are yet to be installed in order to make system functional. The Committee desire that installation of the sensors may be made functional on priority basis. The Committee find it intriguing that the proposal of GSI for procurement of other equipments such as Blue Water Research Vessel, Geotechnical Vessel with shallow water drilling capability, Fixed Wing Aircraft or Geophysical Surveys and Coastal Geotechnical Vessel is still in the nascent stage even in the midst of 11th Five Year Plan. The

Committee are inclined to conclude that advance planning and proper execution for this programme has not been given the attention that it deserved. The Committee strongly recommend that the Ministry needs to swing into action and to facilitate GSI in procurement of these equipments without any further delay.

### **Action Taken**

The Ministry is fully aware of the difficulties and problems facing by GSI in carrying out its mandate. Under direction from the Union Cabinet, a High Powered Committee on GSI was constituted on 7.1.2008 to restructure and revamp GSI. The Report of the Committee dated 31.3.2009 has been accepted by the Government and is in the process of implementation. As a result:—

- (i) GSI has been restructured in Mission mode.
- (ii) GSI's strength is being re-determined in-line with requirements and recruitments have been stepped up.
- (iii) Management systems are in the process of being improved. More financial and administrative powers have been delegated and the ability of GSI to handle financial and administrative issues is being improved.
- (iv) Monitoring by the Ministry has become more structured and purposeful.

As a result, the procurement action for heliborne sensors which was restarted on 10.09.2008 and the P.O. was finally placed on 9.03.2009 and LC for Gravimeter sensor was opened on 23.03.2009. The procurement action for rest of the sensors are being continued and are likely to be delivered in May 10. Similarly Ministry is facilitating GSI in finalising procurement of the two marine vessels.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

### **Recommendation (Serial No. 6)**

The Committee note that a High Powered Committee under the Chairmanship of Additional Secretary, Ministry of Mines was set up to thoroughly review the functioning of Geological Survey of India, has since submitted its Report and the same has been accepted in principle by the Ministry. The Committee desire that implementations of the major recommendations of the High Powered Committee particularly those relating to modernisation of GSI should be accorded top priority and precise action taken in this regard be intimated to them.

## Action Taken

The High Powered Committee on GSI had submitted its report on 31.3.2009. The implementation of recommendations were recorded top priority. Major recommendations have been implemented. The status of implementation of major recommendations is as follows:—

- Vision and Charter – Gazette notification issued on 25.5.2009
- GSI has been declared as an ‘Attached Office’ in the Ministry of Mines.
- CGPB has been revamped and 12 Sub-Committees constituted.
- Dissemination of Geoscientific information gathered by GSI for use by public at large for free of cost. Digitizing and uploading the information have been approved. Enterprising GSI Portal is being upgraded to make it world class.
- GSI has switched over to Mission mode functioning with effect from the Field Season 2009-10.
- Mechanical Engineering and Drilling streams merged into Engineering Stream Engineering and Transport workshops wound up. Workshop personnel deployed under Drilling units.
- Merger of Geophysics (Instrumentation) and Mineral Physics (Exploration) has been approved.
- Geology stream is now a Organized Service. Recruitment Rules of Geology Stream have been approved by DOPT and RRS and other S&T stream *viz.* Chemistry, Geophysics and Engineering as Organized Service are under consultation with DOPT.
- As a first step towards adopting the Search-cum-Selection Committee procedure, Recruitment Rules for the post of DG, GSI have been amended to fill up the post by Direct Recruitment also have been notified and DR proposal is pending with UPSC.
- Free training to State Govts. in GSI’s Training Institute has been commenced. Training Policy Coordinating Committee (TPCC) has been constituted under the chairmanship of Secretary (Mines).

- Draft Cabinet Note for restructuring of GSI has been circulated on 10.12.2009 to various Ministries. It is under finalization.
- GSI Transfer Policy has been circulated.
- Quality Management Cell has been created in GS on 1.02.2010 outside geoscience experts have been included in Quality Management Group.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

### **Recommendation (Serial No. 7)**

The Committee have been informed that shortage of staff in GSI is the major obstacle which has affected its working. According to the Ministry there is a shortage of about 1500 Scientific and Technical personnel and various S&T vacant posts are likely to be filled up over a period of 5 years. The Committee recommend that immediate steps should be taken by the Ministry of Mines to fill up the vacancies without compromising the quality as needed within a period of 3 years. The Committee are shocked with the performance of GSI. They are astonished to find that one of the reasons for poor performance of GSI is stated to be delay in procurement of equipments. The Committee recommend that the Ministry of Mines/GSI need to take effective and expeditious steps for procurement of equipments.

### **Action Taken**

Shortage of manpower in GSI is one of the major obstacles which effect the plan activities of GSI. This shortage of about 1500 Scientific and Technical personnel vacant posts were planned to be filled over a period of 5 years. Now as per the recommendation of the Standing Committee on Coal and Steel, an immediate step would be taken to stepped up recruitment without compromising quality. Other steps to fill up various posts in GSI include main delegation to hold DPCs, reframing of Recruitment Rules to remove bottlenecks and reducing time-frame for rejected candidates to join GSI. As regards procurement of equipment as stated above vigorous monitoring done both by GSI and Ministry has been done.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

### **Recommendation (Serial No. 8)**

NALCO is stated to be facing constraints in implementation of 2nd phase of expansion due to late appointment of the technical supplier for



supply of basic engineering, package for improvement in Alumina Refinery and Smelter, poor performance of working agencies, late delivery of equipments and naxalite menace. The Committee are of the view that reasons furnished by the Ministry/NALCO for delay in implementation of 2nd phase expansion are not unforeseen and unavoidable. NALCO have failed to take pre-emptive action to remove such constraints which have adversely affected the expansion plan which clearly shows lack of farsightedness on their part. The Committee, therefore, desire that necessary measures atleast now may be taken to remove these bottlenecks.

### **Action Taken**

The delay in obtaining Secretariat for Industrial Assistance approval for process improvement proposal through RIO TINTO ALCAN (RTA) had a cascading effect in the project implementation of the 2nd phase expansion. NALCO had taken advance action of pre-qualification of bidders for appointment of Engineering, Procurement, Construction Management (EPCM) consultant, etc. to arrest delays, which were foreseen by the Company.

Further, poor response from competent bidders/agencies due to the industrial boom in the post liberalization era, late delivery of equipment by the suppliers, though committed, were never envisaged while preparing the project schedule. The Naxal attack in April, 2009 at Damanjodi mines has also affected the project commissioning.

It may be noted that, in spite of above adversities, NALCO has completed all the 240 pots in the smelter plant under 2nd Phase Expansion, on 17.12.2009 and has also commissioned the 9th Unit of captive power plant in August, 2009. The 10th Unit of CPP is scheduled for commissioning during March, 2010.

In case of mines and refinery complex, it may be noted that, the overall progress achieved is 94.3% is upto December, 2009 which is lagging mainly due to slow progress of 2 to 3 agencies in the construction activities, which is now likely to be commissioned by January, 2011.

### **Recovery Plan**

- In order to arrest the delays, review by Chairman-cum-Managing Director (CMD) and Director (Project and Technical) with consultants and top executives of the bidders are being conducted on regular basis.
- Director (Project and Technical) had several review with the prime consultant M/s. Engineers India Ltd. (EIL), with vendors

top executive both at site and head office level in order to arrest further delay.

- CMD and Director (Project and Technical) has also met CMD, Bharat Heavy Electricals Ltd. (BHEL) to expedite commissioning of steam and power plant and 10th unit of captive power plant. CMD also reviewed the matter with M/s. Braithwaite and Burn Standard for supply of alumina wagons.
- Activities at site has started in night shift with deployment of consultant safety engineer (wherever possible) in order to give boost to the construction. Visit to manufacturer workshop, review and follow up of critical packages are also being undertaken to expedite the project completion.
- NALCO will leave make all out efforts including offloading of works to other agencies where the existing ones are showing no sign of achieving desired progress for early completion of the Refinery Project.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

### **Comments of the Committee**

(Please see Para No. 13 of Chapter-I of the Report)

### **Recommendation (Serial No. 10)**

The Committee note that NALCO have proposed 3rd phase expansion project from the year 2009-10 with a view to make optimum use of resources. However, given the pace of progress of 2nd phase expansion programme, the Committee are doubtful about the success and time bound completion of 3rd phase expansion programme unless the problems/constraints being experienced by NALCO for the ongoing expansion plan are tackled expeditiously in right perspective.

### **Action Taken**

It may be noted that the 2nd Phase Expansion work is nearing completion. NALCO management has taken a due note of concern expressed by Hon'ble Committee and shall strive to plan the future expansion works for completion in scheduled time

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

## **Recommendation (Serial No. 11)**

The Committee have been given to understand that NALCO have earmarked Rs. 63.00 crore for 2009-10 to set up Greenfield projects in India and overseas. The NALCO has been initiating joint ventures projects in countries like Indonesia, Iran, South Africa and Saudi Arabia. The setting up of green field projects by NALCO in India and abroad is stated to be a step in right direction for diversification and profitability. However, according to NALCO delay in development of infrastructure such as port, railways and river navigation and availability of power in the respective countries, its overseas projects have been hampered. The Committee would like the Ministry to take up these issues with concerned authorities and respective countries on behalf of NALCO.

### **Action Taken**

A high-level team led by the then Secretary (Mines) and consisting of the then Joint Secretary (Mines) and Senior Executives of NALCO was deputed to Indonesia during 10th to 16th January, 2008 for signing the MOU for examining feasibility and related site visits for setting up aluminium smelter by NALCO there.

#### **1. Indonesia Project**

In view of non-availability of suitable coal mines and delay in port and rail construction in South Sumatera, alternative location in East Kalimantan was explored for setting up smelter and power plant. The proposed JV partner has informed that it has already got license for building port and railway line in East Kalimantan for export of coal from its coal mines. The port and railway line work is likely to start by 4th quarter of 2009-10 and it will take about 3 years to complete. Feasibility report has been prepared for the alternate location. Project Office is being set up in Jakarta to pursue the project. The approval from Government of Indonesia for new location has since been obtained.

#### **2. Iran Project**

Expressions of interest have been invited from prospective lenders for project finance to assess the possibilities. Only one proposal has been received so far. Further action on JV agreement would be taken after obtaining preliminary indication from the lenders regarding funding for the project.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

## **Recommendation (Serial No. 12)**

The Mineral Exploration Corporation Ltd. (MECL) is the sole agency for exploration promoted work for coal, lignite and metallic/non-metallic minerals on behalf and funded by Government of India and also undertake contractual work on behalf of other agencies including Public Sector, Private Sector and State Governments. According to the Ministry, inordinate delay in obtaining forest clearances in respect of project *viz.*, Jiajuri, Ghatkuri East, Timaran Mata, Maruda, Dholamala etc. has not only been affecting physical and financial performance of MECL but also depriving it from becoming self sustaining company. In case of some projects, insurgency and other law and order problems are affecting the performance of the company. Forest clearances in respect of above mentioned projects are still pending despite the recommendations of the Committee in their earlier Reports that the Ministry of Mines should expedite obtaining of forest clearance. Obviously the Ministry has not given due consideration to their earlier recommendations. The Committee, therefore, reiterate that Ministry of Mines should take up the matter with respective State Governments and Ministry of Environment and Forests for the expeditious grant of forest clearances for the above mentioned projects to ensure their timely completion. As regards law and order problem, the Committee urge upon the Ministry of Mines/MECL to approach the concerned State police authorities to ensure safe working environment. The Committee would like to be informed of the action taken in the matter.

### **Action Taken**

Forest clearance in respect of Jiajuri block was received from Principal Chief Conservator of Forest, Guwahati, Assam during Feb., 2009 and exploration work has also been completed in November, 2009. The Ministry has taken up the matter for necessary forest clearances in respect of the Dholamala (Copper) project in Jhununu, Rajasthan, Maruda (Gold) project in Mallapuram, Kerala, Bhukia (East)(Gold) project in Banswara, Rajasthan, Timranmata (East) (Gold) project in Banswara, Rajasthan, Ghatkuri (East) (Iron) project in Singhbhum, Jharkhand , dolomite project in Rupa, West Kameng distt., Arunachal Pradesh with the officials of concerned Forest Deptt. MECL is also vigorously pursuing the proposals and every effort will be done to get these forest clearances at the earliest. No project in respect of MECL is pending due to insurgency and other law and order problems.

[Ministry of Mines, O.M. No. 5(6)/2009-IF, dated 23.03.2010]

### **Recommendation (Serial No. 13)**

The Committee note that Hindustan Copper Limited (HCL) was able to post a profit of Rs. 246.46 crore in the year 2007-08 as a result of various proactive steps taken earlier to improve the performance. However, the financial performance of the company during 2008-09 has been miserable. The reasons adduced by the Ministry for such poor show are stated to be fall in LME price and reduction in metal in concentrate output due to low grade of Malanjkhand Copper Project. Consequently, operation in some of the mines had to be closed. The company is reported to have taken various measures including appointment of oversea mining consultant for advising to increase the production from the existing mines as well as for opening of new mines. The Committee however, feel such steps if taken earlier would not have affected the performance of the Company in the year 2008-09 so badly. Incidentally HCL faired very poorly in the year 2008 when it was conferred Mini Ratna Category-I status. The Committee hope that with the fresh measures now being taken by HCL, the performance of the company will improve.

#### **Action Taken**

During 2008-09 the physical performance of the company declined mainly on account of low ore production and low ore grade obtained at Malanjkhand Copper Project (MCP). Although the overall excavation achieved was above target, the ore production suffered due to high stripping ratio of ore to waste. During 2008-09 the stripping ratio was 1:5 as against 1:3 in 2007-08 due to non-occurrence of the ore in the production face. The grade of ore declined to 0.89% as against target of 1.09% at MCP. The performance was further impacted adversely due to acute water shortage at MCP. However, operation in none of the mines were closed during 2007-08 and 2008-09.

In addition to the physical performance as explained above, financial performance of the company was mainly affected due to drastic fall of LME copper price due to global meltdown in Oct. 09. The average LME price during 2008-09 was US\$ 5864/t against the average LME price of US\$ 7584/t during the year 2007-08.

Performance of the company, particularly the mining production, will increase with the fresh measures being taken by HCL.

- Long term mine development contract of 42.1 KM (spread over five year period) has been awarded for Khetri and Kolihan mines. The contractors have already mobilized at site and started work.

- For Malanjkhand Copper Project (MCP) all excavation contracts are under execution for producing two million tonnes ore per annum for the next four years.
- Order for mine development/mine preparation work for Banwas deposit has been released on 01.02.2010. After the mobilization period, the contractor is expected to start work at site from August, 2010. The mine will produce 6 lakh tonnes ore per annum after four years.
- Tender Notice for mining balance ore from Chandmari mine at Khetri was issued with due date of opening on 3.03.2010.

[Ministry of Mines, O.M. No. 5(6)/2009-IF, dated 23.03.2010]

### **Recommendation (Serial No. 14, Para No. 4.37)**

The Committee hardly need to emphasise that availability of sufficient raw material is imperative for HCL for its sustenance and would therefore desire the Ministry to facilitate the early allotment of fresh mining leases to HCL pending with State Governments by removing all the procedural bottlenecks. The Committee would also like the Ministry/HCL to prepare an action plan to reopen the closed mines.

### **Action Taken**

Company has applied for lease of fresh mines across the country and reopening of closed mines at Ghatsila and acquisition of new deposit in the country.

The details of HCL's proposal for grant of lease/permit are as under:—

### **Proposals pending with the State Governments for grant of leases/permits**

Sl. No.	State	Area	Date of application submitted to State Deptt. for RP, PL, and ML		Application submitted to
			(4)	(5)	
(1)	(2)	(3)	(4)	(5)	(6)
1.	<b>RAJASTHAN</b>	36.116	PL	8.8.06	Mining Officer, Department of Mines and Geology, Government of Rajasthan, Sikar
	Baniwali Ki Dhani (*) Baniwali Ki Dhani (**)	sq km. 865.96 Hec.	PL	2.6.08	

(1)	(2)	(3)	(4)	(5)	(6)
2.	Dhani Basri (***)	156.92 Hec.	PL	2.6.08	Mining Officer, Deptt. of Mines and Geology, Government of Rajasthan, Jaipur
1.	<b>MADHYA PRADESH</b> Shitalpani (#)	700 Hec.	PL	10.4.02	Mining Officer, Collectorate, Government of MP, Balaghat
2.	Jatta (#)	2500 Hec.	PL	19.6.07	- do -
3.	Reconnaissance Permit (##) (dist. of Balaghat, MP)	1464 Sq. Km.	RP	16.5.08	The Secretary, Govt. of MP, Mineral Resources Deptt. Bhopal
1.	<b>JHARKHAND</b> Dhobani Pathargora Block	734.134 Hec.	ML	18.6.09	District Mining Officer, Deptt. of Mines and Geology, Government of Jharkhand, Jamshedpur

(\*) It is understood from DMG, Udaipur that the PL applications of Baniwali-ki-Dhani made by HCL with some reduction in the applied area, as it overlaps with some other leases, have been recommended. The file will soon be sent to the State Govt. for final processing.

(\*\*) Hearing was held at Udaipur on 25/2/2010 wherein all the applicants presented their point of view. It is understood that several applicants for minor minerals have brought Court stay order and the matter is under litigation. Further course of action is thus stayed for the present.

(\*\*\*) This area falls within the RP granted to M/s. Geomysore in 2008 for a period of three years. As such, no applications will now be considered until the area is vacated by M/s. Geomysore.

(#) Both the applications are pending with Mineral Resource Deptt. (MRD) Govt. of MP, as the NOC is yet to be issued by MRD. All records are in readiness for inspection by the Mining Officer for issue of the NOC. Presently, the mining officer is at site for inspection of the documents. The Mining Officer has issued a letter for dues amounting Rs. 55.30 crore under Gramin Sarak (road) Vikas Adhinium. Reply has been posted that special leave petition has been filed at the Hon'ble Supreme Court in 2006 against this, the judgment against which is awaited.

(##) Application of M/s. Metal Mining India Pvt. Ltd. has been forwarded to Government of India by State Government Applications of HCL and M/s. Tata Steel Pvt. Ltd. are pending with the State Govt. for consideration.

## **Action Plan for reopening the closed mines**

Surda mine was re-opened in November, 2007 and is presently producing 4.00 Lakh tonne per year. Development and construction of Surda Phase-II for augmentation of ore production will be included in the scope of work of the contract for re-opening Rakha and Kendadih mines. After completion of Phase-II, Surda will produce @ 9.0 Lakh tonne per year from the year 2014-15.

Action for reopening of closed mines of Rakha and Kendadih at ICC has been initiated. An EoI will be issued on 03.03.2010 for Pre-Application Conference for reopening of closed underground Kendadih and Rakha mines and opening of new mine at Chapri-Sideshwar. Pre-Application Conference will be held on 24.03.2010 at HCL's Corporate office at Kolkata.

During Pre-Application Conference, there will be an interaction with prospective bidders, having adequate experience of planning, designing and execution in underground base metal mining operation like shaft sinking, portal construction along decline developments, mine development, construction of ore handling system in under-ground, stopping etc. including erection and operation of ore beneficiation plant.

After dewatering and re-equipping, Rakha and Kendadih mine will produce 20,000 tonne and 40,000 tonne respectively per year from 2012-13. Optimum ore production will be achieved at Rakha in the year 2015-16 @ 10.00 Lakh tonne per year and at Kendadih in the year 2016-17 @ 2.62 Lakh tonne per year.

[Ministry of Mines, O.M. No. 5(6)/2009-IF, dated 23.03.2010]

### **Recommendation (Serial No. 15, Para No. 4.38)**

Though a provision of Rs. 40 crore has been made for replacement and renewal of existing plant and machinery for maximum utilization and for planning enhanced production in future, the requirement of HCL for R&R funds for the year 2009-10 is reported to be much higher than the present allocation. The Committee, desire that Ministry should consider the request for additional funds at RE stage based on sufficient justification given by HCL.

### **Action Taken**

HCL had a budget of Rs. 78 crore for Replacement and Renewal (R&R) during 2007-08. Though the entire amount was committed during



2007-08, actual expenditure was Rs. 37.22 crore due to long delivery of equipment etc. Though there was a budget provision of Rs. 40 crore for 2009-10 for Replacement and Renewal activities at BE stage but it was revised to Rs. 80.78 crore at RE stage to take care of the amount unspent during 2007-08.

[Ministry of Mines, O.M. No. 5(6)/2009-IF, dated 23.03.2010]

### **Recommendation (Serial No. 16)**

The Committee are shocked to find that rampant illegal mining is taking place in various States. The Central Government is helpless to prevent such illegal mining in view of the constitutional provision that law and order is a State subject. The Committee hardly need to emphasise that illegal mining has become curse of our country. They recommend that all the State Governments should be impressed upon to take effective steps for preventing such illegal mining and if necessary by creating a Special Task Force. The Committee further recommend that in the proposed comprehensive legislation presently under the consideration of Central Government, adequate measures should be provided to plug all the loopholes for curbing the illegal mining. The Committee also recommend that a Quasi Judicial Body should be created which would be empowered to adjudicate any complaint in respect of illegal mining and pass necessary direction to Central and State Governments for preventing such illegal mining. The Committee, however, feel that State Governments should be consulted and their views given due consideration before finalizing the proposed Act.

### **Action Taken**

Illegal mining is a bane to the entire mining sector as it not only leads to loss of revenue but also encourages unscientific mining practices, and there is a need to curb this menace. In the recent past increasing incidents of illegal mining have come to the knowledge of the Central Government through various reports, including media. Even though minerals are the property of the State Government and the entire royalty accrues to the State Governments, due to the fact that illegal mining has ramifications for the ecology, internal security and for the proper management of the sector, the Central Government is deeply concerned by the rising incidence of illegal mining.

### **Steps taken by the Central Government to curb illegal mining**

In the First phase (1999), the Central Government amended the Mines and Minerals (Development and Regulation) Act, 1957, to empower

the State Governments to take action against illegal mining by giving them powers to enter and inspect any mine, penalize transportation and storage of illegal mined minerals, confiscate illegally mined minerals, tools, equipment and vehicles, and frame separate Rules under the Mines and Minerals (Development and Regulation) Act, 1957 for curbing illegal mining. The results were not encouraging as many States did not actively use their powers.

In the Second Phase (since 2005 onwards), The Central Government adopted a three-pronged strategy, whereby the State Governments were required to set up Task Forces at District and State level for illegal mining, immediately frame separate Rules under the Mines and Minerals (Development and Regulation) Act, 1957 and put them in operation, and furnish quarterly reports on cases of illegal mining detected by the State Governments, and action taken in the matter. As a result of this action a total of 157057 cases of illegal mining were detected, 117 lakh tonnes of mineral seized, 90431 vehicles seized, 3791 FIRs registered, 22980 court cases filed, and Rs. 325 crore realized as fine by State Governments.

In the Third Phase (September 2009 onwards), in order to evolve a holistic plan using modern technology to curb illegal mining, all the State Governments have been requested to prepare an Action Plan on the following points:—

- Use of Satellite Imagery sourced from State Remote Sensing Organisations to curb illegal mining,
- Developing reliable mechanism in the State Government for collecting and monitoring of data regarding prices of various minerals, wherein the price trend could indicate possible chances of illegal mining in certain minerals,
- Developing a mechanism for integrated monitoring of information on movement of trucks/vehicles from mining areas to ports/markets/manufacturing units which use mineral ores, and correlating the same with the production data capture any spurt in mining activity,
- Maintaining and collecting information from ports, custom authorities, Ministry of Commerce on export of ores out of the country;
- Bar-coding, use of Holograms for transport permits, royalty paid permits etc., as a means of tracing unauthorized transport or sale of ores;

- Compulsory registration of all the end-users and issue of directives to the end-user industries to mandatorily check payment of royalty before purchase of ores for various manufacturing processes, with penalties for violations
- Development of reporting mechanism for the traders of mineral ores and end-use industries to report receipt of ore for which royalty payments have not been made;
- Constituting and empowering Joint teams of officials from various Departments of the State Government including, Police, Forest, Revenue department to conduct checks and file cases,
- Coordinating and concentrating efforts of both State Government and Indian Bureau of Mines through combined inspection in specific areas in which illegal mining is suspected and to ensure safety and effective cessation of illegal mining.
- Creation of a Special Cell in Police force to tackle illegal mining.

### **Co-ordination-cum-Empowered Committee**

In this context, a High Level Committee set up under Shri Anwarul Hoda, Member Planning Commission, in its Report of 2006, recommended that illegal mining can be checked by improved standards of governance and better management of the concession system, particularly timely and efficient processing of grant and renewals, and quick decisions on statutory clearances and approvals. Accordingly, the Central Government has set up a Co-ordination-cum-Empowered Committee in the Centre to monitor clearances at Central Government level. Similarly, the State Governments have also been requested to set up Co-ordination-cum-Empowered Committees at State level to ensure elimination of delays in grant of mineral concessions.

### **Model State Mineral Policy**

The Central Government has also prepared a draft Model State Mineral Policy inline with the National Mineral Policy, 2008, and circulated to all the State Governments to prepare their own State Policies. The draft Model State Mineral Policy identifies the negative impact of illegal mining and the causes, which include lax regulation and corruption, delays and

complex procedures in getting legal concessions, including forest clearance, keeping known deposits without notifying to invite applications, refusal to grant renewal for a mine that is not exhausted, arbitrary reduction in lease area, particularly during renewal, and non-obtaining of surface rights in the case of large areas, particularly with PSUs. The draft Policy enunciates policy measures for improving the regulatory supervision of areas of potential mineralization involving the local population in the process, sharing of auction proceeds and royalties of local mining activities with the local bodies to create a stake and improve compliance, fast track clearances through the State Empowered Committees, introduce modern technology tools in management of transport permits, use of satellite data, regular inspections and stringent punishments.

### **Action taken by Task Force set up in the Indian Bureau of Mines**

Eight Task Force teams were set up in the Indian Bureau of Mines to identify endemic areas and conduct inspections of mines in such areas with a view to check illegal mining. Officers of concerned State Governments were also involved in the inspections. The Indian Bureau of Mines conducted inspections in 106 mines between 7.12.2009 till 17.12.2009, and recommended suspension of operations in 60 mines as follows:—

<b>State</b>	<b>Mineral</b>	<b>Mines</b>
Karnataka	Iron ore	12
Andhra Pradesh	Iron ore	7
	Iron and Laterite	2
	Steatite and Iron ore	1
	Dolomite	1
Orissa	Iron and manganese	3
	Iron ore	4
	Manganese	1
Jharkhand	Iron ore	4
	Iron ore and manganese	1
Gujarat	Limestone	12
	Bauxite	12

Subsequently Indian Bureau of Mines has revoked suspension orders in respect of two mines in Orissa after ensuring rectifications of the violations for which suspension were ordered.

### **New Draft Mines and Minerals (Development and Regulation) Act**

Based on the wide consultations with stakeholders, State Governments, Industry, concerned Ministries and Departments and concerned members of public, the Ministry has undertaken a process to repeal the existing Act and introduce a new Mines and Minerals (Development and Regulation) Act. In this context, the Ministry has held 8 rounds of consultations with the various stakeholders, including those held with the State Governments on 11th August 2009, 9th and 10th October 2009, and latest consultation held on 20th January 2010. The draft Act proposes to set up Special Courts for illegal mining, apart from introducing stringent punitive action for illegal mining. Broad features of the proposed draft Act are at **Annexure-I**.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

#### **Recommendation (Serial No. 17)**

The Committee also find that relief and rehabilitation of people of mining areas and development of mining region are the major areas where the concerned agencies have been found wanting. The Committee have been given to understand that that naxalites are wreaking havoc in the mine bearing areas particularly in the states of Orissa, Jharkhand and West Bengal. The Committee are of the opinion that the main reasons for growth of naxalite movement in mine bearing areas is the lack of developmental work and failure of the concerned agencies to pay required attention towards welfare oriented schemes such as education, health care, infrastructure etc. The Committee, therefore, recommend that provisions relating to welfare measures of the Project Affected Persons, their relief and rehabilitation and all round development of the mining regions may be suitably incorporated in the proposed legislation.

### **Action Taken**

The recommendations of the Committee have been given included suitably in the proposed draft Act under consideration of the Government [features of the draft Mines and Minerals (Development and Regulation) Act are given in *Annexure-I*.]

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

### **CHAPTER III**

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

- NIL -

## **CHAPTER IV**

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

#### **Recommendation (Serial No. 9)**

The Committee note that NALCO has been facing problems of land acquisition and various clearances from different authorities for developing of Pottangi bauxite mine and Utkal coal Block even after lapse of 5 years of allotment. The Committee in their 24th Report had urged upon the Ministry of Mines for speedy disposal of such clearance. The Committee are constrained to observe that no significant progress has been made in this regard. Early development of above projects is significant in view of the ongoing expansion plan of the company. The Ministry of Mines, should therefore, take up this matter at highest level with the Government of Orissa so as to ensure the timely completion of the projects. The Committee, also desire that in order to solve issues related to land acquisition, NALCO should come up with attractive compensation packages and proper implementation of R&R policy so that grievances of project affected persons are addressed.

#### **Action Taken**

##### **Pottangi Mines**

The State Government of Orissa 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.



After signing of MOU between NALCO and Orissa Industrial Infrastructure Development Corporation (IDCO) (a State Government undertaking) for setting up of an aluminium park at Angul on 19.09.2009, in the presence of Chief Minister of Orissa, a change in attitude of State authorities towards NALCO has been observed. On 2.3.10 this Ministry was informed orally by Government of Odisha that they have decided to grant mining lease of Pottangi to NALCO. However, formal letters are yet to come.

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

- Mining lease application of Utkal-E is shortly being forwarded to Dept. of Coal, Government of India, by Government of Orissa for final approval. Mining plan has already been approved.
- Ministry of Environment and Forests(MoEF) had accorded the environmental clearance for Utkal-E coal mine project *vide* their letter dated 10.12.2009.
- DFO, Angul has forwarded forest de-reservation proposal to Regional Chief Conservator of Forest, Angul and the same is under scrutiny.
- **Private Land Acquisition:**

On 30.12.2009, an amount of Rs. 50.71 crore has been deposited to IDCO for acquisition of 402.54 acres of private land covering 4 villages *i.e.* Nandichhod, Gopinathpur, Kundajhari and Kosala.

### **Government Land Acquisition**

M/s. IDCO is yet to transfer the lease in favour of NALCO although the lease deed has been executed and registration has already been completed between IDCO and Government of Orissa for 43.84 Ha. of Government Land.

M/s. IDCO forwarded the document for 98.85 Ha. of land to Tahsildar, Chhendipada on 16.01.2009 for further scrutiny.

### **R&R Issues of Utkal-E Coal Mine Project:**

The R&R policy for Utkal-E coal mine project of NALCO has been planned as per the guidelines provided in the National R&R Policy, 2007, Orissa State R&R Policy, 2006 and instruction of Rehabilitation and

Periphery Development Advisory Committee (RPDAC) Sub-Committee.  
The salient features are as follows:—

- Construction of R&R colony along with all necessary amenities like road, school, temple, dispensary, tubewells, community centre and market place etc. The houses to be provided for each land displaced people shall be of 450 Sq. ft. plinth area and a residential plot of 0.10 acre.
- Each physically and mentally retarded person, divorcee, widow, orphans of landless families shall be given a compensation (one-time) of Rs. 1.66 lakhs.
- Imparting vocational training and ITI training for displaced/affected family members.
- Giving employment to persons from land displaced families (one person per family) both direct and indirect way.
- One time financial assistance in lieu of employment, for mining project @ Rs. 3,00,000/- per family.
- Other benefit and packages for displaced families such as : *ex-gratia* for multiple displaced persons, shifting allowance, maintenance allowance per month for first year, assistance for self-relocation and house building assistance, etc.

[Ministry of Mines O.M. No. 5(6)/2009-IF dated 23.03.2010]

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

(Please see Para No. 16 of Chapter-I of the Report)

**CHAPTER V**

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

– NIL –

NEW DELHI;  
29 October, 2010  
7 Kartika, 1932 (Saka)

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

FEATURES OF THE NEW DRAFT MINES AND MINERALS  
(DEVELOPMENT AND REGULATION) ACT  
(FROM CONTROL TO REGULATION)

**Background**

- Constitution gives States jurisdiction over regulation of mines and minerals (Entry 23, List II of Seventh Schedule).
- However, Parliament may regulate by Law made under Entry 54 List I of Seventh Schedule.
- New draft Act is sequel to:—
  - Hoda Committee Report 2006.
  - Standing Committee on Coal and Mines recommendations.
  - National Mineral Policy, 2008.

**Investor Friendly Act**

- Absolute right for first-in-time. (earlier provisions strengthened)
- Assured right to next stage concession. (earlier provisions strengthened)
- Clear bidding procedures (with numerical weightage for specific criteria such as captive capacity, end use, value addition, etc.). (new provision)
- Full transferability to encourage exploration. (new provision)
- Time limits, with enforcement through Tribunal. (new provision)
- LAPL as new instrument to promote high technology in exploration. (new provision)

- Mining Tenement System and exploration data on Internet.
- Level playing field, reservation only for conservation.

### **Regulation Not Control**

- State Government fully responsible for managing concessions (new provision)
- Central Government to give 'prior approval' only for Coal and Atomic Minerals (new provision)
- IBM to be Technical Regulator for Mining and Closure Plans within Sustainable Development Framework (SDF)
- Independent Tribunals to be Administrative regulators for decisions, prevent delays and ensure level playing field (new provision)
- Power to Central Government to issue directions to State Governments to investigate and prosecute offences (including for illegal mining) and to strengthen administrative machinery (new provision)
- Special Courts to deal with offences (new provision)
- Promote Industry self-regulation (through CSR, etc.)
- Tribunals to guarantee fair play and equity (new provision)
- Setting up of a National Royalty Commission, including State Governments, for revision of rates of royalty and dead rent (new provision)
- Mineral Fund at National level as a proportion of customs or excise duty on minerals to be created for promoting scientific and systematic mining in the country (new provision)

### **Power with responsibility—State Government**

- State Government to grant all concessions and give extensions, within clear, transparent and time-bound framework; no discretion (new provision)
- Grant within well defined parameters based on first-in-time in new non-notified areas, by State Government
- In areas notified by State Government for grant of concession for exploration and mining, through invitation of bids (new provision)

- Mineral Fund at State level for local area development (new provision) to be collected as cess not exceeding 10% of royalty.
- Power to reserve for conservation purposes.
- Powers to regulate minor minerals.

### **Responsible Mining Industries**

- Mining within a Sustainable Development Framework (SDF). *(new provision)*
- (Corporate Social Responsibility) CSR document attached to Mining Plan. *(new provision)*
- Panchayats involved in final land use and Mine Closure Planning. *(new provision)*
- Cluster mining for small miners. *(new provision)*
- Preference to end use, beneficiation, etc. in notified areas.

### **Protection to Existing Units**

- Preference to units likely to exhaust captive capacity of iron ore, bauxite etc. *(new provision)*
- Preference to value adders.
- Preference to Long-term ore-linkage providers. *(new provision)*
- Preference to mineral based industries.

### **Local Area Development**

- Preference to offers creating local infrastructure.
- Mine Closure Plans disclosed and finalized in consultation with Panchayati institution. *(new provision)*
- Mine closure plan to address R&R and final land use in consultation with local community. *(new provision)*
- Mineral Fund for funding of PRIs etc. for local area development including community asset maintenance; training and self employment of host and local population. *(new provision)*

- Right holders for land, usufruct and traditional rights entitled to annual payments. *(new provision)*
- Special provisions for consultation in case of Schedule V and VI areas.
- Government can implement closure plan at cost of lessee, using Mineral Fund.

### **Sustainable Development**

- All activities within Sustainable Development Framework (SDF). *(new provision)*
- Minor minerals included in SDF. *(new provision)*
- Framework to specify consultation, disclosure, benchmarking and enforcement. *(new provision)*
- Panchayats, Gram Sabha, Civil Society, NGOs will be involved. *(new provision)*
- Mineral Fund to provide financial assurance for SDF. *(new provision)*
- Penalties for violation of SDF. *(new provision)*

### **Strong Enforcement**

- Specific measures to prevent, detect and punish illegal mining. (strengthened)
- IBM and State Directorates given extensive powers within regulatory framework. (strengthened)
- Any person 'having interest' can make complaint *(new provision)*
- Special Courts for quick trials. *(new provision)*
- Central Government can issue directions to State Government for canceling concession, or for investigation and prosecution. *(new provision)*

### **Preventing Illegal Mining**

- Cancellation of all concessions for illegal mining. *(new provision)*
- Penalty of imprisonment and fine.

- Debarring for future concessions. *(new provision)*
- IBM and DGMs to be strengthened to prevent, detect and prosecute.
- Mineral Fund to provide for strengthening DGMs. *(new provision)*
- Any person can make complaint. *(new provision)*
- Special Courts to try offences. *(new provision)*

### **Independent Regulation**

- Technical regulator in form of IBM.
- Administrative regulator in form of Tribunal. *(new provision)*
- Central Government's role primarily to facilitate, develop and ensure system development, including IT applications. *(new provision)*



ANNEXURE II

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL (2010-11) HELD ON 29.10.2010  
IN COMMITTEE ROOM NO. G-074,  
PARLIAMENT LIBRARY BUILDING,  
NEW DELHI

The Committee sat from 1400 hrs. to 1500 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Hansraj G. Ahir
3. Shri Sanjay Bhoi
4. Shri Ismail Hussain
5. Shri Narahari Mahato
6. Shri Govind Prasad Mishra
7. Shri Adhi Sankar
8. Shri Pashupathi Nath Singh
9. Sardar Sukhdev Singh Libra
10. Dr. G. Vivekanand

*Rajya Sabha*

11. Ms. Mabel Rebello
12. Shri Dhiraj Prasad Sahu
13. Shri Jai Prakash Narain Singh
14. Shri R.C. Singh

SECRETARIAT

1. Shri Raj Shekhar Sharma — *Director*
2. Smt. Sunita — *Deputy Secretary*
3. Mohd. Aftab Alam — *Under Secretary*

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

3. The Committee then considered and adopted the following Draft Reports subject to some minor modifications:—

- (i) \*\*                      \*\*                      \*\*                      \*\*                      \*\*
- (ii) Action taken report on the observations/recommendations contained in the 2nd Report on Demands for Grants (2009-10) of the Ministry of Mines.
- (iii) \*\*                      \*\*                      \*\*                      \*\*                      \*\*
- (iv) \*\*                      \*\*                      \*\*                      \*\*                      \*\*
4.    \*\*                      \*\*                      \*\*                      \*\*                      \*\*

5. The Committee authorized the Chairman to finalize the Reports after making consequential changes arising out of factual verifications by the concerned Ministries or otherwise and to present these Reports to both the Houses of Parliament.

*The Committee then adjourned.*

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\*\*\* Do not pertain to this Report.

ANNEXURE III

(Vide Para IV of Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE 2ND REPORT OF  
THE STANDING COMMITTEE ON COAL AND STEEL

I.	Total No. of Recommendations made:	17
II.	Recommendations that have been accepted by the Government ( <i>vide</i> recommendation at Sl. Nos. 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16 and 17.	16
	Percentage of total:	94.11
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies:	00
	Percentage of total:	Nil
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee ( <i>vide</i> recommendation at Sl. No. 9).	01
	Percentage of total:	5.88
V.	Recommendations in respect of which final replies of the Government are still awaited:	00
	Percentage of total:	Nil