

THIRTY-FOURTH REPORT  
STANDING COMMITTEE ON  
COAL AND STEEL  
(2012-2013)

(FIFTEENTH LOK SABHA)

MINISTRY OF MINES

DEMANDS FOR GRANTS  
(2013-2014)

*Presented to Lok Sabha on 02.05.2013*  
*Laid in Rajya Sabha on 02.05.2013*



LOK SABHA SECRETARIAT  
NEW DELHI

*May, 2013/Vaisakha, 1935 (Saka)*

CC&S No. 73

*Price : Rs. 87.00*

© 2013 BY LOK SABHA SECRETARIAT

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

## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE .....	(iii)
INTRODUCTION .....	(v)
PART I	
CHAPTER I     Introductory .....	1
CHAPTER II    Analysis of Demands for Grants (2013-14) .....	4
CHAPTER III   Science and Technology (S&T) Programmes .....	10
CHAPTER IV    Outlays for XII Five Year Plan .....	13
CHAPTER V     Geological Survey of India (GSI) .....	15
CHAPTER VI    Indian Bureau of Mines (IBM) .....	24
CHAPTER VII   Investment in Hindustan Copper Ltd. ....	32
CHAPTER VIII  Investment in National Aluminium Company Ltd. (NALCO) .....	37
CHAPTER IX    Investment in Mineral Exploration Corporation Ltd. ....	54
CHAPTER X     Implementation status of the recommendations of the Committee contained in Twenty-fifth Report .....	58
PART II	
Observations/Recommendations of the Standing Committee on Coal and Steel contained in the Report .....	59
ANNEXURES	
I. Statement showing Object Head-wise Budget Estimates .....	68
II. Statement showing Scheme-wise/Organization-wise BE, RE and Actuals of 2010-11, 2011-12 and 2012-13 .....	71
III. Minutes of the Sitting of the Standing Committee on Coal and Steel (2012-13) held on 08.04.2013 .....	76
IV. Minutes of the Sitting of the Standing Committee on Coal and Steel (2012-13) held on 30.04.2013 .....	79
	(i)



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

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

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

\* Nominated w.e.f. 13.12.2012.

*Rajya Sabha*

22. Shri Ali Anwar Ansari
23. Dr. Pradeep Kumar Balmuchu
24. Shri Srinjoy Bose
25. Smt. Smriti Zubin Irani
26. Shri Jugul Kishore
27. Shri Sanjay Raut
28. Shri Dhiraj Prasad Sahu
29. Shri Nand Kumar Sai
30. Shri Dilip Kumar Tirkey
31. Vacant

SECRETARIAT

1. Shri S. Balsekhar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*
4. Smt. Madhu Tandon — *Sr. Committee Assistant*

## INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Thirty-Fourth Report (Fifteenth Lok Sabha) on Demands for Grants (2013-14) relating to the Ministry of Mines.

2. The Demands for Grants of the Ministry of Mines were laid on the Table of the House on 18.03.2013. Under rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Mines on 8th April, 2013.

4. The Report was considered and adopted by the Committee at their sitting held on 30.04.2013.

5. The Committee wish to express their thanks to the officials of the Ministry of Mines for the cooperation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;  
30 April, 2013  
10 Vaisakha, 1935 (Saka)

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





## PART I

### REPORT

#### CHAPTER I

##### INTRODUCTORY

Indian mines and minerals occupy an important part in the economic scenario of India. Post-independence, the mining industry in India has developed manifold and numerous modern techniques and methods are applied for mining. But mining in the country has been carried from ancient times and is almost over 6000 years old. Mining and mineral industries in India includes both metallurgical and mineral mining industries and together they form the backbone of the industrial development of India as they supply the basic raw materials like coal, petrol, mining minerals, steel, copper, aluminium metals and others to the Indian manufacturers.

1.2 India produces 89 minerals out of which 4 are fuel minerals, 11 metallic, 52 non-metallic minerals and 24 minor minerals. In India, 80% of mining is in coal and the balance 20% is in various metals and other raw materials such as gold, copper, iron, lead, bauxite, zinc and uranium. Coal has been a major contributor in providing energy security during the past century. But it is not a renewable resource, as with time the supply of coal will deplete. It is possible that this pattern may change and there could be emphasis on uranium and thorium based power plants during the later part of the 21st century in addition to the emphasis on renewable energy sources.

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

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

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

- (b) Regulation of mines and development of minerals other than Coal, Lignite and Sand for stowing and any other mineral declared as prescribed substances for the purpose of the Atomic Energy Act, 1962 (33 of 1962) under the control of the Union as declared by law, concerning regulation and development of minerals in various States and the matters connected therewith or incidental thereto.
- (c) All other metals and minerals not specifically allotted to any other Ministry/Department, such as Aluminium, Zinc, Copper, Gold, Diamond, Lead and Nickel.
- (d) Planning, development and assistance to all institutions dealt with by the Ministry.
- (e) Administration and Management of Geological Survey of India.
- (f) Administration and Management of Indian Bureau of Mines.
- (g) Metallurgical Grade Silicon.

1.4 The Ministry of Mines have jurisdiction over the following attached/subordinate offices, namely:—

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

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

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

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

- (i) National Institute of Rock Mechanics, (NIRM), Kolar Gold Fields (Karnataka)
- (ii) National Institute of Miners' Health (NIMH), Nagpur

(iii) Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur.

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

1.8 The detailed Demands for Grants of the Ministry of Mines were presented to Lok Sabha on 18.03.2012. In the succeeding chapters, the Committee have analyzed the detailed Demands for Grants of the Ministry of Mines for the year 2013-14, utilization of Plan Outlays of attached/subordinate offices and Public Sector Undertakings under the administrative control of the Ministry during 2012-13, etc.

## CHAPTER II

### ANALYSIS OF DEMANDS FOR GRANTS (2013-14)

The Ministry of Mines have presented the detailed Demands for Grants No. 67 for the year 2013-14 to the Lok Sabha. The Demand includes provision for Plan and Non-Plan expenditure under Revenue and Capital Sections for the Ministry, its attached/subordinate offices and Public Sector Undertakings under its administrative control. The details of Demands under various heads during the last two years and 2013-14 are at **Annexure I**. The Plan and Non-Plan provisions of the Ministry of Mines for the year 2012-13 and 2013-14 are as under:—

Major head	Actuals 2011-12			Budget Estimates 2012-13			Revised Estimates 2012-13			Budget Estimates 2013-14		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Revenue	169.92	434.99	604.91	162.42	466.44	628.86	162.42	499.95	662.37	207.47	537.08	744.55
Capital	198.45	—	198.45	69.58	—	69.58	159.17	—	159.17	246.53	—	246.53
Total	368.37	434.99	803.36	232.00	466.44	698.44	321.59	499.95	821.54	454.00	537.08	991.08

2.2 When asked about the reasons for variations between BE and RE during 2012-13 and BE 2013-14, the Ministry have informed the Committee as follows:—

“The variation between BE & RE during the year 2012-13 under Plan is to the extent of Rs. 89.59 crore and this additionality is for GSI only. The break-up of this amount is Rs. 79.46 crore for part payment of the 4th installment of Ocean Going Research Vessel (OGRV) and remaining Rs. 10.13 crore is for procurement of drilling equipments under the ME head. The enhancement under Non-Plan provision is due to providing salary for GSI and IBM and also for 80% of salary component to autonomous bodies—National Institute of Rock Mechanics (Rs. 4.00 crore), National Institute of Miners’ Health (Rs. 0.20 crore) and Jawaharlal Nehru Aluminium Research Development and Design Centre (Rs. 0.55 crore).

The increase under Non-Plan 2013-14 is normative only. The increase in Plan provision for BE 2013-14 is mainly due to payment of 5th instalment of Rs. 131.00 crore and partial payment of 6th instalment (balance available after deducting Rs. 131 crore from Rs. 213 crore) of OGRV for GSI. IBM is in the process of restructuring and one of its important schemes, Mining Tenement Scheme (MTS) is about to be implemented.”

2.3 The Total Plan Outlay approved by the Planning Commission for the year 2013-14 is Rs. 2919.12 crore comprising IR Rs. 2451.72 crore and EBR of Rs. 0.40 crore and GBS of Rs. 467.00 crore as against the proposal of Rs. 3408.85 crore. Details are as given in the table below:—

			(Rs. in crore)
Sl. No.	Name of PSUs/ Orgns.	Annual Plan 2013 -2014 (Proposed)	Approved by Planning Commission
1.	NALCO	1737.00	1737.00
2.	HCL	688.37	688.37
3.	MECL		
	(a) Promotional	10.00	9.00
	(b) Capital	20.00	20.00
4.	GSI	791.45	392.00
5.	IBM	61.61	49.00
6.	S&T	26.84	10.75
7.	Constructions:		
	GSI	68.58	10.00
	IBM	5.00	3.00
Total		3408.85*	2919.12**

\* Consists of I&EBR of Rs. 2452.12 crore and Rs. 956.73 crore of GBS.

\*\* Consists of I&EBR of Rs. 2452.12 crore and Rs. 467.00 crore of GBS.

#### **Annual Plan 2013-14: Proposed Outlay and Allocation**

							(Rs. in crore)
Annual Plan 2013-14							
	Proposed			Allocation			
	IEBR	G.B.S.	OUTLAY	IEBR	G.B.S.	OUTLAY	
Total	2452.12	956.73	3408.85	2452.12	467.00	2919.12	

- (i) The Ministry had proposed Gross Budgetary Support (GBS) of Rs. 956.73 crore for Annual Plan 2013-14.
- (ii) Planning Commission has indicated GBS of Rs. 467 crore for Annual Plan 2013-14.
- (iii) Member Secretary, Planning Commission has been requested for GBS enhancement of Annual Plan 2013-14 through Supplementary for remaining 50% of 6th Installment of OGRV due in July, 2013.
- (iv) Hon'ble Minister of Mines has requested Deputy Chairman, Planning Commission for GBS enhancement of Annual Plan 2013-14 to the extent of Rs. 655.61 crore as minimum requirement of the Ministry.

2.4 Statement showing Scheme-Wise/Organisation-wise BE, RE & Actuals of 2010-11, 2011-12 and 2012-13 is given at Annexure II.

2.5 As regards the details of the budgetary support and IEBR component at BE, RE stage and actual expenditure during the year 2011-12 and 2012-13 of each PSUs under the administrative control of the Ministry of Mines, the Committee were apprised as under:—

Statement showing the amount earmarked during two previous Annual Plans of Ministry of Mines and the amount spent is given below:—

(Rs. in crore)

Sl. No.	Name of Public Sector Undertakings/ Organizations	Annual Plan 2011-12			Annual Plan 2012-13			Annual Plan 2013-2014
		BE	RE	Actual	BE	RE	Actual Upto. Dec. 12	BE
1	2	3	4	5	6	7	8	9
1.	NALCO	1057.00	1333.00	801.07	2343.00	1010.00	528.70	1737.00
2.	HCL	297.00	212.46	155.74	341.14	292.99	154.11	688.37
3.	MECL:							
	-Promotional	8.00	8.00	8.00	10.00	10.00	5.38	9.00
	-Capital	9.00	9.00	9.00	9.00	12.00	9.47	20.00

1	2	3	4	5	6	7	8	9
4.	GSI	181.00	342.36	339.30	194.00	283.59	214.30	392.00
5.	IBM	22.00	22.00	19.11	24.00	24.00	17.53	49.00
6.	S&T	9.42	9.42	8.07	10.50	10.50	6.46	10.75
7.	Construction	6.00	6.00	N.A.	11.00	11.00	N.A.	13.00
Total		1589.42	1942.24	1340.29	2942.64	1654.08	935.95	2919.12

The Ministry have further apprised as under:—

“There are three PSUs under the administrative control of the Ministry of Mines namely NALCO, HCL and MECL. The budgetary support is only given to MECL to do some promotional work for the Government keeping in view the national interest on exploration of minerals. The other two PSUs do not get any budgetary support. However, the details of the budgetary support and IEBR component at BE,RE stage and actual expenditure during the year 2011-12 and 2012-13 of each PSUs are given below:

Hindustan Copper Ltd. (HCL):

HCL annual plan is being funded with internal resources of the Company and no budgetary support is provided.

(Rs. in crores)

Particular	2011-12			2012-13		
	BE	RE	Actual	BE	RE	Actual (Prov.)
Replacement & Renewals	23.00	23.00	26.13	38.00	38.00	30.00
Mine development	85.00	85.00	95.98	85.00	85.00	118.00
Mine expansion	189.00	32.82	33.63	208.14	159.99	55.00
Green field exploration	Nil	Nil	Nil	10.00	10.00	Nil
Total :	297.00	140.82	155.74	341.14	292.99	203.00

National Aluminium Company Limited (NALCO):

Details of budgetary support and I&EBR Components of NALCO.

(Rs. in crore)

Year	BE		RE		Actual expenditure	
	I&EBR	GBS	I&EBR	GBS	I&EBR	GBS
	Component	Component	Component	Component	Component	Component
2011-12	1,057	Nil	1333	Nil	801	Nil
2012-13 #	2,343	Nil	1010	Nil	618	Nil

# Actual expenditure for 12-13 is upto Feb-13.

Mineral Exploration Corporation Ltd. (MECL):

The details of the budgetary support for promotional exploration on behalf of Ministry of Mines and capital (IEBR) component at BE, RE stage and actual expenditure during the year 2011-12 and 2012-13 is as under:—

Particulars	Outlay		
	Promotional	Capital	
		BS	IEBR
2011-12 Outlay			
BE	8.00	-	9.00
RE	8.00	-	9.00
Actual utilization	8.00	-	9.00
2012-13 Outlay			
BE	10.00	-	9.00
RE	10.00*	-	12.00
Utilization	8.50	-	12.00

\*Revised as Rs. 8.50 crore at FE stage."



2.6 Physical targets and achievement of PSUs for last two Annual Plans are given below:—

	Unit	Physical targets and achievements			
		2010-11		2011-12	
		Target	Actual	Target	Actual
<b>1. NALCO</b>					
Bauxite	MT	49,80,000	48,23,908	60,00,000	5002626
Alumina Hydrate	MT	16,45,000	15,56,000	20,00,000	168700
Power	MU	7,515	6,608	7,160	6200
Metal	MT	4,35,000	4,43,597	4,38,000	413089
<b>2. HCL:</b>					
(i) Ore	Lakh Tonne	34.96	36.03	36.00	34.79
(ii) Metal in concentrate	Tonne	34,470	31,683	35,000	31377
(iii) Copper Cathode	Tonne	17,500	24,001*	29414	28358
<b>3. MECL:</b>					
Drilling	(mtrs)	7,000	4,546	6700	4780

MT - Metric Tonne, MU - Million Units.

\* This also include cathodes produced through job order.

## CHAPTER III

### SCIENCE AND TECHNOLOGY (S&T) PROGRAMMES

The Science and Technology programme of the Ministry of Mines initiated in the year 1978 covers the disciplines of geology, exploration, mining, bioleaching, beneficiation rock mechanics and ground control, non-ferrous metallurgy and environmental issues related to mining and metallurgy. Project proposals are entertained from S&T/R&D institutions for applied research in these areas and project grants are given.

3.2 The Ministry of Mines gives grants-in-aid through S&T programmes to research institutions including the above three autonomous bodies of the Ministry of Mines under Plan. The Plan grants from 2009-10 to 2011-12 has been to the extent of Rs. 3.00 crore annually consistently.

The actual expenditure on S&T Programme during the last three years is as under:—

Years	Budgetary allocation (in Rs.)	Actual Expenditure (in Rs.)
2009-10	300 lakh	162.82 lakh
2010-11	300 lakh	300 lakh
2011-12	300 lakh	267.22 lakh

3.3 With a view to encourage research and development of indigenous technology in the mineral and non-ferrous metal sectors, the BE/RE 2012-13 and BE 2013-14 are as under:—

(Rs. in crores)

Major Head	Budget Estimate 2012-13			Revised Estimates 2012-13			Budget Estimate 2013-14		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
12853	6.50	—	6.50	6.50	—	6.50	6.75	—	6.75

Under the S&T Programme, project proposals relating to R&D activities eligible Institutions are funded. During 2012-13, Project Evaluation and Review Committee (PERC) considered the 11 R&D project proposals and one proposal for additional Grant for an ongoing project. Standing Scientific Advisory Group (SSAG) in its 43rd Meeting approved 8 projects and one project for additional Grant. 1st Instalment of the grant for above projects and subsequent instalments for ongoing projects have been released. A list of projects along with details of released payment is given below:—

**Continuation of on-going project from XI to XII Plan of Science & Technology Programme**

Sl. No.	Name of Project, cost and duration
1	2
On-going projects	
1.	Development of Mathematical model (using fuzzy logic) to Control superheat of Aluminium Electrolysis Bath, JNARDDC, Nagpur. Duration 3 years 14/13/2010-Metal IV
2.	Characterisation of Indian lean grade magnesite ore and improvement of its high temperature refractory properties with or without beneficiation, Central Glass & Ceramic Research Institute, Kolkata. Duration 3 years 14/1/2010-Metal IV
3.	Mineral systematics and pre-concentration of PGE values from low grade chrome ores of Boula mines, orissa, Institute of Minerals and Materials Technology, Bhubaneswar (Revised) Duration 3 years 14/23/2010-Metal IV
4.	A Pilot study on Health Status of Mine workers and nearby population around iron ore mines, National Institute of Miners Health, Nagpur Duration 2 years 14/15/2010-Metal IV
5.	Development of Multilayered materials for melting, liquid metal handling and casting under high pressure and loads, NFTDC, Hyderabad. Duration 3 year. 14/4/2011-Metal IV
6.	Development of state-of art facilities for <i>in situ</i> stress measurement by hydrofracture in porous and fractured rocks, NIRM Karanataka. Cost Rs. 74 lakhs (duration 3 years) 14/7/2009-Metal IV

1	2
7.	Study of toxix fumes and development of carbob nanotubes based sensing device, CIMFR and Amity University. Cost Rs. 47.44 (duration 3 years) 14/6/2009-Metal IV
8.	Production of ferro nickel from chromite overburden (COB) and Nickel laterite ore by thermal plasma process, Institute of Minerals & Materials Technology, CSIR, Bhubaneswar. Cost Rs. 40.05 lakhs (Duration 3 years) 14/28/2008-Metal IV
9.	Systematic study of potential biomarkers of occupational health diseases in miners, NIMH, Nagpur. Cost Rs. 21.33 lakhs (Duration 3 years)
10.	Thermal Plasma dissociation of molybdenite for the production of molybdenum metal, Institute of Minerals & Materials Technology (Formerly RRL) Rs 64.40 lakhs (Duration 3 years) 14/34/2008
11.	Development of water resistant ANFO for Blasting in watery holes,CIMFR, Dhanbad. Cost Rs. 26.28 (Duration 3 years) 14/22/2008-M.IV
12.	Characterization and optimum utilization of Manganese Ore resources of Orissa. Cost Rs. 27 lakh Duration (3 years) 14/12/2007-M.IV
13.	Characterization and dry beneficiation studies to enrich the Nickel content from the waste lateritic Nickel bearing chromite overburden materials of Sukinda, Orissa. Institute of Mineral and Materials Technology (IMMT)Bhubaneswar (formerly RRL). Cost Rs. 6.20 (Duration 2 years) 14/10/2006-M.IV
14.	Feasibility and application of Bio-Fuel as well as low cost diluted ANFO (Ammonium Nitrate fuel oil) for cost effective and safe blasting Practices in Open cast metalliferrous mines in India. Central Institute of Mining & fuel research (CIMFR), Nagpur. Cost Rs. 45 lakhs (Duration 3 year) 14/4/2000-M. IV
15.	Preparation of strontium Hexa Ferrite Powder from celestite ore and blue dust to be implemented by Thaper Institute of Engineering & Technology, Patiala, Punjab cost Rs. 16.88 lakh (Duration 3 years) 14/2/2006-M.IV.

## CHAPTER IV

### OUTLAYS FOR XII FIVE YEAR PLAN

The approved Outlay of Ministry of Mines for Twelfth Five Year Plan (2012 – 2017) is Rs. 20553.48 crore. This comprises Rs. 15956.27 crore of Internal Resources (IR), Rs. 2265.21 crore of Extra Budgetary Resources (EBR) and Rs. 2332.00 crores of Gross Budgetary Support (GBS). The Organisation-wise proposed Twelfth Plan Outlay is as under:—

(Rs. in crore)

Sl. No.	Organisation	Outlay	IR	EBR	GBS
1.	NALCO	14233.00	12233.00	2000.00	0.00
2.	HCL	3902.18	3642.32	259.86	0.00
3.	MECL				
	-Promotional	50.00	0.00	0.00	50.00
	-Capital	49.00	49.00	0.00	0.00
4.	GSI	1876.42	0.00	0.00	1876.42
5.	IBM	198.53	0.00	0.00	198.53
6.	S&T Programme	86.35	31.95	5.35	49.05
7.	Construction				
	(i) GSI	128.00	0.00	0.00	128.00
	(ii) IBM	30.00	0.00	0.00	30.00
	<b>Total</b>	<b>20553.48*</b>	<b>15956.27*</b>	<b>2265.21</b>	<b>2332.00</b>

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

4.2 The Ministry of Mines have informed the Committee that the Gross Budgetary Support (GBS) of Rs. 2332.00 crore for the XII Five Year Plan is inadequate compared to Ministry's proposed Rs. 4923.57 crore, which is even less than 50% of the proposed requirement. Keeping in line with the order of Apex Court and Report of the Shah Commission on Illegal Mining, IBM has to develop a robust national

mineral information system to curb the illegal mining activities. The aim of the project on Mining Tenement System (MTS) is to enable grant of mineral concession speedily thereby eliminating inordinate delays. Moreover, vast data on mining industry would be available online which enable arriving at speedy decision in the Government. Further, IBM Restructuring Committee Report and DPR for MTS has been approved now. It is necessary that more funds should be given to IBM in the 12th Five Year Plan. Similarly, the Ashok Chawla Committee on Allocation of Natural Resources has also recommended that GSI may complete its geochemical and geophysical mapping expeditiously so as to develop potential areas for prospecting so that such prospects can then be competitively auctioned. Geological data of most of India is now available with GSI, however, geophysical and geochemical mapping coverage is dismally low. It is envisaged in the 12th Plan to complete geophysical and geochemical mapping of at least the mineral potential areas which according to our assessment is 8.2 lac km<sup>2</sup>. The indicative GBS for the 12th Plan leaves little scope to carry out geophysical and geochemical mapping of the potential areas and, therefore, the Ministry needs additional financial allocations for GSI. Besides, this Ministry proposes to have increased stress on Strategic Minerals, Fertilizer Minerals and Base metals where private investments are not forthcoming due to high uncertainties. For developing deep sea mineral exploration capabilities, GSI with Cabinet approval has placed the order of acquisition of the Ocean Going Research Vessel (OGRV) for which initial payments have been made in the 11th Five Year Plan and the remaining major portion is required to be paid during the 12th Five Year Plan.

According to Ministry of Mines, Honourable Minister, Mines has requested Honourable Dy. Chairman, Planning Commission to increase the 12th Five Year Plan outlay who has replied that the scope for providing additional resources in the course of Plan period will be considered by the time of Mid-Term Review depending upon overall resources availability. This was further reiterated subsequently by the Secretary (Mines) to Member-Secretary, Planning Commission to enhance the 12th Plan allocations to Rs. 3365.00 crore to enable the Ministry to perform its basic mandate responsibilities.

## CHAPTER V

### GEOLOGICAL SURVEY OF INDIA (GSI)

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

5.2 The principal function of GSI relates to creation and Updation of national geoscientific data and mineral resource assessment, air-borne and marine surveys and to conduct multifarious geo-technical, geo-environmental and natural hazards studies, glaciology, seismotectonics, etc. and to nurture studies on fundamental research.

5.3 The budget allocation to GSI for the years 2012-13 and 2013-14 are as under:—

(Rs. in crore)

Major head	BE-2012-13			RE 2012-13			BE 2013-14		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2853	109.60	395.29	504.89	109.60	420.09	529.69	136.10	450.33	586.43
4853	65.00	—	65.00	154.59	—	154.59	238.00	—	238.00
Total	174.60	395.29	569.89	264.19	420.09	684.28	374.10	450.33	824.43

When the Committee desired to know the reasons for increased funds under Major Heads 4853 during 2012-13 at RE stage resulting in increased outlays of Rs. 684.28 crore as compared to BE of Rs. 569.89 crore, the Ministry in written reply have stated as under:—

“There is an increase in the Major Head 2853 during the year 2012-13 at RE stage compared to 2012-13 BE stage. However, there is an increase in the Major Head 4853 during the year 2012-13 at RE stage compared to 2012-13 BE stage. The increase is to the tune of Rs. 89.59 crore which has been obtained in the Capital Section primarily for part payment of 4th instalment of Ocean Going Research Vessel to M/s Hyundai Heavy Industries Ltd., Korea.”

5.4 During FY 2011-12, the Plan expenditure for GSI stood at Rs. 339.30 crore against the budget outlay (RE) of Rs. 342.36 crore,

which works out to be 99.10 % utilisation of fund against the allotment. The total cost of the OGRV as per revised EFC document is Rs. 549.50 crore (Rs. 531.00 crore to Shipyard and Rs. 18.50 crore towards consultancy charges). The final agreement with the shipyard was held in 4th March 2011 and payment towards construction of Vessel was immediately initiated. The first, second and third instalment payments have already been paid during XI Plan period for the construction of the Ocean Going Research Vessel (OGRV) amounting to Rs. 39.74 crore (FY 2010-11), Rs. 71.99 crore (FY 2011-12) and Rs. 89.73 crore (FY 2011-12) respectively.

During FY 2012-13, the expenditure figure stood at Rs. 214.30 crore till December, 2012 against the budget allotment of Rs. 194.00 crore (excluding Contingency Fund of India Rs. 79.46 crore), which works out to be 78.36 % utilisation of fund against the allotment (including CFI). During FY 2012-13, initially Rs.194.00 crore was allocated as Plan Outlay, subsequently Rs. 79.46 crore has been granted in the form of Contingency Fund of India for payment towards ship construction. The amount received as CFI was recouped after receiving the 1st Batch of Supplementary grant. An amount of Rs. 124.14 crore has been paid to M/s Hyundai Heavy Industries, South Korea in the form of 4th Instalment towards OGRV. The 5th Instalment is due in April, 2013 and the vessel is scheduled to be delivered in the month of September, 2013.

5.5 When asked whether the total outlay to the tune of Rs. 824.43 crore will be sufficient to carry on the ongoing schemes/projects during 2013-14, the Ministry have replied as under:—

It may be mentioned that the allocated fund under Revenue head is not sufficient to accommodate all the projected expenditure in Annual Plan 2013-14 like for payment of pending bills to Shipping Corporation of India (SCI) and for regular maintenance of existing vessel and for maintenance of new Research Vessel, maintenance of aircraft and heliborne system, outsourcing and maintenance of vehicle, preparation of geochemical samples (NGCM), hence an additional amount of Rs. 53.10 crore is required under Survey and Mapping head. Likewise, under Mineral Exploration Head an additional amount of Rs. 7.75 crore is required for establishing National Drill Core Library (NDCL) in line with the best international practice and field operations; under IT head Rs. 53 crore is required in the form of additional amount for development of Phase III Portal *i.e.* OCBIS; minor additional amounts *viz.* Rs. 0.97 crore and Rs. 1.10 crore are required under R&D and HRD heads respectively for smooth functioning of Laboratory research and for upgradation of the existing field training centres



and to provide the free of cost training to the scientists of the State (Government) Geological Bodies. Fund flow is the most essential factor to cater to the emergent needs of the time bound programmes of GSI TI and nature of function of Training Institute is unique. In TSP also to the tune of Rs. 4.84 crore additional amount may be considered for taking up investigation in tribal dominated areas.

Under Capital head also fund is not adequate for committed (International) payment to ship yard (M/s HHI, South Korea) *i.e.* payment of 5th and 6th/Final instalments combindly works out to be Rs. 295 crore (5th – Rs. 131 crore & 6th – Rs. 164 crore) apart from acquisition of Lab and Drilling equipment and payment of consultancy charges for OGRV, thus an additional amount of Rs. 145.28 crore is required under Capital Section for maintenance of Geological Galleries and re-construction of Earth Meteorite Gallery in Indian Museum, Kolkata under Minor Works sub head. A table is presented below to sum up the above views:—

SCHEMewise INDICATED PLAN OUTLAY FOR 2013-14 AND  
REQUIREMENT OF ADDITIONAL FUND DURING FY 2013-14 AT  
SUPPLEMENTARY AND RE STAGE

Sl. No.	Indicated Plan Outlay for FY 2013-14	Requirement of Additional Fund During FY 2013-14 at Supplementary and RE Stage
SCHEMES	(Rs. in crore)	
1. Survey & Mapping	71.15	53.10
2. Mineral Exploration	26.25	7.75
3. Special Investigation & Antarctica Expl.	8.00	0.00
4. R & D	8.03	0.97
5. Information Dissemination	16.00	53.00
6. Human Resource Development (Training)	6.10	1.10
7. Modernisation & Replacement	249.31	145.28
8. TSP	7.16	4.84
TOTAL	392.00	266.04

5.6 On being enquired about the progress modernisation programme of Geological Survey of India during the year 2012-13, the Ministry have furnished the following information:—

“During FY 2012-13 till Feb., 13 an amount of Rs. 131.47 crore has been spent. The 4th Instalment towards OGRV to the tune of Rs. 124.14 crore has been paid to M/s HHI, South Korea. The 5th and 6th/Final Instalments are to be paid in FY 2013-14 and it is likely to be delivered in the month of September, 13. The details of Lab and Drilling equipment procurement taken up during FY 2012-13 are given below:—

**Details of procurement under M&E Head during FY 2012-13**

(Rs. in lakh)

**Foreign Procurement through L/C**

1. IP Resistivity (3KW) (Balance 10%)	42.00	
2. Trinocular Petrological Microscope (Bal. 10%)	23.29	
3. Laser Raman Spectroscopy	101.98	
4. Tarbo Molecular Pump	15.37	
5. Spares for X-part Pro XRD	1.72	
6. ICP MS for Faridabad (Bal. 10%)	2.57	
7. Vibratory Cup Mill (Bal. 10%)	0.90	
8. Spares for AAS	7.30	
9. AAS for Nagpur		
10. Borehole Logger	234.21	L/C opened
11. LA-MC-ICP MS for Kolkata	572.53	L/C opened
12. Spares for ICP MS	12.11	
13. Spares for FIAS	2.41	
14. Spares for DMA 80	8.86	
15. 2nd visit for AMC for TIMS	3.35	
16. Micro Mill	2.30	
	1030.90	

<b>Indigenous Procurement</b>	
1. Indigenous Item	2.83
2. Pnumatic Actuator for XRF	0.52
3. Clean Room Preparation for LA-MC-ICP-MS	41.92
4. Clearance of Borehole Logger	29.70
5. Clearance of LA-MC-ICP MS	49.60
6. Clearance of spares for ICP MS	0.86
7. Clearance of Spares for FIAS	0.20
8. Hydrocyclone (Bal. 10%)	0.92
9. NQ W/L Drill Rod	38.06
10. 127 mm cac	72.80
11. NX CASING	18.26
12. 1000 M Drill Rig	36.77
13. Split Air Conditioner - 2 Nos.	1.07
14. Pressure vessel	16.32
Total	309.83
15. Grand Total	1340.73
Piscon Board & Agence Commission	3.06
	1343.79

The ambitious Modernization Programme of GSI is a continuous process envisaged with infusion of modern sophisticated laboratory equipment and Drilling accessories in a phased manner besides intermittent induction of high cost items like Ocean Going Vessel, Geotechnical Vessel, Coastal Launch, Fixed Wing Aircraft with Time Domain Multi-sensor System etc. In order to keep pace with scientific advancements taking place around the globe the acquisition process is being taken up in a priority basis. During the XI Five Year Plan period only Heliborne Geophysical System has been acquired and the construction of the Ocean Going Research Vessel is in an advanced stage.”

5.7 On being enquired whether the sanctioning of additional required funds of GSI from the Ministry of Finance for implementation of its schemes/programmes, the Ministry in their written replies have furnished as follows:—

“Ministry of Mines has always given support to GSI fully towards implementation of its schemes/programmes. During the current financial year FY 2012-13 while GSI was in need of funds for payment of 4th Instalment, Ministry of Mines has obtained the required fund from the Ministry of Finance as advance from the Contingency Fund of India to meet the international commitment. Even for the FY 2013-14 also Ministry of Mines is giving required support to GSI to meet the OGRV payment particularly for payment of 6th and Final Instalment.”

5.8 Regarding the action plan prepared by GSI for completion of geochemical and geophysical mapping with timelines, the Ministry have furnished the following information:—

“National Geochemical Mapping:

Based on the recommendations of Chawla Committee and Mackinsey Report, Geological Survey of India, in the XII Plan proposal submitted to Planning Commission, has already indicated its perspective plan on NGCM and also proposed to complete the total committed area of 8.13 lakh sq km with an estimated expenditure of 600 crore (Rs.158 crore for GSI Expenditure and Rs. 442 crore for outsourcing) by systematic Geochemical Mapping which covers the entire (100%) Obvious Geological Potential Area (OGP) (i.e 5.71 lakh sq km). Out of total fund outlay of 600 crore for NGCM during XII Plan period, only a total of Rs. 155 crore has been allocated to this sub-head out of total fund of Rs. 2004.42 crore allocated for GSI by the Planning Commission. It is, therefore, apparent that the total allocated fund of Rs. 155 crore (excludes overhead expenditure and escalation part) for NGCM programmes during XII Plan would meet the budgetary expenditure of GSI only for covering the envisaged target of 2,83,500 sq km. As such there is no scope for taking any optimistic decision on carrying out the NGCM by outsourcing or by service contracts as envisaged in the original proposal of XII Plan document submitted by GSI.

Till February 2013, a total area of 3.28849 lakh sq km i.e 10.03% of landmass and 40.44% of the committed area of 8.13 lakh sq km for covering entire OGP area (5.71 lakh sq km) has been mapped systematically under the ambit of “National Geochemical Mapping

Programme". During X Plan an area of 1,13,174 sq km was mapped under NGCM while a total area of 1,41,243 sq km has been covered during XI Plan ending March 2012. During the first year of XII Plan period (till February, 2013) a total area of 74,432 sq km has been covered by systematic Geochemical Mapping Programme.

During XII Plan, GSI, on its own and with its full sanctioned strength of Geologists, is capable of covering a total area of 3.5 lakh sq km by GCM (though the envisaged target set for a total area of 2,83,500 sq km on the basis of the existing manpower as well as induction of new entrants to join in GSI, with an estimated expenditure of Rs. 155 crores plus overhead and price escalation component). In order to make a speedy coverage of regional exploration, for which geochemical survey forms a leading edge technology, the country needs to geochemically map the remaining 4.84 lakh sq km at a faster pace. In order to cover the entire OGP area expeditiously *i.e.* by the end of XII Plan, as suggested by Chawla Committee report and Mackinsey report, the total area of 2.08583 lakh sq km left out for GCM to be covered either by outsourcing or by service contracts. With an eye to outsource the rest of the area, which GSI cannot cover by the end of the XII Plan, proposal has already been sent to Planning Commission through Ministry of Mines for financial allocation, both in Five Year Plan proposal, as well as in the Annual Plan 2013-14.

In XII Five Year Plan it may be possible for GSI, having its full sanctioned strength of Geologists and deployment of optimum number of personnel in NGCM endeavour with additional effort in the form of enhanced target, to cover 500 toposheets for a total area of 3.5 lakh sq km instead of 2.835 lakh sq. km. The tentative expenditure for covering 500 toposheets will be around Rs. 265.00 crore (includes overhead expenditure and price escalation component).

The remaining 311 toposheets will be covered for a total area of 2.08583 lakh sq km. The tentative expenditure for covering 311 toposheets will be around Rs. 165.20 crore (includes overhead expenditure and price escalation component).

In all, 811 toposheets will be covered for a total area of 5.60 lakh sq km. The tentative expenditure for covering 811 toposheets will be around Rs. 430.2 crore. Due to coverage of additional 66,500 sq. km. by GSI with its own strength will result in less expenditure of about Rs.170 crore than that of the amount sought from Planning Commission (Rs. 600 crore).

The left out non-priority area of 24.97 lakh sq km for mineral resource investigation is planned to be covered by GCM at a rate of 70,000 sq km per year from the XIII Plan onwards.

#### National Geophysical Mapping:

Based on the recommendations of Chawla Committee and Mackinsey Report, Geological Survey of India, in the XII Plan proposal submitted to Planning Commission, has already indicated its perspective plan on NGPM and also proposed to complete the total committed area of 8.13 lakh sq km with an estimated expenditure of Rs.160 crore (Rs. 20 crore for GSI Expenditure and Rs. 140 crore for outsourcing) by systematic Geophysical Mapping which covers the entire (100%) Obvious Geological Potential Area (OGP) (*i.e.* 5.71 lakh sq km). Out of total fund outlay of Rs. 160 crore for NGPM during XII Plan period, only Rs. 30 crore has been allocated to this sub-head out of total fund of Rs. 2004.42 crore allocated for GSI by the Planning Commission. It is, therefore, apparent that the total allocated fund of Rs. 30 crore for NGPM programmes during XII Plan would meet the budgetary expenditure of GSI only for covering the envisaged target of 2,23,250 sq km. As such there is no scope for taking any optimistic decision on carrying out the NGCM by outsourcing or by service contracts as envisaged in the original proposal of XII Plan document submitted by GSI.

Till February 2013, a total area of 1.95585 lakh sq km *i.e.* 5.96% of landmass and 24.06% of the committed area of 8.13 lakh sq km for covering entire OGP area (5.71 lakh sq km) has been mapped systematically under the ambit of "National Geophysical Mapping Programme.

During XII Plan GSI, on its own with its full sanctioned strength of Geophysicist, is capable of covering 2 lakh sq km by GPM. In order to cover the entire OGP area (100%) expeditiously *i.e.* by the end of XII Plan, as suggested by Chawla Committee report and Mackinsey report, a total of 4.55 lakh sq km left out area to be covered by GPM either by outsourcing or by service contracts. The tentative expenditure involved for covering 4.55 lakh sq km area by GPM through outsourcing or by service contract would be around Rs. 128 crore.

GSI, on its own with available manpower, has planned to cover the left out non-priority area of 24.67 lakh sq km for mineral investigation by GPM at the rate of 45,000 sq km per year from the XIII Plan onwards."

5.9 As regards the 'Restructuring of the GSI', the Committee were informed that the Cabinet has approved the proposal on 25th October 2011. This is based on the recommendations of the High Powered Committee [HPC] constituted for the purpose of review of the functioning of the Geological Survey of India (GSI) and to assess GSI's capacity and capabilities to meet emerging geoscience challenges, both local and global and make recommendations for their enhancement. The recommendations will enhance GSI's capacity and capability especially in identifying, delineating prospective areas of mineral resources. It will make available basic spatial and non-spatial data for use in a variety of sectors including agriculture, water resources, infrastructure projects, environment etc. and will also help GSI to pursue multidisciplinary geoscience studies for hazard risk assessment of landslides, earthquakes, coastal inundations, glacier retreats, desertification etc. and geotechnical evaluation of major civil engineering ventures for larger societal benefit.

## CHAPTER VI

### INDIAN BUREAU OF MINES (IBM)

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

6.2 When asked as to how much amount has actually been spent by IBM under Plan and Non-Plan during 2012-13 and what are the reasons for variations between BE and RE in 2012-13 and BE 2013-14, the Ministry have furnished the following information:—

“During 2012-13, upto Feb., 2013, amount actually spent by IBM under Plan is Rs. 20.12 crore as against BE & RE of Rs. 24 crore and Rs. 47.28 crore as against RE of Rs. 48.25 crore under Non-Plan.

(Rs. in crores)

	Budget Estimates 2012-13	Revised Estimates 2012-13	Final Estimates 2012-13	Actual Expr. upto Feb.,13	Budget Estimates 2013-14
PLAN	24.00	24.00	21.38	20.12	49.00
NON-PLAN	43.50	48.25	47.87	47.28	52.50



Reasons for variations:

There is no variation in BE 2012-13 and RE 2012-13 in Plan Section as both are placed at Rs. 24 crore.

The reasons for variation in Plan Outlay between RE 2012-13 and BE 2013-14 are mainly due to increase in outlay for Scheme No. 1 from Rs. 9.14 crore in 2012-13 to Rs. 14.79 crore in 2013-14 for part implementation of recommendations of the IBM Review and Restructuring report and increase in outlay for Scheme No. 5 from Rs. 0.50 crore in 2012-13 to Rs. 13.55 crore in 2013-14 for part implementation of Mining Tenement System (MTS) project and relative increase in North Eastern Region (NER) Budget and Tribal Sub-Plan (TSP) from Rs. 2.4 crore & Rs. 0.96 crore in 2012-13 to Rs. 5.0 crore & Rs. 1.96 crore in 2013-14. With regard to other schemes, there is nominal increase due to increase in electricity, water bills, rate of DA etc.

Non-Plan

The provision for salary made in BE 2012-13 was in-sufficient due to fresh recruitments made during the year. As such an additional amount of Rs. 4.50 crores was required in RE 2012-13 under the object head "Salary"-Non-Plan for this purpose. Similarly, mandatory 10% cut had to be imposed on non salary provision in RE 2012-13. Hence, there is variation between Non Plan BE 2012-13 & RE 2012-13.

The variation between RE 2012-13 and BE 2013-14 in Non-Plan is due to provision for increase in rate of DA, annual increment for employees, increase in cost of electricity and water bills etc. *i.e.* due to regular increase under different object heads for routine expenses."

6.3 When asked as to whether the budgeted funds during the year 2013-14 for IBM are sufficient and what steps have been initiated to ensure that budgeted outlays are fully utilized, the Ministry have stated as under:—

"As against Annual Plan Proposals of IBM for 2013-14 for Rs. 61.61 crore, BE 2013-14 has been given as Rs. 49.00 crore which is not sufficient.

All concerned have been advised to indicate action plan for judicious utilization of available funds and system has been put in place for regular monitoring at the highest level in IBM and in the Ministry."

Regarding the mining proposals approved by IBM during 2011-12, the Ministry have furnished the following information:—

“Mining Plans approved by Indian Bureau of Mines (IBM) during 2011-12 and 2012-13 for various States under MCR, 1960 for fresh grant of Leases and renewals are as follows:

State	Mining Plans approved During	
	2011-12	2012-13 (upto Feb., 2013)
Assam	0	01
Andhra Pradesh	09	03
Bihar	0	02
Chhattisgarh	09	11
Goa	05	05
Gujarat	29	13
Himachal Pradesh	02	01
Haryana	0	0
Jammu and Kashmir	0	01
Jharkhand	04	13
Karnataka	10	04
Kerala	0	0
Madhya Pradesh	26	24
Maharashtra	03	06
Meghalaya	03	02
Odisha	29	15
Rajasthan	23	42
Tamil Nadu	10	32
Uttarakhand	05	08
Uttar Pradesh	14	02
West Bengal	0	0
Total	181	185

6.4 When asked as to how many mining proposals are pending for approval with IBM and details for the last 3 years and since when these are pending, the Ministry have stated as under:—

“Mining Plan in case of fresh grant of leases are submitted to IBM for approval. As per the provisions under Rule 22 of MCR, 1960, IBM is required to approve/not approve the Mining Plan within the stipulated period of 90 days. The cases referred to IBM at the end of a financial year are disposed off during the next year. The cases under process in IBM at the end of Feb, 2013 are 114 new applications for approval of Mining Plan and 23 applications for modifications of Mining Plan. All the pending cases are less than 3 months.”

6.5 On being enquired about the total number of illegal mining cases identified during the last two years and what steps have been taken by the Ministry/IBM to curb the illegal mining, the Ministry stated as under:—

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

(i) Cases of Illegal Mining referred by Ministry of Mines:

During 2010-11, IBM received 43 references from Ministry on illegal mining of which 23 references have been disposed off and 25 references including 05 references pending from last year 2009-10, were under process.

During 2011-12, including those pending from previous year, IBM dealt with 47 references from Ministry on illegal mining of which 43 references have been disposed off and 04 references are under process.

During 2012-13 (up to Feb., 2013), including those pending from previous year, IBM dealt with 09 references from Ministry on illegal mining of which 03 references have been disposed off and 06 references are under process.

(ii) Cases of Illegal Mining detected by IBM:

As directed by the ministry *vide* letter no. 16/12/2009-MVI, dated 10.12.2009, IBM constituted Task Force to check illegal mining in the year 2009-10. The Task force during the years 2009-10, 2010-11

and 2011-12 had inspected 454 mines and suspended 161 mines under rule 13(2) of MCDR, 1988 due to serious violations. Suspension was revoked in 113 cases after due compliance and termination of ML was recommended in 15 cases.

(iii) Cases of Illegal Mining Detected by State Governments:

As per Quarterly Returns reported by State Governments, cases of illegal mining detected by them during the last three years are given below:

Year	Number of cases detected by the State Governments for major and minor minerals
2009-10	69316
2010-11	78189
2011-12	94604
2012-13 (upto Sept.2012)	45493

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

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

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

**(a) Constitution of State Level Task Force:** 21 State Governments have constituted the Task Force namely Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttarakhand and West Bengal. The function of the Task force is to review the action taken by member departments for checking the illegal mining activities in their respective jurisdiction.

**(b) Framing of Rules under Section 23C of MMDR Act, 1957:** 18 State Governments have framed rules under Section 23C of MMDR Act, 1957 to curb illegal mining namely Andhra Pradesh, Bihar, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttaranchal and West Bengal.

**(c) Receipt of Quarterly returns on illegal mining:** State Governments submit quarterly returns on prevention of illegal mining to IBM. The IBM consolidates the information and sends a report to the Ministry at the end of each quarter.

Whenever IBM detects illegal mining during the course of inspections under MCDR, the same is reported to the State Government concerned to take suitable action.

**(d) Formation of Task Force of IBM:** As directed by the ministry *vide* letter no. 16/12/2009-MVI, dated 10.12.2009, IBM constituted Task Force to check illegal mining, inspected 454 mines and suspended 161 mines under rule 13(2) of MCDR, 1988 due to serious violations. Suspension was revoked in 113 cases after due compliance.

**(e) Other efforts:**

- (i) **Registration of end users:** In accordance with the amended Rule 45(1) of MCDR 1988, the owner, agent, mining engineer or manager of every mine, or any person or company engaged in trading or storage or end-use or export of minerals, have to register with IBM. So far upto February, 2013, registration numbers have been allotted to 8396 leases out of which 4521 are working leases. Similarly as regards to the status of registration of end users, traders, stockiest and exporters, at the end of February, 2013, 2278 units of end-users, 3118 number of traders, 1219 number of stockiest and 604 number of exporters have been registered.
- (ii) **Constitution of Special Cell in State Police:** Action to be taken by the State Governments.
- (iii) **Use of Satellite Imagery:** State Governments of Odisha and Rajasthan are using Satellite imagery. Other states were also advised by the Ministry to use the facility of Satellite imagery to crack down illegal mining.

- (iv) **Hologram-marking/bar coding of transport:** State Governments of Gujarat, Jharkhand, Karnataka, Odisha reported to have started hologram marking/bar coding of transport permit or some sort of securitization of transport permit. Other State Governments have been advised by the Ministry to start the said process immediately.
- (v) **Special Measures Undertaken:** The State Governments are planning to set up a special camp at sites and deployment of Border Home Guards in areas where there have been complaints about illegal mining. State Government of Goa has devised a system of transferring information about trucks carrying iron ore in real time from weigh-bridge to the State Directorate of Mines and Geology so that any illegal transportation could be tracked down.

(f) **Organisation of Pakhwara on curbing illegal Mining**

Ministry has directed to all the State Governments to conduct special drive against illegal mining by way of organising “**Pakhwara**” every year to increase public awareness to control illegal mining.”

6.6 In pursuance to the Report of Shah Commission on Illegal Mining, IBM has to develop a robust Mining Tenement System (MTS) to enable grant of mineral concession speedily thereby eliminating delays.

When asked as to what the status of this project and the perspective plan to implement it, the Ministry have stated as under:—

“Mining Tenement System (MTS) is envisaged primarily to e-enable various processes of mineral concession regime and to adopt a comprehensive approach towards development of mineral resources in the country. This would not only give an impetus in decision making process but would also bring in transparency. MTS would also make it possible to identify online the mineral bearing areas available for various types of mineral concessions.

The DPR for the project has been approved. Request for Proposal (RFP) is under finalization in the Ministry. Thereafter, the matter will be taken up before the Standing Finance Committee (SFC) for approval.”

6.7 Asked about the actions taken by IBM to fix more targets, fresh recruitments, coverage and the frequency of inspection for

strengthening of IBM and present status of implementation of recommendations of the Committee on review and structuring of the functions and role of IBM, the Ministry have stated as under:—

“Actions taken by IBM to fix more targets, fresh recruitments, coverage and the frequency of inspection for strengthening of IBM is given below:

- (i) IBM Review and Restructuring Committee has proposed human resource development to the tune of additional 933 posts and infrastructure development like creation of new offices, new environmental laboratories, training centres etc.
- (ii) SFC note along with DPR for implementation of recommendations with financial implications has been prepared for obtaining approval of concerned arms of Government *viz.* Cabinet, M/o Finance, Planning Commission etc.

The Committee has made 73 major recommendations for overall restructuring of the IBM including creation of additional 933 posts and infrastructure development like opening of new offices, new environmental laboratories, training centres etc. SFC note along with DPR for implementation of 47 recommendations with financial implications has been prepared for obtaining approval of Cabinet. Additional tentative requirement of funds for the first five years implementation period is estimated to be Rs. 38.97 crore. Accordingly, a proposal has been moved for enhancement of XII Plan Outlays in respect of IBM. Out of the remaining 26 non-financial recommendations, 11 have been implemented and 5 are under consideration of Ministry. The remaining 10 recommendations will be implemented in the year 2013-14.”

## CHAPTER VII

### INVESTMENT IN HINDUSTAN COPPER LTD. (HCL)

The major activities of HCL are mining, beneficiation, smelting, refining and casting of finished copper metal into saleable products. The Plan Outlay is mainly meant for Mine Expansion, Mine Development and Replacement and Renewals (R&R) and Green field exploration, etc. The budget allocation to HCL for the years 2012-13 and 2013-14 are as under:—

Major Head	Budget Estimate 2012-13			Revised Estimates 2012-13			Budget Estimate 2013-14		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
12853	341.14	—	341.14	292.99	—	292.99	688.37	—	688.37

7.2 The amount earmarked for the schemes to be undertaken through IEBR at BE 2012-13 was Rs. 341.14 crores and the same was revised at RE stage to Rs. 292.99 crores.

When asked to furnish the details of the allocations and actual expenditure incurred by HCL in 2012-13 on account of Mine Development, Mine Expansion and R&R and Green Field exploration etc. with reasons for shortfall, if any and the schemes, which got affected due to reduction of outlays from Rs. 341.14 crore outlays to Rs. 292.99 crore during 2012-13, the Ministry of Mines have informed the Committee as under:—

“The details of the allocations and actual expenditure incurred by HCL in 2012-13 on account of Mine Development, Mine Expansion and R&R is given below:

Particular	(Rs. in crores)		
	BE 2012-13	RE 2012-13	Actual Expenditure (Provisional)
Replacement and Renewals	38.00	38.00	30.00
Mine Development	85.00	85.00	118.00
Mine Expansion	208.14	159.99	55.00
Green Field Exploration	10.00	10.00	Nil
Total :	341.14	292.99	203



As regards the reasons for shortfall in actual RE 2012-13, the Committee were apprised as under:—

Compared to BE/RE, actual expenditure in 2012-13 is less in the activities of mine expansion, renewal and replacement and green field exploration. Activity-wise reasons are given below:

- (i) Renewal and Replacement:: The actual expenditure is less due to delay in supply of the equipment ordered.
- (ii) Mine Expansion: Non receipt of environment clearance for Malanjkhanda underground mine and Chapri-Sidheswar mine projects. Delay in finalisation of Rakha project due to litigation; however the matter has been resolved in the month of February, 2013.
- (iii) Green Field Exploration: Delay in getting new RP/PL/ML from the State Governments.

Implementation of Mine expansion schemes got delayed; accordingly the outlay has been reduced from Rs 341.14 crore to Rs 292.99 crore during 2012-13.”

7.3 When asked about the physical and financial targets fixed during the last three years and achievement thereon together with reasons for variations, the Ministry in their written reply have furnished the following information:—

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

		(Rs. in crore)					
Sl. No	Organization	Unit	2010-11	2011-12	2012-13		2013-14
			Actual	Actual	MoU Target	Actual upto March'13 (prov.)	MoU Target
1.	Ore	Lakh Tonne	36.03	34.79	40.0	36.57	39.00
2.	Metal-in-Concentrate	MT	31683	31377	35000	29285	35200
3.	Copper Cathode	MT	24001	28358	29500	24269	33792
4.	Gross Margin	Rs. crore	436.66	618.51	475.43	573.00	569.37
5.	Profit Before Tax	Rs. crore	335.21	472.92	332.49	372.00	404.17
6.	Profit After Tax	Rs. crore	224.10	323.44	224.61	267.00	273.05

Reasons for not achieving the targets:

2010-11

MIC: Low Copper grade in mined ore and low process recovery.

2011-12

Ore - Equipment breakdown at KCC & MCP affected mine production.

MIC - Low process recovery at Khetri Concentrator plant.

2012-13

Ore - Equipment breakdown at KCC & MCP affected mine production

MIC - Drastic fall in ore grade at Malanjkhand mine. Low process recovery at Khetri concentrator plant.”

On being enquired about the present status of re-opening of Rakha and Kendadih mines by HCL, the Ministry have stated as under:—

“The present status of re-opening of Rakha and Kendadih mines is given below:

Rakha Mine: The matter of award of contract was held up due to litigation. The Hon’ble High Court of Calcutta has given its final judgment and accordingly the Board in its meeting held in Feb., 2013 has approved the award of contract.

Kendadih Mine: The contractor has been appointed and work at site has started since Feb., 2012. The work of de-watering of mine has been completed and mine rehabilitation work to start mining activity is under progress.”

7.4 When asked about the steps taken by HCL to modernize the mining equipment and complete the mine expansion schemes the Ministry has informed the Committee in a written reply as under:—

“The steps initiated to modernize the mining equipment and complete the mine expansion schemes are given below:

Modernisation: Most of the R&R fund allocated is for modernisation and replacement of old and obsolete equipment of the mines. Also, most of the modernisation requirements have been addressed in the mine expansion schemes.

Mine Expansion Schemes: The Company is implementing the mine expansion schemes on EPC contract mode. Global tenders have been issued for inviting the bids. The Company has formed a dedicated project team and appointed a “Responsible Manager” for each project to monitor the progress of execution. The team will work under the overall guidance of the Corporate Office.

The implementation of the recommendation of the Committee for regular performance audit of HCL mines and implementation of mine expansion projects has been taken up by the Company. Steps have been initiated for appointment of independent agency for the above work during 2013-14.”

#### CSR activities of HCL

7.5 When asked to furnish details of CSR activities of HCL during the last 3 years, the Ministry have replied as under:—

“The activities for CSR are planned on the basis of feedback from the beneficiary communities which is based on the principle of Participatory Rural Appraisals (PRA). It was initiated with Baseline Survey in 2007-08 and later realigned with a fresh Need Assessment study by National Institute of Rural Development (NIRD) during 2010-2011. CSR activities and plan are designed for the targeted villages within a radius area of 15 Km. around the Operational Units of HCL. Five peripheral villages at each of the 3 Unit locations (total 15 villages) were identified for the purpose.

The selected projects were implemented with the support and assistance of local NGOs and implementing agencies as provided in the DPE Guidelines.

The details of CSR activities of HCL during last the year 2010-11, 2011-12 and 2012-13 is given below:

Sl. No.	CSR Focal Projects for FY 2010-11
1	2
1.	Livelihood promotion and Capacity building
2.	IG activities (Women Empowerment)
3.	Health
4.	Plantation and Environment

1	2
5.	Education
6.	Village Infrastructure and Construction
7.	Sports and culture
8.	Management Cost/Others
	CSR Focal Projects for FY 2011-12
1.	Livelihood Promotion
2.	Health and Sanitation
3.	Provisioning of drinking water/water supply
4.	Plantation
5.	Construction and Infrastructure
6.	IEC Activities and other Expenses
7.	Veterinary Care
8.	Training and Orientation on CSR
	CSR Focal Projects for FY 2012-13
1.	Livelihood promotion; IG activities (Women Empowerment)
2.	Water Management: Conservation/Recharge
3.	Health and Sanitation
4.	Animal Husbandry
5.	Plantation and Agricultural
6.	Development
7.	Skill/Vocational Training & Education
8.	Rural Energy supply Village Infrastructure and Construction

## CHAPTER VIII

### INVESTMENT IN NATIONAL ALUMINIUM COMPANY LTD. (NALCO)

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

8.2 Plan Outlay of NALCO is mainly meant for Greenfield Project and expansion plans, captive coal Mine, Utkal E-Coal Mine, 2nd Phase expansion and Additions/Modification/Replacement. Plan outlay of NALCO in the table given below:—

(Rs. in crores)

Major Head	Budget Estimate 2012-13			Revised Estimates 2012-13			Budget Estimate 2013-14		
	Plan	Non- Plan	Total	Plan	Non- Plan	Total	Plan	Non- Plan	Total
	12853	2343.00	—	2343.00	1010.00	—	1010.00	1737.00	—

An outlay of Rs. 2343.00 crore was provided in BE 2012-13 which was reduced to Rs. 1010.00 crore at RE stage to NALCO. The Plan Outlays for 2013-14 at Rs. 1737.00 crore during BE 2013-14.

On being enquired to furnish the reasons for drastically reducing Plan Outlays during 2012-13 by NALCO and the actual expenditure during 2012-13 and also the schemes, which got affected due to this

revision at RE stage during 2012-13, the Ministry have furnished the following information:—

“A summary statement of BE 2012-13, RE 2012-13 and shortfall *vis-à-vis* is presented as under:

(Rs. in crore)

Sl. No.	Particulars	BE 2012-13	RE 2012-13	Actual exp. (upto Feb-13)	Likely exp. 2012-13
1.	Phase-II Expansion	191	90	35	35
2.	Upgradation of Alumina Plant	160	95	100	107
3.	Pottangi Mine & 5th Stream	6	2	0	0
4.	220KA Upgradation of Smelter	100	6	0	0
5.	2 x 250 Captive Power Plant	15	1	0	0
6.	Coal Mine—Utkal-E	198	24	17	17
7.	Wind Power Plant-I	75	244	221	243
8.	Other green field projects	1,182	226	0	141
9.	Additn./Modifications/ Replacement (AMR)	416	322	245	295
	Total	2,343	1010	618	838

Though the RE was projected as Rs. 1010 crore, the likely expenditure on plan outlay during 2012-13 is expected at Rs. 838 crore. The reasons for major shortfall from the earlier projection are as under:

#### 1. Phase-II Expansion

All the segments of the 2nd phase expansion have been commissioned. The final part of the expansion mainly closure of contracts and finalization of work orders are underway. Out of the commitment of Rs. 4299 crore, a sum of Rs. 4202 crore has been spent. The earlier projection was of Rs. 191 crore finalized on the basis of the total project cost. However, it is expected that there would be a saving to the extent of about Rs. 100 crore. Considering the same, the BE 2012-13 outlay projection was revised to Rs. 90 crore in the RE stage from the earlier outlay of Rs. 191 crore.

## **2. Upgradation of Alumina Plant**

The total expenditure for the upgradation project was Rs. 256 crore upto Feb., 2012 against the commitment of Rs. 287 crore and the project cost was Rs. 409 crore. Considering the expected completion cost of Rs. 344 crore for the project, the savings would be around Rs. 65 crore in the project. Accordingly, the plan outlay was revised to Rs. 95 crore from the earlier projected figure of Rs. 160 crore.

## **3. Pottangi Mine & 5th Stream Refinery**

Though the Government of Odisha has given their in-principle consent for grant of mineral concession of Pottangi Mines in favour of NALCO, they have not sent their recommendation to Government of India. Government of Odisha has imposed certain conditions in this regard, which are being taken up with State Authorities and is being resolved. This has resulted in slow down of the anticipated activities and accordingly the plan outlay is being proposed to be reduced to Rs. 2 crore (towards preparation of DPR which is underway) against the earlier figure of Rs. 6 crore in BE 2012-13.

## **4. 220 KA Upgradation of Smelter**

The project is for increasing the pot line current of existing pot lines from 180 KA to 220 KA so that the productivity per pot increases, as globally most of the AP-18 smelters have migrated from 180 KA to 220 KA technologies for enhancing pot productivity without major changes in the pot shell. Subsequently, it was observed that, the pot technology has improved and now-a-days pots of higher amperages are operating with higher productivity. Therefore, it has been decided to revisit the earlier proposal with different options of higher amperage pots. The study for the same is underway. In view of the above the target is apparently un-achievable due to non-finalization of the scheme, hence the plan outlay projected, is revised to Rs. 6 crore from the earlier projected figure of Rs. 100 crore.

## **5. 2 x 250 MW CPP**

The Environmental Appraisal Committee (EAC) Thermal team visited NALCO in the end of March, 2012, the Terms of Reference (ToR) has been issued by the MoEF for the 2 x 250 MW CPP project at Angul. In the meanwhile order for power study has been placed. Considering the review in the scheme in amperage increase for pot line explained above and also review for resizing

of power plant, the proposed expenditure cannot be achieved. Accordingly, the plan projection was revised to Rs. 1 crore from the earlier projected figure of Rs. 15 crore.

#### **6. Utkal – E Coal Mines**

The total expenditure for the Utkal – E project is Rs. 117 crore against the project cost of Rs. 338 crore. The project was expected to commence production during end 2013 and accordingly the projection was made. However, there has been delay in the project for various reasons like (a) the forest clearance for the project is yet to be issued since the forest right certificate is yet to be issued by District authorities for the left out land, (b) there has been a hold by the State Government *vide* letter dated 24.02.2012 on land acquisition till finalization of the comprehensive master plan of all the coal blocks in the Talcher region, (c) NALCO is unable to commence any field activity in absence of land possession and forest clearance. NALCO has deposited the entire amount to the State authorities, but the disbursement by State Government has not been completed and land has not been transferred to NALCO, etc., which is beyond the control of the Company. Notwithstanding the same, NALCO has appointed an agency for the construction of R&R Colony and pursuing with the authorities to enable commencement of the construction activities. Accordingly, the plan outlay has been reduced to Rs. 24 crore for the year.

#### **7. Wind power plant-I**

The project has been completed and commissioned, no shortfall in the plan expenditure anticipated.

#### **8. Other Greenfield Project:**

##### **(a) Nuclear Power in JV with NPCIL : (Shortfall Rs. 1000 crore)**

The earlier projection of Rs. 1,000 crore was given considering NALCO's proposal for 26% equity participation in the JV with NPCIL and NALCO Board's power for investment in JV as a Navratna PSU. The proposed final equity investment in the project is Rs. 3,438 crore, out of which NALCO's share would be Rs. 1,685 crore *i.e.* 49%. However, the matter regarding equity participation from another PSU by NPCIL for an Atomic Power Project within



the framework of Atomic Energy Act is being deliberated in Dept. of Atomic Energy for putting upto Cabinet Committee on Security. Although, the matter is being pursued at all levels particularly with Atomic Energy Commission, it was anticipated that clearance may not be available during 2012-13 for reasons beyond the control of NALCO. Accordingly, the target was reduced to 'nil' from Rs. 1000 crore earlier envisaged in BE 2012-13.

**(b) Wind Power-II: (Additional provision of Rs. 174 crore)**

The 2nd wind power project is finalised and firm order is placed. It is expected that the major part of the project would be executed prior to March, 2013. Accordingly, an upward projection of Rs. 212 crore was made in the RE stage as against Rs. 38 crore considered earlier in BE.

**(c) Gujarat Smelter & Refinery:**

DPR preparation is underway. Though the Company is taking up pre-project activities, the projected expenditure of Rs. 50 crore cannot be utilized fully during the current fiscal without finalization of DPR and investment decision, hence the revision was made during the RE stage.

**(d) UMPP in Consortium:**

NALCO is a consortium partner with BHEL, NMDC, NLC and SJVN in proposed projects in the State of Chhattisgarh and Odisha. However, due to delay by Power Finance Corporation, the RFQ proposal is in preliminary stage with little scope of incurring projected expenditure of Rs. 50 crore during the year 2012-13, hence the revision was made during the RE stage.

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

Indonesia project (Rs. 15 crore) has been shelved at present and Mines and Refinery project in Andhra Pradesh (Rs. 10 crore) is on hold as per advice of Ministry of Mines. Approval for smelter and Power project in Odisha (Rs. 10 crore) is yet to be obtained from Government of Odisha.

Taking into consideration all above factors explained above from (a) to (e), the plan projection under the Greenfield project was revised to Rs. 226 crore against the BE figure of Rs. 1,182 crore.

## 9. AMR Projects

The plan outlay was revised to Rs. 322 crore during RE from earlier projected Rs. 416 crore as there was delay in the execution primarily in lean slurry project (Apprx. Rs. 182 crore) and 4th Ash pond construction (Rs. 22 crore) on account of environmental clearance issue, local law and order situation, etc.”

8.3 When asked about details of the physical and financial targets and achievements of NALCO during the last 4 years, the Ministry in their written reply have furnished the following information:—

“The details of the physical and financial targets and summary for the last four years are as under:

### Physical target and achievement for four years of NALCO

Sl. No.	Product	2009-10		2010-11		2011-12		2012-13	
		MoU target	Actual	MoU target	Actual	MoU target	Actual	MoU target	Actual (Feb-13)
1.	Bauxite MT	5,580,000	4,878,888	4,980,000	4,823,908	6,000,000	5,002,626	6,150,000	4,708,987
2.	Alumina Hydrate MT	1,860,000	1,591,500	1,645,000	1,556,000	2,000,000	1,687,000	2,050,000	1,615,300
3.	Power MU	6,510	6,293	7,515	6,608	7,160	6,200	6,540	5,563
4.	Cast Metal MT	435,000	431,488	435,000	443,597	438,000	413,089	430,000	369,329

### Financial target (Annual Plan Outlay) and achievement for four years of NALCO

(Rs. in crore)

Sl. No.	Schemes	2009-10		2010-11		2011-12		2012-13	
		Plan outlay	Actual expenditure	Plan outlay	Actual expenditure	Plan outlay	Actual expenditure	Plan outlay	Actual expenditure (upto Feb-2013)
1	2	3	4	5	6	7	8	9	10
1.	Phase-II Expansion	952	450	484	309	180	205	191	35
2.	Utkal-E, Coal Mines	54	56	105	18	94	15	198	17

1	2	3	4	5	6	7	8	9	10
3.	Upgradation of Alumina Plant	6	7	322	29	162	117	160	100
4.	Green field project	63	1	31	1	32	154	1,182	0
5.	Wind power plant-I	-	-		-	200	23	75	221
6.	Pottangi Mine & 5th Stream Refinery.	16	14	16	-	3	0	6	0
7.	220KA Upgradation of Smelter	-	-	75	-	40	-	100	-
8.	2 x 250 Captive power plant	-	-	-	-	-	-	15	-
9.	Addition, Modification & Replacement	300	165	356	306	346	287	416	245
Total		1,391	693	1,389	663	1,057	801	2,343	618"

8.4 When asked about the reasons for lower outlays during 2013-14 as compared to BE 2012-13 and the steps taken by the NALCO to ensure full utilization of the estimated funds in 2013-14, the Ministry have informed as under:—

“A summary of BE 2012-13 projection *vis-à-vis* BE 2013-14 projection is presented as under:

Sl.No.	Particulars	BE 2012-13	BE 2013-14
1	2	3	4
1.	Phase II Expansion	191	42
2.	Upgradation of Alumina Plant	160	50
3.	Pottangi Mine & 5th Stream	6	3
4.	220KA Upgradation of Smelter	100	22
5.	2 x 250 Captive Power Plant	15	5
6.	Coal Mine—Utkal-E	198	65
7.	Wind Power Plant	75	6
8.	Other green field projects	1,182	1,140

1	2	3	4
9.	Additn./Modifications/ Replacemt (AMR)	415	400
10.	Sustainable Development Projects	1	4
Total :		2,343	1,737

Reasons for lower projection:

The projection for 2013-14 were considered lower as compared to 2012-13, since projects like 2nd Phase Expansion (1), Upgradation of Alumina Refinery (2), Wind Power Plant (7) have since been commissioned and hence expenditure under these projects are lower representing settlement of final bills, etc. As regards expenditure on Utkal-E Coal Mine (6) and 220 kA Upgradation Project of Smelter (4) lower expenditure is projected during FY 2013-14.

Steps taken by the NALCO to ensure full utilization of the estimated funds for Plan 2013-14

Sl. No.	Project	Plan outlay FY 2013-14 (Rs. in crore)	Steps taken to ensure full utilization of fund
1	2	3	4
1.	2nd Phase Expansion	42	<ul style="list-style-type: none"> <li>Project completed. Contract closing activities and releasing of final 10% payment are being expedited.</li> </ul>
2.	Upgradation of Alumina plant	50	<ul style="list-style-type: none"> <li>Commissioning activities started.</li> <li>Agencies are being followed up for completion and closure of contracts.</li> </ul>
3.	Pottangi & 5th stream	3	<ul style="list-style-type: none"> <li>Follow up with State Govt. to expedite for an early grant of mineral concession of Pottangi Bauxite Mines.</li> <li>DPR for 5th Stream of Refinery is under finalisation.</li> </ul>
4.	220kA Upgradation	22	<ul style="list-style-type: none"> <li>A Committee is carrying out the cost benefit analysis of increasing amperage of Pot line 2, 3 and 4 upto 195kA initially and upto</li> </ul>

1	2	3	4
			220kA in second stage. The Committee has also to study for higher amperage <i>i.e</i> 400 kA or above in pot line-I after dismantling the existing set up. Upgradation to higher Amperage and other options are being deliberated in the Board.
5.	2X250 CPP	5	<ul style="list-style-type: none"> <li>• The application for “Consent to Establish” submitted to OSPCB.</li> <li>• The application for “Environmental Clearance” has been submitted to MoEF on 07.05.11.</li> <li>• Financial appraisal report was prepared and submitted by M/s. Axis Bank in September, 2011.</li> <li>• Aviation clearance for construction of chimney has been obtained on 30.07.2012.</li> <li>• Final report on <b>power system study</b> has been submitted by M/s. ABB on 29.12.12.</li> <li>• Application for acquiring new coal blocks submitted to MOC.</li> </ul>
6.	Utkal-E	65	<ul style="list-style-type: none"> <li>• The work order for construction of R&amp;R Colony has been placed on M/s. Supreme Infrastructures.</li> <li>• Continuous follow-up is being carried out with District Authority for handing over of land in favour of NALCO so as to commence the work in R&amp;R Colony site.</li> <li>• A contract has been awarded for boundary pillar posting, land survey &amp; demarcation jobs in R&amp;R Colony site.</li> <li>• Continuous follow-up is being carried out for getting Forest Right Act Certificate from Angul District Administration and the same is required for obtaining Stage-I Forest clearance. The NPV amount towards cost of Forest land shall be deposited only after Stage-I Forest Clearance.</li> </ul>

1	2	3	4
			<ul style="list-style-type: none"> <li>• Continuous follow-up is being carried out with District Officials for processing of documents pertaining to alienation of balance Govt. land.</li> <li>• IDCO authority is being followed up regularly for expediting approach road construction and also State Water Resource Deptt. is followed up for expediting Nallah diversion work.</li> </ul>
7.	Wind power plant-I	6	Project completed. Releasing of payment is being expedited.
8.	Other green field projects	1140	<p><b>Nuclear Power Plant in JV with NPCIL:</b></p> <ul style="list-style-type: none"> <li>• The Board has recommended investment of Rs 1685 Cr in equity (corresponding to 49% equity of NALCO) in the JV with NPCIL. The investment proposal has been put up to Ministry of Mines for approval of Govt. of India, in Sep' 2010.</li> <li>• Investment proposal in PIB format submitted to Ministry of Mines on 06/06/2011.</li> <li>• 253th Board approved initial 26% equity participation (amounting to Rs 894 Cr) in the proposed JV, which would be enhanced to 49% subsequently upon approval of GoI. The revised JVA with initial 26% contribution of NALCO has been approved by NPCIL Board.</li> <li>• Secretary (Mines) <i>vides</i> letter dtd. 25.07.12 has taken up the issue of approval of NALCO's equity participation with Chairman, Atomic Energy Commission and Principal Secretary to PM.</li> <li>• A draft Cabinet Note has been sent by NPCIL to DAE seeking approval for equity contribution of NALCO.</li> </ul>

---

**Alumina Refinery Project in Gujarat:**

- MECON has been engaged for preparation of DPR for the refinery project on 18.10.2012.
- MECL has been engaged on 31.10.2012 for collection and analysis of representative sample of Kutch bauxite deposits.
- Project Agreement finalized.
- Preliminary discussions with Mundra Port Authorities were held on 19.01.13 for using Mundra port for incoming & outgoing traffic for the proposed refinery.
- Govt. of Gujarat has approved GMDC's JV partnership in the proposed project. GMDC has proposed to hold 26% stake in equity of the project. Decision by NALCO will be taken up later.

**Wind Power Project in Rajasthan:**

- Order was placed on M/s. Gamesa Wind Turbines Pvt. Ltd. for installing 47.6 MW wind power project II at an investment of Rs. 283 Crore with completion period of 8(eight) months.
- **1st Wind Turbine Generator** was erected by M/s. Gamesa Wind Turbines Pvt. Ltd. on **11.02.2013**. Total 6 nos. have been erected during the month. There shall be 56 such wind turbines of 850 KW each.
- Project is expected to be completed by Aug, 2013.

**Wind Power Project at Damanjodi:**

- Wind data validation done by C-WET.
- Consultant engaged for preparation of Techno Economic Feasibility Report (TEFR).

1	2	3	4
			<ul style="list-style-type: none"> <li>Power evacuation arrangement/ infrastructure and statutory compliances being reviewed.</li> </ul> <p><b>Solar Power Plant:</b></p> <ul style="list-style-type: none"> <li>M/s. Gensol Consultants Pvt. Ltd. (GCPL) has been engaged for providing consultancy service.</li> <li>Proposed Solar Power Project was registered with Rajasthan Renewable Energy Corporation Limited (RRECL) on 22.05.2012.</li> <li>Proposed project "In principle cleared" by State Level Screening Committee (SLSC), Rajasthan on 30.08.2012. RRECL had advised NALCO to deposit security @ Rs. 5.00 lac per MW by Demand Draft and Rs. 20.00 Lac per MW in the form of BG by 30.09.2012.</li> <li>Consultant has been asked to review the site selection study.</li> </ul>
9.	AMR-units	400	Projects under AMR are continuous in nature. Full utilisation of fund for FY 2013-14 is expected.
10.	SD projects	4	Projects are expected to be completed in time.
Total		1737"	

8.5 Regarding the estimated cost of schemes for which Plan Outlays of Rs. 1737 crore earmarked during 2013-14, the Ministry have provided the information as under:—

(Rs. in crore )

Sl. No.	Particulars	Project cost	BE 2013-14
1	2	3	4
1.	Phase II Expansion	4402	42
2.	Upgradation of Alumina Plant	409	50



1	2	3	4
3.	Pottangi Mine & 5th Stream	5000	3
4.	220KA Up-gradation of Smelter	900	22
5.	2 x 250 Captive Power Plant	2522	5
6.	Coal Mine—Utkal-E	338	65
7.	Wind Power Plant	274	6
8.	Other green field projects	Table -1	1,140
9.	Additn./Modifications/ Replcemt. (AMR)	N.A	400
10.	Sustainable Development Projects	N.A	4
Total			1,737

The details of plan outlay 2013-14 for Green field project and project cost are as under:

(Rs. in crore)

Sl. No.	Description	Project cost	2013-14
1.	Smelter & CPP in India	16,345	5
2.	Andhra Mines & Refinery	6,000	Nil
3.	Smelter & Refinery Project-Gujarat	4,065	27
4.	Nuclear Power Plant JV with NPCIL (NALCO share of JV Equity)	1,685	894
5.	UMPP	N.A.	1
6.	Wind Power Plant-II (Jaisalmer)	283	71
7.	Wind Power Plant -III(Damanjodi)	120	24
8.	Solar Power Project	120	111
9.	Caustic Soda Project	120	1
10.	Other misc. projects	N.A.	6
Total		—	1,140

8.6 On being enquired about the present status of development of Pottangi Bauxite Mine, the Ministry have stated as below:—

“The latest status detailing the development of Pottangi Bauxite Mines since, 2012 is as under:

- (a) Government of Odisha has communicated their in-principle approval for reservation of Pottangi Bauxite Mine in favour of NALCO *vide* letter dated 7th May, 2012 with some new conditions.
- (b) NALCO has communicated *vide* letter dated 16th June, 2012 its willingness to contribute to NALCO Foundation 2% of Net Profit of NALCO or Rs. 20 crore whichever is higher over and above 1% of PAT being spent through RPDAC.
- (c) Discussion was held with Principal Secretary, Deptt. Steel and Mines, Government of Odisha on 27th August, 2012 where the issues were deliberated and most of them were resolved.
- (d) After the meeting between Chief Secretary, Government of Odisha, CMD and Director (P&T) of NALCO on 24.09.2012 the State Authorities replied *vide* letter dated 17.10.2012 to CMD, NALCO. As requested by NALCO earlier, the State Authorities have not insisted for additional benefit that may accrue of the proposed amendment to the MMDR Act.
- (e) This issue was placed in the Meeting of Board of Directors of NALCO held on 25th October, 2012. The Board in the meeting agreed for payment of CSR contribution w.e.f. 01.04.2010. NALCO conveyed its acceptance of the conditions to Government of Odisha *vide* letter dated 28.11.2012 with a request to expedite for an early grant of mineral concession of Pottangi Bauxite Mines.
- (f) Deptt. of Steel & Mines, Government of Odisha has sought clarification from Director (Mines), Government of Odisha *vide* letter dated 17.12.2012 regarding the pendency of any ML/PL application. Deptt. of Steel & Mines has also sought detailed geological exploration data from the Deputy Director General, Geological Survey of India, Bhubaneswar. It is learnt that above clarifications have been received and the proposal for recommending Pottangi deposit in favour of NALCO has been initiated by Deptt. of Steel & Mines Odisha for approval of competent authorities.”

## Utkal E-Coal Mine Project

8.7 For backward integration and to meet the critical raw material need, Government of India allotted Utkal E-coal block in August, 2004 to meet the coal requirement of new power units.

8.8 On being asked about the present status of Utkal E-Coal Mine Project, the Ministry have replied as follows:—

“The status of major project activities of the Utkal-E Coal Mine is as under;

### A. Mining Lease

Mining lease for Utkal E-Coal Mine Project was sanctioned by Ministry of Coal, Government of India *vide* their letter, dated 14.06.2011. Mine Closure Plan of Utkal-E was submitted to Ministry of Coal, Government of India on 24.08.2012 for final approval.

### B. Land Acquisition

#### *ACQUISITION OF PRIVATE LAND (543.737 Acre)*

Disbursement of compensation to land affected persons in Mining Lease area started by Distt. Administration, Angul on 18.04.2012. Rs. 30.14 crore has been paid to land outstees till date. A review meeting chaired by RDC(ND) was held recently on 23.02.2013 at Collectorate, Angul. Constraint and progress of Utkal-E was discussed in a meeting.

#### *ALIENATION OF NON-FOREST GOVERNMENT LAND (267.3298 Acre)*

Lease has been sanctioned for 125 Acres of Government land in favor of NALCO. Balance Land (8 cases) are under process and being followed up with District Administration, Angul. 02 (Two) cases are in final stage.

#### *FOREST LAND/FOREST CLEARANCE (488.51 Acre) (STAGE-I)*

FDP of Utkal-E has been approved by PCCF, Government of Odisha. Certificate on Scheduled Tribe and Other Traditional Forest Dwellers (Re-organization of Forest Right) Act, 2006 received for 169.1779 Ha. out of 197.787 Ha. of Forest Land on 25.06.2010. Forest Right Certificate (FRC) is to be issued for balance DLC land of 28.6095 Ha. District authority is being followed up for conducting *Gramsabha and issuance of FRC.*

Government of Odisha (GoO) Notification dated 24th February, 2012 has put a hold on land acquisition beyond coal bearing area in Angul-Talcher coal belt.

### **C. Rehabilitation and Resettlement**

#### *GOVERNMENT LAND (54.20 Arce)*

A meeting chaired by CGM (IDCO), Bhubaneswar was held on 16.02.2013. Different issues related to Utkal-E were discussed in the said meeting. Certificate for possession of land in favour of IDCO measuring 54.20 Acres in respect of village Kosala has been obtained on 13.02.2013 and submitted to Divisional Office, IDCO, Angul.

#### **Private Land (13.07 Arce)**

The disbursement compensation of R&R Colony is discontinued since 15.11.2012. Compensation paid to Land Affected Persons till 15.11.2012 is Rs. 1.99 crore for 8.52 Arce of land out of total 13.07 Arce of land to be acquired in village Kosala. No LA compensation has been disbursed during the month.

#### **Construction Of R&R Colony**

90% of revenue survey work of R&R colony was completed. The balance revenue survey work, pillar posting & obtaining felling order of forest product from DFO, Angul was stopped by local villagers 14.01.2013 who are being negotiated by NALCO.

### **D. Statutory Clearance**

- "Consent to Establish" obtained from Odisha State Pollution Control Board (OSPCB) on 15.01.2009.
- Environmental clearance has been granted by MOEF since 10.12.2009.
- Wildlife Clearance along with Site Specific Wildlife Conservation Plan approved by Principal Chief Conservator of Forest (PCCF) on 30.09.2009."

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

8.9 NALCO has undertaken several major replacement and upgradation projects to maintain its existing installed capacity and better efficient operations.

On being enquired about the allotment and utilisation of funds under AMR scheme during the last four years and the reasons for under-utilisation, the Ministry have replied as under:—

“Allotment and utilization of funds under AMR Scheme during last four years:

(Rs. in crore)

Schemes	2009-10		2010-11		2011-12		2012-13	
	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual (Feb., 2013)
Addition, Modification & Replacement	300	165	356	306	346	287	416	245

The following are the major reasons for delay in implementation of AMR projects:

- (a) Non-finalization of tenders resulting in re-phasing of the plan head to subsequent year. Delay in execution of contracts due to unavoidable circumstances in some cases.
- (b) For larger projects such as Lean slurry, Ash pond and transmission line etc. the local resistance and court intervention resulting in delay in implementation.”

## CHAPTER IX

### INVESTMENT IN MINERAL EXPLORATION CORPORATION LTD. (MECL)

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

9.2 The Plan Outlay is meant for Promotional work on behalf of Ministry of Mines through plan budget support and capital expenditure through IEBR *viz.*, for replacement/Procurement of new plants and machineries etc.

Major Head	(Rs. in crores)			
	Annual Plan 2012-13			Annual Plan 2013-14
	BE	RE	Actual upto Dec. 2012	BE
Promotional	10.00	10.00	5.38	9.00
Capital	9.00	12.00	9.47	20.00

The amount earmarked for schemes to be undertaken through IEBR at BE 2012-13 was Rs. 9.00 crores and was revised to Rs. 12.00 crores at RE 2012-13 and the BE for 2013-14 has now been planned at Rs. 20.00 crores.

9.3 When asked about the actual expenditure incurred during the year 2012-13 with reasons for shortfall, the Ministry have informed as under:—

“During 2012-13 an outlay of Rs. 10.00 crores (revised to Rs. 8.50 crores at FE) for promotional exploration programme and Rs. 12 crores for capital expenditure (IEBR) has been approved in RE 2012-13. The outlay both for promotional exploration (Rs. 8.50 crores) and capital expenditure (IEBR) (Rs. 12.00 crore) have been fully utilized.”

9.4 When asked as to how MECL propose to optimally utilize the funds of Rs. 20.00 crores on various schemes during 2013-14, the

Ministry have stated as under:—

“The Corporate Plan alongwith Business Plan and Manpower Plan has been approved by MECL’s board. Based on the proposals MECL plans to replace its old plant and machineries in phased manner to meet the challenges of the present market and to remain the leader in field of mineral exploration. Accordingly, it has taken up steps to upgrade its technology to increase its productivity and reduction in the cost. During 2013-14, it has planned to acquire Hi-Tech hydrostatic Drills (2 Nos.), Skid mounted Drills (5 Nos.) alongwith matching accessories and laboratory, geophysical, survey and mining equipments ( Rock Shovel, loader, hopper loaders. Locomotives, UG DTH Drillis etc.) to match with international standards. As such, an outlay of Rs. 20 crores shall be optimally utilized during 2013-14.”

9.5 When asked to furnish the details of allocations made for promotional mineral exploration programme during the last 3 years alongwith the actual utilization, the Ministry have replied as under:—

The details of allocations made for promotional mineral exploration programme during the last three years of the actual utilization are given below:—

	(Rs. in crores)		
Outlay promotional exploration	2010-11	2011-12	2012-13
Allocation	7.00	8.00	8.50 at FE stage
Utilization	7.00	8.00	8.50

9.6 When asked about the physical targets for exploration during the last 3 years *vis-à-vis* actuals alongwith the reasons for shortfall, the Ministry have informed the Committee as under:—

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

Item	2010-11		2011-12		2012-13	
	Target	Achievement	Target	Achievement	Target	Anticipated upto March 2013)
Drilling and associated activities	7000 mtrs.	4546 mtrs.	6700 mtrs.	4780 mtrs.	6520 mtrs.	6520 mtrs.
Exploratory Mining (Pitting & Trenching)	Nil	150 cubic meter	—	200 cubic meter	—	—

Reasons for shortfall in achieving the physical target:

- (a) During 2010-11 a total of 4546m drilling was achieved (in Wari, Dhol-ki-Patti, Tongnub, Rupa, Tikhi Extn. Blocks) against the target of 7000m. The reasons for shortfall are as given below:

The allocated meterage in Tongnub and Dhol-ki-Patti blocks could not be utilized fully due to non-approachability to the proposed boreholes. Further, there has been delay in commencement of exploration at Tikhi and Rajabasa blocks which also affected the achievement in drilling.

- (b) During 2011-12 a total of 4780 m drilling was achieved (in Rupa, Tikhi Extn., Rajabasa and Gurla North Blocks) against the target of 6700 m. The reasons for shortfall are as follows:

(i) 204 m. of drilling could not be taken up in Rupa block due to unapproachability and local problem.

(ii) The Field activities of Nimi-pyakatsu block for limestone being carried out through DGM, Nagaland were affected by heavy rains during working seasons and suspension of work during monsoon.

However, it is submitted that the outlay for promotional exploration during 2010-11, 2011-12 and 2012-13 were fully utilized."

9.7 When asked about the fund earmarked for the year 2013-14 are sufficient for identified promotional exploration programme and could be fully utilized, the Ministry have informed the Committee as under:—

"MECL had proposed a sum of Rs. 10 crore to carry out promotional programme in BE 2013-14. However, presently Rs. 9.00 crore has been approved. Keeping in view of ongoing and proposed programmes, it is anticipated that the outlay may be suffice. However, if required the additional amount may be requested at RE stage."

9.8 Asked to furnish details of the schemes/projects undertaken during the year 2012-13 and those proposed for 2013-14, the Ministry



have furnished the following information:—

“The details of the schemes/projects undertaken during the year 2012-13 and proposed for 2013-14 are as under:

Name of the project	District/State	Mineral	Status
2012-13			
Banera	Bhilwara, Rajasthan	Lead-Zinc	GR submitted
Gurla (North)	Bhilwara, Rajasthan	Copper	GR under preparation
Nimi	Kiphire, Nagaland	Limestone	Drilling work under progress by DGM Nagaland
Muradpur	Jhunjhunu, Rajasthan	Copper	Physical work completed, Analytical work under progress
Ajjanahalli	Tumkur, Karnataka	Gold	Physical work under progress
Pahardia	West Singhbhum, Jharkhand	Gold	Mobilization completed
2013-14			
Nimmi	Kiphire, Nagaland	Limestone	To be continued from 2012-13
Ajjanahalli	Tumkur, Karnataka	Gold	
Pahardia	West Singhbhum, Jharkhand	Gold	
Parasi East	Ranchi, Jharkhand	Gold	Proposals shall be put up to SCPP for approval
Parasi West	Ranchi, Jharkhand	Gold	
Hanumalapura	Devanagiri, Karnataka	PGE	
Gurla (South)	Bhilwara, Rajasthan	Copper”	

## CHAPTER X

### IMPLEMENTATION STATUS OF THE RECOMMENDATIONS OF THE COMMITTEE CONTAINED IN TWENTY-FIFTH REPORT

The Twenty-Fifth Report of the Committee on Coal and Steel on “Demands for Grants (2012-13)” of the Ministry of Mines was presented to Lok Sabha and laid on the Table of Lok Sabha on 8th May, 2012. The Report contained 22 Recommendations.

10.2 On the basis of Action Taken Notes furnished by the Ministry of Mines in respect of the recommendations contained in the Twenty-Fifth Report, the Committee prepared their Twenty-Eighth Report on Action Taken by the Government on recommendations/observations contained in Twenty Fifth Report on DFG (2012-13). The Twenty-Eighth Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 17th December, 2012. After analyzing the Action Taken Notes furnished by the Ministry, the Committee commented on the action taken by the Government in the context of recommendation Nos. 2, 6, 8, 9, 13 and 18 of the Twenty-Fifth Report. The Analysis further revealed that out of 22 recommendations contained in the Twenty-Fifth Report of the Committee, replies in respect of 2 recommendations have been implemented by the Government. 10 recommendations are under process 3 recommendations have not been implemented and 7 recommendations are yet to be implemented.

10.3 In terms of Direction 73A of the Directions by Speaker, Lok Sabha, the Minister concerned is required to make a Statement in Lok Sabha about the status of implementation of recommendations contained in the original Report of the Committee within six months of the said Report to Parliament. Though the six months time frame stipulated for the purpose elapsed on 8th November, 2012, a Statement under Direction 73A in the context of the Twenty-Fifth Report was made by the Minister of Mines on 18th December, 2012.

## PART II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

#### Utilization of Plan Outlays

1. The Committee observe that against the Budget Estimates and Revised Estimates of Rs. 1589.42 crore and Rs. 1942.24 crore respectively of the Ministry of Mines during 2011-12, the actuals were only Rs. 1341.53 crore. Again during 2012-13, the Budget Estimates of Rs. 2942.64 crore were drastically reduced to Rs. 1654.08 crore and the actual utilization during this period (upto December, 2012) were reported to be Rs. 935.95 crore. The Committee are dismayed to note that there was drastic reduction in Plan outlay of NALCO from Rs. 1333 crore (RE) to Rs. 802 crore during 2011-12. Further, during 2012-13, against BE and RE of Rs. 2343 crore and Rs. 1020 crore respectively, the actuals (upto December, 2012) were only Rs. 528.70 crore which is only 51.83% of RE. Similarly, against the Annual plan of Rs. 297.00 crore for HCL during 2011-12, the actual were Rs. 155.74 crore and during 2012-13 against BE of Rs. 341.14 crore, the actual upto December, 2012 were Rs. 154.11 crore. The Annual Plan of HCL has now been pegged at Rs. 688.37 crore for 2013-14. The Committee are, concerned to note underutilization of Annual Plan funds by PSUs and attached offices under the Ministry of Mines which does not augur well. While emphasizing the need for taking corrective measures by identifying the constraints affecting the implementation of projects/schemes, by the Ministry/PSUs/attached officers, the Committee expect that enhanced Plan Outlays of Rs. 2919.12 crore for the year 2013-14 will be fully utilized.

#### Annual Plan 2013-14 and Gross Budgetary Support

2. The Committee observe that against the proposed Annual Plan of Rs. 3408.85 crore (IEBR component of Rs. 2452.12 crore and Rs. 956.73 crore of GBS) for the year 2013-14 of the Ministry of Mines, the Planning Commission has approved the Annual Outlays of Rs. 2919.12 crore (Rs. 2452.12 crore as IEBR and Rs. 467.00 crore of GBS). The Ministry of Mines have informed the Committee that Hon'ble Minister of Mines has requested Deputy Chairman, Planning Commission for XIIth Five Year Plan GBS enhancement keeping in view the mandated responsibilities of the Ministry. Further, Member

Secretary, Planning Commission has also been requested for XII Five year Plan GBS enhancement atleast to the extent of Rs. 3365 crore. As the 6th instalment of Ocean Going Research Vessel (OGRV) is due in July, 2013, the Committee are hardly convinced of the reduction suggested by Planning Commission in the Annual Plan 2013-14 of the Ministry whereby GBS of only Rs. 467 crore was approved. The Committee, therefore, strongly feel that there should be higher allocation as payment of the 5th installment of Rs. 131.00 crore and partial payment of 6th instalment (balance available after deducting Rs. 131 crore from Rs. 213 crore) of OGRV were to be made by GSI. They, therefore, recommend the Ministry to again take up the matter with Planning Commission and Ministry of Finance for a realistic higher allocation for the Annual Plan, 2013-14.

#### Science and Technology (S&T) Programme

3. The Committee note that Science and Technology Programme of the Ministry of Mines initiated in the year 1978 covers disciplines of geology, exploration, mining, bioleaching, beneficiation, rock mechanics and ground control, non-ferrous metallurgy and environmental issues relating to mining and metallurgy. The project proposals from S&T/R&D institutions are considered for financial assistance for applied research in these areas. The S&T projects are approved by the Standing Scientific Advisory Group (SSAG) of the Ministry under the Chairmanship of the Secretary (Mines). A Project Evaluation and Review Committee (PERC) has been put in place in the Ministry which has been mandated besides other functions to review and monitor the progress of projects periodically. The Committee note that 15 S&T projects which were approved during XI Plan have spilled over to XII Plan and 17 projects have been approved for taking up during the year 2013-14. The Committee feel that with a view to encourage research and development of indigenous technology in the mineral and non-ferrous metal sector, there is an imperative need to expedite the completion of all ongoing S&T projects. The Committee, are, however, concerned to note that some S&T projects which were conceived during XI Plan will continue during XII Plan despite the Project Evaluation and Review Committee in place to review and monitor the progress of S&T projects.

The Committee, therefore, would like the Ministry to draw a time table for the completion of the S&T projects to derive benefits therefrom by making the Project Evaluation and Review Committee result oriented. The Committee would like to be apprised of the status of all the ongoing S&T projects.

## Gross Budgetary Support during XII Five Year Plan

4. The Committee note that the Gross Budgetary Support (GBS) of the Ministry of Mines is Rs. 2332.00 crore for XII Five year Plan which is hardly 50% of the proposed outlay of Rs. 4923.57 crore. The Committee feel that resultantly, the implementation of various schemes implemented by attached subordinate office of Ministry of Mines would either suffer or stagger. In both the eventualities, the ultimate sufferer will be the developmental process of mineral sector. The Committee further note that keeping in line with the order of Apex Court and Report of Shah Commission on illegal mining, IBM has to develop a robust national mineral information system to curb the illegal mining activities. The project on Mining Tenement System (MTS) to enable grant of mineral concession speedily thereby eliminating inordinate delays have to be vigorously pursued. Since IBM Restructuring Committee Report and Detailed Project Report (DPR) for MTS has also been approved, the Committee feel that it is necessary that more funds are allocated to IBM during the XII Five Year Plan. The Committee further note that for developing deep sea mineral exploration capabilities, GSI with Cabinet approval has placed the order of acquisition of Ocean Going Research Vessel (OGRV) for which initial payments have been paid in the XI Plan and the remaining major portion is required to be paid during XII Plan. The Committee strongly differ with the point put forward to them that the scope for providing additional resources in the course of Plan period will be considered and reviewed by Planning Commission at the time of Mid-term Review depending upon overall resources availability. The Committee feel that reduced budgetary support to the two organizations at this juncture, is bound to jeopardize the development of mineral sector in the country. The Committee, therefore, desire that sincere efforts should be made by the Ministry for getting allocation of additional funds at the supplementary/Revised Estimates stage and Planning Commission and Ministry of Finance be pursued to increase GBS to the IBM and GSI during 2013-14 and the XII Plan Period. The Committee would like to be apprised of the outcome of the initiatives taken by the Ministry in this regard.

## Geological Survey of India (GSI)

5. The Committee are concerned to note that GSI has not been allocated sufficient funds to support its ongoing schemes/projects during 2013-14. The Committee have been given to understand that Rs. 266.04 crore will be the requirement of additional funds by GSI during 2013-14 against the allocated funds of Rs. 392 crore. What have shocked the Committee is that against an allocation of Rs. 71.15 crore for Survey and Mapping, GSI will require additional

Rs. 53.10 crore during the year 2013-14. Similarly, for Information Dissemination and Modernization and Replacement Programme, additional amount of Rs. 53 crore and Rs. 145.28 crore has already been projected by Ministry of Mines/GSI against the approved outlays of Rs. 16.00 crore and Rs. 249.31 crore respectively. In view of the perspective plan on National Geophysical and National Geochemical Mapping based on the recommendation of Chawla Committee and Mackinsey Report to complete the total committed area of 8.13 lakh sq.km. with an estimated expenditure of Rs. 160 crore (Rs. 20 crore for GSI expenditure and Rs. 140 crore for outsourcing) and 8.13 lakh sq.km. with an estimated expenditure of 600 crore (Rs. 158 crore for GSI Expenditure and Rs. 442 crore for outsourcing respectively), the Committee are dismayed to note that out of total fund outlay of Rs. 160 crore for National Geophysical Mapping (NGPM) during XII Plan period, only Rs. 30 crore has been allocated to this sub-head and out of total fund outlay of Rs. 600 crore for National Geochemical Mapping (NGCM) during XII Plan period, only a total of Rs. 155 crore has been allocated under this sub-head. The Committee further observe that with the present allocated funds for NGPM and NGCM programme, the GSI would cover the envisaged target of 2,23,250 and 2,83,500 sq.km. respectively only and there is no scope for taking any optimistic decision on carrying out the two programmes by outsourcing or by service contracts as envisaged in the original purpose for the XII Plan. The Committee, therefore, recommend the Ministry that the matter of inadequate funding for various schemes including Survey and Mapping, Modernization and Replacement, National Geophysical and National Geochemical Mapping be immediately taken up with Ministry of Finance and ensure timely and adequate funding so that XII Plan targets are accomplished.

#### Indian Bureau of Mines (IBM)

6. The Committee observe that Indian Bureau of Mines (IBM), a subordinate organisation under Ministry of Mines, is primarily responsible for the promotion of systematic and scientific development of mineral resources of the country, conservation of minerals and protection of environment in mines, other than coal, petroleum & natural gas, atomic minerals and minor minerals. It also functions as a facilitator to the Mining Industry by providing consultancy services in mining, geology, protection of mine environment and mineral beneficiation, and also as a data bank on mines and minerals. The Committee note that IBM has utilized Rs. 20.12 crore of the Plan upto February, 2013 against the BE and

RE of Rs. 24 crore. The Committee are informed that IBM is presently carrying out the 6 schemes namely Inspection of Mines for Scientific and Systematic Mining, Mineral Conservation and Mines Environment, Mineral Beneficiation Studies—Utilization of Low Grade and sub-grade Ores and Analysis of Environmental Samples, Technological upgradation and modernization, Collection, Processing, Dissemination of Data on Mines and Minerals through various publications, Computerized Online Register of Mining Tenements System, Capacity Building of State Governments—Development & Implementation of Ore Accounting Software by NIC. Although IBM has proposed an Annual Plan of Rs. 61.61 crore only, Rs. 49.00 crore sanctioned are reported to be not sufficient as it will hamper the Schemes like Inspection of Mines for Scientific and Systematic Mining, Mineral Conservation and Mines Environment, and Computerized Online Register of Mining Tenements System. Taking note of the insufficient funds made available to IBM due to which the organisation would not be able to perform its primary responsibilities, the Committee, recommend that the Ministry of Mines should review the same and take necessary steps to ensure that adequate funds are made available to them for effective implementation of their ongoing schemes and the Planning Commission and the Ministry of Finance should be approached with proper justification.

7. The Committee have been given to understand that IBM Review and Restructuring Committee has proposed human resources development to the tune of additional 933 posts and infrastructure development like creation of new offices, new environmental laboratories, Training Centres etc. The Standing Finance Committee(SFC) note along with Detailed Project Report for implementation of recommendations with financial implications have been prepared for obtaining approval of concerned arms of Government *viz.* Cabinet, Ministry of Finance and Planning Commission. As restructuring is aimed at maximizing its capabilities in the area of mineral sector, it is imperative that the restructuring proposal is approved at the earliest. Since obtaining approval from different wings of the Government is a very cumbersome and long drawn process, the Committee would like the Ministry to draw up a time frame for the expeditious approval of restructuring proposal of IBM. The Committee would like to be informed of the progress in the matter.

#### Investment in Hindustan Copper Ltd.

8. The Committee note that the BE Plan Outlay of Hindustan Copper Ltd. (HCL) for financial year 2011-12 was proposed as Rs. 297.00 crore which was later pruned down at RE to Rs. 140.82 crore

against which expenditure incurred was Rs 155.74 crore. The company has revised its plan expenditure for 2012-13 at RE stage to Rs. 292.99 crore from Rs 341.14 crore at BE stage. The plan expenditure has been reduced on account of reduction of expenditure under mine expansion head. Now an increased outlay of Rs. 688.77 crore has been proposed by HCL for the year 2013-14. On a perusal of physical and financial performance of the company during the last three years, the Committee observe that while the ore production was higher during 2012-13 as compared to 2011-12, the metal in-concentrate during 2012-13 at 30000 MT are below the actual of 31683 MT and 31378 MT during 2010-11 and 2011-12 respectively. The production of cathode during 2012-13 at 24000 MT was also much below the actual of 28358 MT during 2011-12. Further, the Committee note that the turnover of the company from Rs. 1638 crore during 2011-12 has declined to Rs. 1411.17 crore during 2012-13 (anticipated). Similarly, profit before tax of the company are expected to be Rs. 344.92 crore during 2012-13 as compared to Rs. 472.92 crore during 2011-12. Delay in start of work of Malanjhand, Chapri Sidheswar and Rakha mine projects due to delayed environmental clearances from Ministry of Environment & Forests (MoEF) and finalization of tender for Kolihan mine project are the main reasons cited by Ministry of Mines for reduction of plan outlay for 2012-13. Taking note of the low achievement of physical and financial targets by HCL during 2012-13, the Committee desire that corrective measures be taken by Ministry of Mines/HCL to improve the performance of the company to ensure that Plan Outlays of Rs. 688.37 crore including Rs. 570.37 crore for mine expansion are fully utilised during 2013-14.

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

9. The Committee observe that during the last four years, NALCO has failed miserably to utilize its Plan Outlays as during 2009-10, against Budget Estimates of Rs. 1391 crore, the actual expenditure was Rs. 693 crore, Similarly, the Plan Outlays during 2010-11 and 2011-12 were Rs. 1389 crore and 1057 crore respectively against the actual expenditure of Rs. 663 crore and Rs. 801 crore. The Committee are unhappy to note that against Plan Outlay of Rs. 2343 crore for NALCO during 2012-13 and revised estimates of Rs. 1010 crore, the actual utilization upto February, 2013 is just Rs. 618 crore and anticipated expenditure during the year is likely to be Rs. 838 crore, The Committee are, however, happy to note that all segments of 2nd phase expansion programme of NALCO has been commissioned and out of the total commitment of Rs. 4299 crore, a sum of Rs. 4202 has been spent with expected saving to the tune of Rs. 100 crore,



Similarly, for upgradation of Alumina Plant, against the projected cost of Rs. 409 crore, the project is expected to be completed with utilization of Rs. 344 crore resulting in saving of Rs. 65 crore. While appreciating the savings made by NALCO for implementation of these 2 projects, the Committee are apprehensive of utilization of Plan Outlays of Rs. 1734 crore for the year 2013-14 pending resolving of the Pottangi Mines issue with State Government of Odisha, non-finalization of 22 KA upgradation of smelter, 2x250 mw Captive Power Plant at Angul. The Committee also deprecate the delay in Utkal e-Coal Mine which is reported to be held up since the forest clearance for the project is yet to be issued because the forest right certificate is yet to be issued by District authorities for the left out land, there has been a hold by the State Govt. *vide* letter dated 24.02.2012 on land acquisition till finalization of the comprehensive master plan of all the coal blocks in the Talcher region and NALCO is unable to commence any field activity in absence of land possession and forest clearance. Taking note of under-utilization of Plan Outlays by NALCO during the last 4 years, the Committee strongly urge the Ministry to review the methodology adopted by NALCO for setting up annual financial targets and ensure that real and achievable financial targets are set.

10. As regards the utilization of funds under Addition, Modification and Replacement (AMR) Scheme of NALCO, the Committee find that the scheme has direct bearing on the operation of the company resulting in its over all capacity utilization and financial capacity. The Committee and however, perturbed to note that against the allocated funds of Rs. 356 crore and Rs. 346 crore during 2010-11 and 2011-12 respectively, the actual utilization were Rs. 306 crore and 287 crore only. During 2012-13, against Plan Outlays of Rs. 416 crore for AMR Scheme, only Rs. 245 crore could be spent by February, 2013. Although, the Government have cited the reasons such as delay in the execution primarily in lean slurry project (Apprx. Rs. 182 crore) and 4th Ash pond construction (Rs. 22 crore) on account of environmental clearance issue, local law and order situation, etc., the Committee would like the Ministry/NALCO to continuously monitor such ongoing schemes to ensure utilization of entire funds allocated. The Committee expect that elaborate steps would be taken by the Ministry of Mines/NALCO to fully utilize the funds of Rs. 400 crore allocated for AMR Scheme to be fully utilized during the financial year 2013-14.

11. The Committee also take note of several diversifications and joint venture projects being undertaken by NALCO like wind power

generation Nuclear power plant in joint venture with NPCIL, Alumina Refinery project in Gujarat, Solar Power Plant in Rajasthan, etc. Out of a total Plan Outlays of Rs. 1737 crore for NALCO during 2013-14, Rs. 1140 crore are allocated to these new Greenfield projects being implemented by NALCO with Rs. 206 crore in wind and solar projects and Rs. 894 crore in Nuclear Power Plant. Although, the Committee are not averse to diversification Plan of NALCO, a 'Navratna' company, the Committee have serious doubt of the optimistic plan of NALCO to invest during 2013-14, as there was 'NIL' investment during 2012-13 against the Plan Outlays of Rs. 1182 crore for these projects. Impliedly, these Greenfield projects were not seriously and diligently pursued by NALCO leaving huge outlay unspent, the Committee feel. The Committee would, therefore, like to impress upon the Ministry/NALCO to ensure the utilization of earmarked funds for these Greenfield projects during the current financial year by taking corrective measures following strict monitoring. The Committee would also like to be apprised of the action plan to utilize the funds allocated for these projects/schemes.

Mineral Exploration Corporation Ltd. (MECL)

12. The Committee note that promotional mineral exploration programmes are being carried out by MECL on behalf of and funded by Ministry of Mines. The exploration schemes are prepared in conformity with the national priorities assigned by the different working groups on mineral exploration. The Committee, however, observe that against the Budgetary Support of Rs. 10.00 crore for promotional mineral exploration by MECL during 2012-13, the actual utilization was Rs. 8.50 crore. As regards the target and achievements of drilling and associated activities carried out by MECL, the Committee find that during 2010-11, against the target of 7000 metres, achievements were 4546 metres. During 2011-12, against the target of 6700 metres of drilling, the achievements were 4780 metres. Although, the Ministry/MECL have anticipated that reduced target of 6820 metres of drilling will be fully achieved during 2012-13, the Committee are constrained to observe that work on Nimi Limestone Project in Nagaland, Ajjanahali Gold in Tumkur, Karnataka and Pahardia gold, West Singhbhum in Jharkhand have not been completed. The Committee, therefore, recommend that these projects which will be continued during 2013-14 be completed during the current fiscal. The Committee are also unhappy to note that no advance action has been taken for 4 new projects namely Parasi East and Parasi West Gold, Ranchi, Jharkhand, Gold and Hanumalapura PGE, Devanagiri, Karnataka, and Gurla (South), Copper, Bhilwara,

Rajasthan as these are yet to be put up to Standing Committee of Promotional Projects for approval. While strongly recommending the Ministry of Mines/MECL to initiate advance action and seek necessary approval of SCPP for the new projects proposed to be taken in the next financial year, the Committee expect MECL to enhance its physical performance by taking up more mineral exploration programmes.

#### Implementation Status of Recommendations of the Committee contained in Twenty-fifth Report

13. The Committee have analyzed the implementation of the observations/recommendations contained in their Twenty-Fifth Report on Demands for Grants for the year 2012-13 of the Ministry of Mines. The analysis of the Committee shows that out of the 22 recommendations pertaining to the Ministry of Mines contained in their Report, 2 recommendations have been implemented by the Government, 10 recommendations are under process, 3 recommendations have not been implemented and 7 recommendations are yet to be implemented. The Committee would review its implementation in due course. The Committee, therefore, wish that the process of implementation of the recommendations under process be also expedited at the earliest.

NEW DELHI;  
30 April, 2013  
10 Vaisakha, 1935 (Saka)

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



	1	2	3	4	5	6	7	8	9	10
3. Other Mining and Metallurgical Industries										
Mineral Exploration Corpn. Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Investment in equity										
(b) Loan										
(c) Non-Plan Loan										
Total : Other Mining & Metallurgical Industries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Survey, Exploration, Regulation & Development of Mines										
(i) Geological Survey of India										
(a) Revenue	109.60	395.29	504.89	109.60	420.09	529.69	136.10	450.33	586.43	
(b) Capital	65.00	0.00	65.00	154.59	0.00	154.59	238.00	0.00	238.00	
Total (a)+(b)	174.60	395.29	569.89	264.19	420.09	684.28	374.10	450.33	824.43	
(ii) Indian Bureau of Mines										
(a) Revenue	20.57	43.50	64.07	20.57	48.25	68.82	42.95	52.50	95.45	
(b) Capital	1.03	0.00	1.03	1.03	0.00	1.03	1.05	0.00	1.05	
Total (a) + (b)	21.60	43.50	65.10	21.60	48.25	69.85	44.00	52.50	96.50	

1	2	3	4	5	6	7	8	9	10
(iii) Grants to MECL	10.00	0.00	10.00	10.00	0.00	10.00	9.00	0.00	9.00
(iv) Grants to BGML	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50	1.50
(v) Science & Technology	4.00	5.02	9.02	4.00	9.77	13.77	4.00	10.40	14.40
(vi) International Cooperation	0.00	0.25	0.25	0.00	0.25	0.25	0.00	0.25	0.25
(vii) National Mineral Awards	0.00	0.60	0.60	0.00	0.60	0.60	0.00	0.60	0.60
Total: Survey, Exploration, Regulation & Development of Mines	210.20	446.16	656.36	299.79	480.46	780.25	431.10	515.58	946.68
5. Lump sum provision to North Eastern Region & Sikkim									
(i) Geological Survey of India	19.40	0.00	19.40	19.40	0.00	19.40	17.90	0.00	17.90
(ii) Indian Bureau of Mines	2.40	0.00	2.40	2.40	0.00	2.40	5.00	0.00	5.00
Total: Lump sum provision to North Eastern Region & Sikkim	21.80	0.00	21.80	21.80	0.00	21.80	22.90	0.00	22.90
Grand Total :	232.00	466.44	698.44	321.59	499.95	821.54	454.00	537.08	991.083

## ANNEXURE II

STATEMENT SHOWING SCHEME-WISE/ORGANISATION-WISE BE, RE &  
ACTUALS OF 2010-11, 2011-12 AND 2012-13

Sl. No.	Name of Public Sector Undertakings Name of Schemes/Projects	ANNUAL PLAN 2010-2011		ANNUAL PLAN 2011-2012		ANNUAL PLAN 2012-2013		Actual RE (upto Dec. 2012)			
		BE	Actual	BE	Actual	BE	Actual				
		6	7	6	7	6	7				
1	2	6	7	6	7	6	7	8	9	10	11
I. NATIONAL ALUMINIUM CO. LTD.											
1. New Schemes											
	1.(a)	484.00	306.00	309.10	180.00	250.00	205.00	191.00	90.00	35.30	
	1.(b)	105.00	52.00	18.00	94.00	37.00	15.00	198.00	24.00	16.20	
	1.(c)	Pottangi/Gandhamaradan Mines	1.00	1.00	1.00	1.00	0.08	6.00	2.00	0.00	
	1.(d)	Upgradation of Alumina Plant	322.00	42.00	29.00	162.00	117.00	160.00	95.00	89.50	
	1.(e)	Green field project	31.00	6.00	1.10	232.00	176.73	1182.00	226.00	0.40	

1	2	3	4	5	6	7	8	9	10	11
	1.(f)	IIIrd Phase Project	15.00	1.00	0.10	2.00	2.00			
	1.(g)	220Ka Upgradation on Smelter	75.00	5.00	0.30	40.00	4.00	100.00	6.00	0.00
	1.(h)	2x250 CPP				0.00	1.00	15.00	1.00	0.00
	1.(h)	Wind power plant						75.00	244.00	186.20
2.		Schemes aimed at Maximising Benefits (AMRs)	356.00	300.00	305.80	346.00	300.00	287.26	416.00	201.10
		Total: NALCO	1389.00*	713.00	663.40	1057.00	1333.00	801.07	2343.00	528.70
2.		HINDUSTAN COPPER LTD.								
	1.	Replacement & Renewals	65.35	65.35	65.35	23.00	23.00	26.13	38.00	20.10
	2.	Mine Development Expenditure	85.00	85.00	85.07	85.00	85.00	95.98	85.00	87.42
	3.	Mine Expansion				189.00	104.46	33.63	208.14	46.59
	4.	Green Field Exploration						10.00	10.00	0
		TOTAL (HCL):	150.35	150.35	150.42	297.00	212.46	155.74	341.14	154.11

\*Rs. 75 crore was approved for the 220K A Upgradation in the Annual Plan which was not projected in BE 2010-11(1314+75=1389 (Annual Plan Outlay)



1	2	3	4	5	6	7	8	9	10	11
3.	MINERAL EXPLORATION CORPORATION LTD									
	— PROMOTIONAL	7.00	7.00	7.00	8.00	8.00	8.00	10.00	10.00	5.38
	— CAPITAL	8.00	8.00	8.00	9.00	9.00	9.00	9.00	12.00	9.47
	TOTAL (MECL) :	15.00	15.00	15.00	17.00	17.00	17.00	19.00	22.00	14.85
4.	GEOLOGICAL SURVEY OF INDIA									
	1. Survey & Mapping	66.61	66.61	56.00	64.37	64.37	65.42	48.04	48.04	30.99
	2. Mineral Exploration	21.99	21.99	23.76	24.00	24.00	23.81	22.90	22.90	18.26
	3. Specialised Investigatin	6.38	6.38	6.86	8.49	8.49	8.17	8.00	8.00	4.17
	4. Other Exploration	6.80	6.80	7.41	7.36	7.36	7.11	8.08	8.08	6.40
	& Research & Development									
	5. Information & Dissemination	14.71	14.71	13.68	15.96	15.96	14.62	18.17	18.17	7.96
	6. Human Resource Development	3.31	3.31	4.59	11.75	11.75	11.32	6.14	6.14	4.37
	7. Modernisation & Replacement	42.20	82.20	78.59	41.83	41.83	201.60	74.91	164.50	136.15
	8. Tribal Sub Plan				7.24	7.24	7.25	7.76	7.76	6.00

1	2	6	7	8	6	7	8	9	10	11
	1st Batch Suppl. Under M&E Head					68.87				
	2nd Batch of Suppl. Under M&E Head					92.49				
	TOTAL (GSI) :	162.00	202.00	190.89	181.00	342.36	339.30	194.00	283.59	214.30
5.	INDIAN BUREAU OF MINES									
	Scheme No. 1 : Inspection of Mines for Scientific and Systematic Mining, Mineral Conservation and Mine Environment	7.90	7.90	7.20	6.74	9.14	7.97	6.54	8.39	6.79
	Scheme No. 2 : Mineral Beneficiation studies utilisation of low grade and subgrade ores and Analysis of environmental samples	6.20	6.20	6.16	4.84	5.09	4.60	5.73	5.73	5.13
	Scheme No. 3 : Technical Upgradation and modernisation	4.10	4.10	3.61	3.38	3.48	3.17	3.89	3.89	3.19
	Scheme No. 4 : Collection processing, dissemination of data on mines and minerals through various publication	2.24	2.24	1.84	1.80	1.90	1.86	2.15	2.15	1.525

1	2	3	4	5	6	7	8	9	10	11
	Scheme 5 : Computerisation online Register on Mining Tenament System	4.75	4.75	3.62	1.50	1.50	0.96	0.80	0.80	0.68
	Scheme No. 6 : Capacity Bldg. of State Govts. Development and Implementation of Ore Accounting Software by NIC.						0	0.50	0.50	0.00
	Motor Vehicles	0.00	0.00	0.00	0.15	0.00	0	0.15	0.15	0.00
	Machinery & Equipment	0	0.00	0.00	0.50	0.00	0.54	0.87	1.42	0.22
	Capital Expenditure (Works Outlay)	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.00
	Lump-sum provision for NER	1.55	1.55	1.27	1.65	0.00	0	1.85	0.00	0.00
	Capittal outlay NER	1.26	1.26	0.33	0.55	0.00	0	0.55	0.00	0.00
	Tribal Sub Plan				0.88	0.88	0	0.96	0.96	0.00
	TOTAL (IBM):	28.00	28.00	24.03	22.00	22.00	19.11	24.00	24.00	17.53
6.	SCIENCE & TECHNOLOGY PROGRAMMES	8.82	9.00	7.94	9.42	9.42	8.07	10.50	10.50	6.46
7.	CONSTRUCTION	10.00	11.45	11.37	6.00	6.00	*	11.00	11.00	*
	GRAND TOTAL: MINISTRY OF MINES	1763.17	1128.80	1063.05	1589.42	1942.24	1340.29#	2942.64	1654.08	935.05#

\*Not Available.

#Without construction.

ANNEXURE III

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL HELD ON 8 APRIL 2013 IN  
COMMITTEE ROOM 'B', PARLIAMENT HOUSE  
ANNEXE, NEW DELHI

The Committee sat from 1430 hrs. to 1630 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

*Lok Sabha*

2. Shri Hansraj G. Ahir
3. Shri Ganeshrao Nagorao Dudhgaonkar
4. Shri Vishwa Mohan Kumar
5. Shri Govind Prasad Mishra
6. Kumari Saroj Pandey
7. Shri Gajendra Singh Rajukhedi
8. Shri Pashupati Nath Singh
9. Shri Om Prakash Yadav

*Rajya Sabha*

10. Shri Ali Anwar Ansari
11. Dr. Pradeep Kumar Balmuchu
12. Smt. Smriti Zubin Irani
13. Shri Sanjay Raut

SECRETARIAT

1. Shri S. Bal Shekar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

WITNESSES

**MINISTRY OF MINES AND ITS PSUs**

1. Shri R.H. Khwaja, Secretary
2. Ms. Gauri Kumar, Special Secretary
3. Shri Arun Kumar, Joint Secretary
4. Shri Naresh Kumar, Joint Secretary (E)
5. Shri Durgashankar Mishra, Joint Secretary
6. Dr. Vinita Aggarwal, Economic Adviser
7. Shri A. Sundarmoorthy, DG, GSI
8. Shri P.V. Ramesh Babu, Director (Planning), GSI
9. Shri Nitish Das, Director, GSI
10. Shri C.S. Gundewar, CG, IBM
11. Shri Ranjan Sahai, Controller of Mines, IBM
12. Shri Anshuman Das, CMD(IC), NALCO
13. Shri K.C. Samal, Executive Director (Fin.), NALCO
14. Shri K.D. Diwan, CMD, HCL
15. Dr. Gopal Dhawan, CMD, MECL

2. At the outset, the Chairman, welcomed the Secretary and other representatives of the Ministry of Mines and Public Sector Undertakings to the sitting of Committee and apprised them of the provisions of Direction 58 of the Directions by the Speaker, Lok Sabha. The Chairman mentioned that the sitting of the Committee has been convened in connection with examination of Demands for Grants (2013-14) of the Ministry of Mines.

3. Thereafter, the representative of the Ministry of Mines gave a visual presentation on examination of Demands for Grants (2013-14). The points discussed during the sitting broadly related to the Budgetary allocation, Modernization of GSI; Vacancies of Geologists in GSI, Plan Outlay of NALCO and status of projects; diversification programme of NALCO and HCL, CSR activities in HCL and MECL, etc.

4. The Members raised their concerns on the above issues and sought clarifications which were clarified by the representatives of the Ministry of Mines.

A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

ANNEXURE IV

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL HELD ON 30 APRIL 2013 IN  
ROOM NO. '112', FIRST FLOOR, PARLIAMENT  
HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1530 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

*Lok Sabha*

2. Shri Hansraj G. Ahir
3. Shri Sabbam Hari
4. Shri Vishwa Mohan Kumar
5. Shri Yashbant N.S. Laguri
6. Shri Pakauri Lal
7. Shri Govind Prasad Mishra
8. Kumari Saroj Pandey
9. Shri Pashupati Nath Singh
10. Shri Uday Pratap Singh

SECRETARIAT

1. Shri S. Bal Shekar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

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

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

- (i) Report on “Demands for Grants (2013-14)” of the Ministry of Mines; and

(ii) \*\* \*\* \*\* \*\*

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

*The Committee then adjourned.*

---

\*\*Do not pertain to this Report.