

39

STANDING COMMITTEE ON
COAL AND STEEL
(2017-2018)
SIXTEENTH LOK SABHA

MINISTRY OF MINES

DEMANDS FOR GRANTS
(2018-19)

THIRTY-NINTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI
MARCH, 2018/PHALGUNA, 1939 (SAKA)

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COAL AND STEEL
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Presented to Lok Sabha on 13.03.2018
Laid in Rajya Sabha on 13.03.2018

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COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2017-18)

Chairperson- Shri Rakesh Singh

Lok Sabha

2. Shri Idris Ali
3. Shri A. Arunmozhithevan
4. Shri Chandulal Sahu
5. Smt. Jyoti Dhurve
6. Shri Shailesh Kumar
7. Dr. Banshilal Mahato
8. Shri Kamalbhan Singh Marabi
9. Shri Godam Nagesh
10. Shri Ajay Nishad
11. Smt. Riti Pathak
12. Smt. Ranjeet Ranjan
13. Shri Ravindra Kumar Ray
14. Shri Tamradhwaj Sahu
15. Shri Tathagata Satpathy
16. Shri Janardan Singh 'Sigriwal'
17. Shri Pashupati Nath Singh
18. Shri Rama Kishore Singh
19. Shri Sunil Kumar Singh
20. Shri Sushil Kumar Singh
21. Shri Krupal Balaji Tumane

Rajya Sabha

22. Dr. Pradeep Kumar Balmuchu
23. Shri Ranjib Biswal
24. Shri Md. Nadimul Haque
25. Shri Ranvijay Singh Judev
26. Shri Ram Vichar Netam
27. Shri Dilip Kumar Tirkey
28. Shri Alok Tiwari
29. Shri Sanjay Singh*
30. Vacant
31. Vacant

* Nominated w.e.f. 13.02.2018.

(ii)

SECRETARIAT

1. Shri U.B.S. Negi - Joint Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Arvind Sharma - Additional Director
4. Smt. Madhu Tandon - Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Thirty-Ninth Report (Sixteenth Lok Sabha) on Demands for Grants (2018-19) relating to the Ministry of Mines.

2. The Demands for Grants of the Ministry of Mines were laid on the Table of the House on 09.02.2018. 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 21st February, 2018.

4. The Report was considered and adopted by the Committee at their sitting held on 09.03.2018.

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

6. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

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

**NEW DELHI;
09 March, 2018
18 Phalgun, 1938 (Saka)**

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

REPORT

PART-I

CHAPTER-I

INTRODUCTORY

Minerals are valuable natural resources. They constitute the vital raw materials for many basic industries and are a major resource for development. The history of mineral extraction in India dates back to the days of the Harappan civilization. The wide availability of the minerals provides a base for the growth and development of the mining sector in India. The country is endowed with huge resources of many metallic and non-metallic minerals. Mining sector is an important segment of the Indian economy. Since Independence, there has been a pronounced growth in the mineral production both in terms of quantity and value. India produces as many as 95 minerals, which includes 4 fuel, 10 metallic, 23 non-metallic, 3 atomic and 55 minor minerals (including building and other materials).

1.2 The MMDR Amendment Act, 2015 instituted the system of e-auction for grant of mineral concessions for major minerals with a view to bringing in greater transparency and removal of discretion in allotment. 21 mineral blocks across 7 States, namely Rajasthan, Odisha, Madhya Pradesh, Chhattisgarh, Karnataka, Jharkhand and Andhra Pradesh have been successfully auctioned till 31.03.2017. Further, 12 blocks have been auctioned till 01.12.2017 in the states of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Maharashtra, Odisha and Rajasthan.

VISION AND MISSION

1.3 The vision of the Ministry of Mines is to achieve optimal utilization of India's mineral resources through scientific, sustainable and transparent mining practices, exploration and geoscientific research & development. The mission of the Ministry is to develop geo-scientific partnerships with State Governments, industry and other stakeholders for management of mineral

resources both on land and offshore and development of mineral-based industries on scientific and sustainable basis; to ensure fairness and transparency in allotment of mineral concessions; to establish an e-governance mechanism for accountability of mineral resources from mine to end use/export and to ensure that the Geological Survey of India (GSI) and Indian Bureau of Mines (IBM) provide high standards of services to stakeholders.

ROLE AND ORGANISATION OF THE MINISTRY

1.4 Ministry of Mines is responsible for survey and exploration and mining of all minerals, other than natural gas, petroleum and atomic minerals and coal. In the case of atomic minerals and coal, the activities of the Ministry are limited to regional exploration. The Ministry is responsible for the administration of the Mines and Minerals (Development and Regulation) Act, 1957, (67 of 1957) and rules made there under in respect of all mines and minerals other than coal, natural gas and petroleum. The Ministry also administers the Offshore Areas Mineral (Development and Regulation) Act, 2002 and rules made there under.

1.5 The list of subjects allocated to the Ministry of Mines, attached office, subordinate office, Public Sector Undertakings and Autonomous Bodies 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.

1.6 The Ministry of Mines has the following attached/ subordinate offices, namely:

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

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

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

1.8 The following three Autonomous Research Institutions are under the Ministry of Mines, namely:

- (i) Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC) Nagpur.
- (ii) National Institute of Rock Mechanics, (NIRM), Kolar Gold Fields (Karnataka)
- (iii) National Institute of Miners' Health (NIMH), Nagpur

1.9 In addition to the above, there is one registered Society, namely, the Non-ferrous Materials Technology Development Centre(NFTDC), Hyderabad which is a non-grant institution within the administrative purview of the Ministry of Mines. Recently, the Ministry established National Mineral Exploration Trust (NMET) on 14th August, 2015 and a society namely 36th International Geological Congress (IGC) Society on 27th April, 2016.

MINERAL PRODUCTION

1.10 The total value of mineral production (excluding atomic & fuel

minerals) during 2017-18 has been estimated at Rs. 1,13,541 crore, which shows an increase of about 13% over that of the previous year. During 2017-18, estimated value for metallic minerals is Rs 53,029 crore or 47.7% of the total value and non-metallic minerals including minor minerals is Rs. 60,512 crore or 53.3% of the total value. During 2017-18, mineral production was reported from 32 States/Union Territories (actual reporting of MCDR from 22 states and estimation of minor minerals for all 32 States/Union Territories)

REVIEW OF NATIONAL MINERAL POLICY

1.11 The Ministry of Mines has constituted a committee on 14.08.2017 to review the National Mineral Policy 2008, as per directions of Hon'ble Supreme Court in its judgment dated 02.08.2017 in the matter of Common Cause Vs. UOI & Ors. [Writ Petition (Civil) No. 114 of 2014]. The Committee submitted its report to the Ministry in December, 2017. A draft National Mineral Policy, 2018 received from the Committee has been placed in the website of Ministry of Mines for public consultation.

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

1.12 To ensure that the welfare of host population are protected and the benefit of the economic activity in the mining sector equitably flows to those directly affected, provision has been made in the MMDR (Amendment) Act, 2015 for the establishment of District Mineral Foundation (DMF) in any district affected by mining related operations. The objective of DMF is to work for the interest and benefit of persons in and areas affected by mining related operations. DMF is funded by way of contributions at the prescribed rates from holders of mining lease. ii) Ministry of Mines framed the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 which were published in the Official Gazette on 17.9.2015. iii) The rates of contribution to DMF have been prescribed as follows: a) 30% of the royalty for leases granted prior to 12.1.2015; and b) 10% of the royalty for leases granted on

or after 12.1.2015. iv) The manner in which the DMF shall work for the interest and benefit of persons and areas affected by mining; as also the composition and functions of the DMF shall be prescribed by the State Governments. v) Directions have also been issued to all States to incorporate the 'Pradhan Mantri Khanij Kshetra Kalyan Yojana' in the rules framed by them for the District Mineral Foundations. vi) The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) will be implemented by the DMFs of the respective districts using the funds accruing to the DMF. At least 60% of PMKKKY funds will be utilized for: (i) drinking water supply; (ii) environment preservation and pollution control measures; (iii) health care; (iv) education; (v) welfare of women and children; (vi) welfare of aged and disabled people; (vii) skill development; and (viii) sanitation. Up to 40% of the PMKKKY funds will be utilised for: (i) physical infrastructure; (ii) irrigation; (iii) energy and watershed development; and (iv) any other measures for enhancing environmental quality in mining district. vii) 12 major mineral rich states of the country, [i.e. Goa, Karnataka, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Rajasthan, Telangana, Andhra Pradesh, Gujarat Maharashtra and Tamilnadu] have framed DMF rules and DMF has been set up in 338 districts of these states. viii) Total amount collected under DMF in 12 mineral rich states as on 30.11.2017 is provided in table below:-

(Rs. in crore)

S. No.	State	Total Amount Collected
1	Goa	140
2	Karnataka	608
3	Chhattisgarh	2,331
4	Odisha	3,548
5	Madhya Pradesh	1,449
6	Jharkhand	2,314
7	Rajasthan	1,235
8	Telangana	603
9	Andhra Pradesh	322
10	Gujarat	244

11	Maharashtra	487
12	Tamilnadu	117
Total		13,398

1.13 The detailed Demands for Grants of the Ministry of Mines were presented to Lok Sabha on 09.02.2018. The Committee have analyzed the detailed Demands for Grants of the Ministry of Mines for the year 2018-19, utilization of Plan Outlays of attached/subordinate offices and Public Sector Undertakings under the administrative control of the Ministry during 2017-18 along with various issues related to implementation of various Schemes/Projects/Programmes. In the context of the Demands for Grants (2018-19) of Ministry of Mines, the detailed analysis alongwith observations/recommendations of the Committee on various issues have been given in the succeeding chapters of the Report.

CHAPTER-II
ANALYSIS OF DEMANDS FOR GRANTS (2018-19)

The Ministry of Mines presented the detailed Demands for Grants No. 65 for the year 2018-19 to the Lok Sabha on 09.02.2018. The Demand includes provision for expenditure under Revenue and Capital Heads for the Ministry, its attached/subordinate offices and Public Sector Undertakings under its administrative control.

2.2 Budgetary support under Revenue and Capital is obtained for different schemes implemented by Geological Survey of India (GSI), Indian Bureau of Mines (IBM), MECL Promotional Scheme and S&T Scheme. Revenue provision is also obtained for GSI, IBM, Secretariat (Proper), grants-in-aid to Autonomous bodies, etc. A brief summary of Demands for Grants (2018-19) is given in the Table below:-

Summary of Demands for Grants

(Rs. in crore)

Sl. No.	Name of the Organisation	2016-17		2017-18		2018-19	
		Plan	Non-Plan	Revenue	Capital	Revenue	Capital
1	Secretariat (Proper)	0.00	26.00	36.55	0.00	43.58	0.00
2	Geological Survey of India	480.00	547.44	873.57	154.30	889.47	168.40
3	Indian Bureau of Mines	47.23	54.00	106.54	4.54	127.26	1.82
4	Grants to MECL	29.15	0.00	6.00	0.00	6.00	0.00
5	Bharat Gold Mines Limited- Grants	0.00	3.00	3.50	0.00	4.50	0.00
6	S&T Programme/Other Programme (6.1 to 6.6)	13.62	13.05	28.49	0.00	28.49	0.00
6.1	NIRM	1.39	5.50	7.99	0.00	7.99	0.00
6.2	NIMH	0.24	1.50	1.96	0.00	1.96	0.00
6.3	JNARDDC	3.99	50	9.29	0.00	9.29	0.00
6.4	IC	0.00	0.30	0.35	0.00	0.35	0.00
6.5	NMA	0.00	0.75	0.65	0.00	0.65	0.00
6.6	Other Research Programme	8.00	0.00	8.25	0.00	8.25	0.00
	Total	570.00	643.49	1054.65	158.84	1099.30	170.22

2.3 When asked about the details of the amount proposed by the Ministry of Mines and amount actually provided for the Projects/Schemes of attached offices/PSUs under the administrative control of Ministry in the Annual Plan, separately for the last three years from 2015-16 to 2017-18 and BE 2018-19 alongwith reasons for variation between the proposals, the Ministry in a written reply informed the Committee as under :-

"The details of amount proposed by the Ministry and the amount actually provided for the Projects/Schemes of attached Offices/PSUs under the administrative control of Ministry of Mines in Annual Plan separately for the last three years from 2015-16 to 2017-18 and BE 2018-19 are given in the Table below. The variations in proposals/actual allocations are part of the budgeting process and allocation is done by the Ministry of Finance as per the resources available with them.

(Rs. in crore)

S.No	Scheme/Organization	2015-16		2016-17		2017-18	
		Proposed	Allocation	Proposed	Allocation	Proposed	Allocation
1	GSI	425.50	462.58	524.50	480.00	1318.97	1027.87
2	IBM	54.44	53.00	49.74	47.23	134.74	111.08
3	S&T Programme	20.10	15.00	24.86	13.62	35.38	27.49
4.	MECL Promotional	27.00	40.00	53.35	29.15	45.00	6.00
5.	Construction (GSI+IBM)	24.91	----	----	----	----	----
	Total (Excluding 5)	527.04	570.58	652.45	570.00	1534.09	1172.44

BE 2018-19

(Rs. In crore)

Sl. No.	Name of PSUs / Organization	Proposed	Approved
1.	GSI	1205.56	1057.87
2.	IBM	154.34	129.08
3.	S&T Program (Other Bodies)	46.02	27.49
4.	MECL Promotional	16.00	6.00
5.	BGML,IC & NMA	10.97	5.50
6.	Secretariat	39.54	43.58
	TOTAL	1472.42	1269.52

GSI

During the years 2015-16 to 2017-18 and BE 2018-19, the amounts proposed and amount received scheme wise are as under:-

(Rs. in crore)

	SCHEMES	2015-16 (Plan)		2016-17 (Plan)		2017-18		2018-19	
		Proposed	BE Grant	Proposed	BE Grant	Proposed	BE Grant	Proposed	BE Grant
1	Administrative support activity (Direction & Administration)	-	-	-	-	836.53#	78.43	130.00	60.73
2	Survey & Mapping	142.15	156.22	132.88	118.68	136.00	82.70	100.00	76.25
3	Mineral Exploration	41.11	53.51	68.73	54.88	87.00	52.20	60.00	39.85
4	Information Dissemination	108.66	144.46	83.04	79.91	61.10	37.05	60.00	36.70
5	Research & Development	6.97	12.63	17.85	14.32	10.20	7.15	15.00	8.43
6	Spl. Investigation & Other Antarctica	12.36	11.00	12.51	10.03	2.64	1.97	4.00	2.00
7	Human Resource Development	13.23	11.82	17.15	21.04	15.50	4.20	4.00	8.76*
8	Modernisation & Replacement	91.02	62.94	182.34	170.14	157.50	154.30	150.00	168.40
9	Tribal Area sub Plan (TSP)	10.00	10.00	10.00	11.00	12.50	11.00	12.00	8.00
10	Grant-in-aid							10.00	
	Total	425.50	462.58	524.50	480.00	1318.97	429.00	545.00	409.12
11	Establishment expenditure	-	-	-	-		598.87	755.00	648.75
	Grand Total					1318.97	1027.87	1300.00#	1057.87

* The funds to the tune of Rs.6.11 crore earmarked for 36th IGC Society are included in HRD scheme.

This includes a proposal of Rs.1205.56 crores for the FY 2018-19 and a proposal for total outlay of Rs.1300.00 for carrying out all the activities during the FY 2019-20.

Under Survey & Mapping, the expenditure was increased manifold in FY 2015-16 after introduction of the new ocean going research vessel Samudra Ratnakar in the GSI fleet for maintenance along with two coastal vessels and also due to maintenance of the GSI aircraft and Heliborne Survey.

During FY 2018-19, the budget provision in this scheme has been reduced as GSI helicopter has been decided in principle to be decommissioned and

a committee has been formed to review the future of the TOASS after the comprehensive O&M contract on turnkey basis is completed. The expenditure under Mineral exploration scheme was increased with the introduction of G2 stage (UNFC) exploration in GSI from FY 2015-16. GSI has been taking a number of Mineral exploration items on G2 stage to fulfill the objective of the Government by identifying exploration blocks for auctioning. Funds have been provided to carry out drilling through outsourcing to expedite the exploration. In Mineral Exploration scheme, budget proposal has been reduced in FY 2018-19 compared to 2017-18 as the number of programmes of Coal & Lignite exploration has been reduced as per the decision of the Ministry.

The OCBIS programme of GSI is operational from April 2017. Accordingly, fund proposal under Information Dissemination scheme has been reduced in FY 2018-19 which will be required primarily for maintenance of the OCBIS infrastructure.

The Modernization Replacement head was increased again in 2016-17 in anticipation that GSI would get the requisite clearances for procurement of Geotechnical Vessel (GTV) but the milestone slipped due to procedural delay. GSI has started the procurement process during FY 2017-18 and payment of two installments amounting to Rs.50.00 crore will be made for GTV during FY 2017-18. During FY 2018-19 the fund proposal under Capital Head has been increased to meet the expenditure for payment of two installments amounting to Rs.125.00 crore for the Geotechnical vessel. The procurement of GTV will be completed in FY 2019-20. In the budget proposal of 2018-19, the fund under HRD head has been increased in comparison to FY 2017-18 as an amount of Rs.6.11 crore allotted for the 36th IGC Society is included under this Head.

IBM

Details of budgetary allocation for different projects/schemes of Indian Bureau of Mines both at BE and RE stages for the last three years (year wise) from 2015-16 to 2017-18 and BE 2018-19 are as under:-

S.No.	Year	Amount proposed by the IBM	Amount actually provided
1	2015-16	54.44	53.00
2	2016-17	49.74	47.23
3	2017-18	134.74	111.08
4	2018-19	154.54	129.08

The reasons for variation in utilization of allocated funds are due to non-finalization of MTS project, non-materialization of MACP and recruitment of Group C employees."

S&T PROGRAMME

2.4 Recognizing the paramount importance of safety, economy, speed and the efficiency in extraction of mineral resources and in its convergence into viable economic alloys and metals, National Mineral Policy has accorded higher priority to R&D programmes. For fructification of principles as enunciated in the National Mineral Policy, guidelines for support to 'Mining Research' was issued in May 2013. With a view to promote R&D in the mining sector, Ministry of Mines has launched a comprehensive Science & Technology Programme which includes (i)R&D component (ii) Information Education and Communication (IEC)and (iii) one-time capital component for up-gradation of R&D facilities of Jawaharlal Nehru Aluminium Research Development & Design Centre, National Institute of Miners' Health and National Institute of Rock Mechanics.

PLAN OUTLAY FOR 2018-19

2.5 Total Outlays of Ministry of Mines for 2018-19 BE stage is Rs.1269.52 crore out of which Revenue provision is being kept at Rs.1099.30 crore and Rs.170.22 crore under Capital provision. An amount of Rs.1054.65 crore was kept under Revenue and Rs.158.54 crore under Capital Head for 2017-18 totaling to Rs.1213.49 crore. The plan allocation is obtained for different schemes implemented by GSI, IBM, MECL Promotional Scheme, S&T Scheme. Under Revenue Head, provision is obtained for GSI, IBM, Secretariat (Proper), Grants-in-Aid to Autonomous Bodies etc.

2.6 When asked about the objective for increase in Revenue provision from Rs.1054.65 crore during 2017-18 to Rs.1099.30 crore in 2018-19, the Ministry of Mines in a written replyinformed the Committee as follows:-

"During the year 2017-18 and 2018-19, the total Revenue Section and Capital Section is as under:-

(Rs. In Crore)

	2017-18	2018-19	Actual Exp. till 31 Jan. 2018
Revenue Section	1054.65	1099.30	942.66
Capital Section	158.84	170.22	77.11
Total	1213.49	1269.52	1019.77

GSI

The objective for increase in Revenue provision during 2018-19 in respect of GSI as compared to the Revenue provision during 2017-18 is as under:-

- Under Survey & Mapping scheme, Rs 76.25 crore has been provisioned which includes maintenance cost of three GSI vessels, maintenance of the TOASS aircraft and Heliborne Survey Systems, field expenditure under Survey & Mapping as well as for outsourcing of vehicles.
- Under Mineral exploration scheme, Rs 39.85 crore has been provisioned. GSI has prioritized its exploration endeavour in line with National priorities and oriented its exploration activities involving G4, G3 and G2 stages as per UNFC code. It also includes cost for outsourcing of drilling and vehicles.
- Under Information-dissemination scheme, Rs 36.70 crore has been provisioned for carrying out Mission III activities. Online Core Business Integrated System (OCBIS) has become operational since April 2017. The fund has been provisioned for the payments related to implementation and maintenance of OCBIS, charges for bandwidth, AMC of various IT equipments, implementation of data archival system, publication, procurement of journals, IT related procurements and other miscellaneous activities.
- Besides above major schemes, under Special Investigation & Other Exploration (Antarctica) scheme and Research & Development schemes, fund of Rs 2.00 crore and 8.43 crores are provisioned respectively to carry out special investigation and research activities.
- Under Human resource development scheme, Rs. 2.65 crore is provisioned to conduct training courses for capacity building of GSI personnel as well as geoscientists from other geological institutes from India and abroad. Rs.6.11 crore has been provisioned for preparatory expenditure for conducting seminar, symposium, workshops in connection with 36th IGC, 2020.
- Under Tribal Sub Plan scheme, Rs. 8.0 crore is provisioned for welfare service to the people of tribal areas by utilization of the fund under mandated field activities.

IBM

The objective towards increasing the Revenue provision from the BE for the year 2017-18 to BE for the year 2018-19 is due to opening of four new Regional Offices, Cadre restructuring, Outsourcing of housekeeping services, security services and vehicles from private agencies, enhancement in the rate of electricity, water, telephone charges, payment towards Municipal service charges, enhancement in the cost of Chemicals required for Mineral Beneficiation and payment

towards MTS project and star rating projects for its initial stage of implementation."

2.7 When enquired about the objectives sought to be achieved by increase in the budget amount from Rs.158.84 crore in 2017-18 under Capital Head to Rs.170.22 crore during 2018-19, the Ministry of Mines in a written reply informed the Committee as follows:-

"During the Financial Year 2017-18, GSI had made a provision of Rs.110 crore for installment payment towards procurement of Geotechnical vessel (GTV) but due to delay in finalisation of contract, milestone has slipped and Rs.50 crore only will be paid as installment payment during Financial Year 2017-18.

During Financial Year 2018-19, major expenditure to be incurred by GSI will be installment payment for the Geotechnical vessel to the tune of Rs.125 crores and Rs.43.40 crore shall be utilized for procurement of machineries, laboratory, field equipment, drilling instruments, purchase of vehicles for all regions of GSI for smooth execution of all the activities in 2018-19. Further, different machineries and equipment have been planned to be procured for upgradation and modernization of all laboratories as well as for execution of field programmes with quality data output. "

2.8 When the Committee asked to furnish details of budgetary allocation for different projects/schemes of Ministry of Mines both at BE and RE stages for the last three years (year wise) from 2015-16 to 2017-18 and BE 2018-19 and actual expenditure thereon and the reasons for variation in utilization of allocated funds, the Ministry of Mines apprised the Committee in a written reply as follows:-

"The details of budgetary allocation for different projects/schemes of Ministry of Mines both at BE and RE stages for the last three years (year wise) from 2015-16 to 2017-18 and BE 2018-19 along with actual expenditure are given in the Table below.

Budgetary allocation for different schemes / organization

(Rs. in crore)

Scheme/ Organization	2015-16				2016-17				2017-18			
	BE	RE	Exp.	% Utilization w.r.t. RE	BE	RE	Exp.	% Utilization w.r.t. RE	BE	RE	Exp.Upto January, 2018	% Utilization w.r.t. RE
GSI	462.58	347.93	352.60	101.34	480.00	371.00	348.79	94.01	1027.87	1027.87	885.74	86.10
IBM	53.00	37.93	32.58	85.89	47.23	30.00	28.24	94.13	111.08	115.09	88.75	77.11
S&T Program	15.00	15.00	15.00	100.00	13.62	8.85	8.85	100.00	27.49	24.40	10.15	41.60

MECL Promotional	40.00	36.26	28.51	78.62	29.15	4.15	4.15	100.00	6.00	6.00	6.00	100.00
Construction (GSI+IBM)	----	----	-----	-----	----	----	----	----	----	----	----	----
Total (Excluding 5)	570.58	437.12	428.69	98.07	570.00	414.00	390.03	94.21	1153.20	1156.21	983.94	85.10

2.9 From the above table, it may be seen that against BE of Rs. 27.49 crore RE for 24.40 crore for S&T Programme, the actual utilization upto January, 2018 was Rs. 10.15 crore. In this regard, a representative of Ministry of Mines informed the Committee during evidence that a grant of 27.49 crore was earmarked during the year 2017-18 to S&T programme. It has been reduced to Rs. 24.40 crore at RE stage. However, the actual utilization of funds upto 20th February, 2018 is Rs. 22.66 crore.

2.10 The Scheme-wise allocation of funds by Ministry of Mines during 2018-19 is as under:-

(Rs. in Crores)

Sl. No.	Scheme/Organization	BE 2018-19
1.	GSI	1057.87
2.	IBM	129.08
3.	S&T Program (Other Bodies)	27.49
4.	MECL Promotional	6.00
5.	BGML, IC & NMA	5.50
6.	Secretariat	43.58
TOTAL		1269.52

GSI

The year wise and scheme-wise budgetary allocation of GSI is as under:-

(Rs in crores)

Schemes	2015-16 (Plan)		2016-17 (Plan)			2017-18		2018-19 BE
	RE Grant	Actual Expnd	RE Grant	FE Grant	Actual Expnd	RE Grant	Actual expenditure upto Jan., 2018	
Administrative support activity (Direc. & Admn.)	-	-	-	-	-	85.32	67.23	60.73
Survey and Mapping	115.81	115.07	106.07	106.51	105.71	81.20	76.57	76.25

Mineral Exploration	38.49	38.71	62.83	63.04	63.01	46.00	36.10	39.85
Spl. Investigation & Other exploration (Antarctica)	11.16	11.10	9.42	9.46	9.26	2.05	1.49	2.00
Research & Development	11.80	11.72	10.50	10.53	10.44	8.75	7.22	8.43
Information Dissemination	95.18	95.07	78.11	78.12	77.73	52.75	36.90	36.70
HRD	10.52	10.49	19.49	19.60	19.62	5.70	2.49	2.65
Mod. & Replacement	65.07	66.41	71.88	50.12	50.51	107.30	77.05	168.40
TSP	8.20	8.20	12.70	12.70	12.51	10.00	9.52	8.00
Total	356.23	356.77	371.00	350.08	348.79	399.07	314.57	409.12
Establishment Expenditure	-	-	-	-	-	628.80	571.17	648.75
Total						1027.87	885.74	1057.87
% of Utilisation of Fund against allotment (RE/FE)		100.15			99.63		87.10	

Perusal of the Table shows that during each of the years GSI has almost utilized the total RE budget granted. During FY 2015-16 the percentage was 100.15% and in FY 2016-17 the percentage was 99.63%.

During the current FY 2017-18 the utilization of budget till the end of January 2018 is 87.10% considering the Minor Works authorisations of Rs. 9.50 crore issued and it is expected that the funds shall be fully utilized by the end of the financial year.

IBM

Details of budgetary allocation for different projects/schemes of Indian Bureau of Mines both at BE and RE stages for the last three years (year wise) from 2015-16 to 2017-18 and BE 2018-19 and actual expenditure thereon are as under:-

(Rs. in crore)

Scheme/ Orgn.	2015-16				2016-17				2017-18				BE
	BE	RE	Exp.	% Utilization w.r.t. RE	BE	RE	Exp.	% Utilization w.r.t. RE	BE	RE	Exp.Upto January, 2018	% Utilization w.r.t. RE	
IBM	53.00	37.93	32.58	85.89	47.23	30.00	28.24	94.13	111.08	115.09	88.75	77.11	129.08

The reasons for variation in utilization of allocated funds are due to non-finalization of MTS project, non-materialization of MACP and recruitment of Group C employees."

CHAPTER-III

GEOLOGICAL SURVEY OF INDIA(GSI)

Founded in 1851, the Geological Survey of India (GSI) started its voyage to search for and assess coal and mineral resources of the country with regional level exploration. In the 166 years since its foundation, GSI has continued to grow and diversify into various geoscientific activities, and delivered colossal contribution in the arena of geosciences as well as in the economic growth of India. One of the oldest Surveys of the world, the history of Geological Survey of India is synonymous with history of development of the infrastructure and industries in India. The main functions of GSI relate to creation and updation of national geoscientific information and mineral resource assessment. These objectives are achieved through ground surveys, air-borne and marine surveys, mineral exploration, multi-disciplinary geoscientific, geotechnical, geo-environmental and natural hazards studies, glaciology, seismotectonics, and carrying out fundamental research.

3.2 When asked about the reasons for variations between BE and RE during 2017-18 and BE during 2018-19 and the actual expenditure during 2017-18, the Ministry of Mines in a written reply informed the Committee as follows:-

"The BE, RE 2017-18, actual expenditure (upto Jan, 2018) and BE 2018-19 in respect of GSI is as under:-

(Rs. in crore)

Sl. No.	Activity	BE 2017-18	RE 2017-18	Actual Expenditure (upto Jan 2018)	BE 2018-19
I.	Survey & Mapping	82.70	81.20	76.57	76.25
II.	Mineral Exploration	52.20	46.00	36.10	39.85
III.	Information Dissemination	37.05	52.75	36.90	36.70
IV.	Spl. Investigation & Antarctica	1.97	2.05	1.49	2.00
V.	Research & Development	7.15	8.75	7.22	8.43
VI.	Human Resource Development	4.20	5.70	2.49	8.76

VII.	Modernisation & Replacement	154.30	107.30	77.05	168.40
VIII.	Tribal Sub Plan (TSP)	11.00	10.00	9.52	8.00
IX.	Administrative Support Activity	78.43	85.32	67.23	60.73
Establishment Expenditure		598.87	628.80	571.17	648.75
Total		1027.87	1027.87	885.74	1057.87
Minor Works Authorization to Ministry of Urban Development				9.50	
Total (considering the minor works authorisations)				895.24	
% of expenditure against RE, considering the minor works authorisations.				87.10%	

Perusal of the Table shows that during each of the years GSI has almost utilized the total RE budget granted. During FY 2015-16 the percentage was 100.15% and in FY 2016-17 the percentage was 99.63%.

During the current FY 2017-18 the utilization of budget till the end of January 2018 is 87.10% considering the Minor Works authorisations of Rs. 9.50 crore issued and it is expected that the funds shall be fully utilized by the end of the financial year."

3.3 On being asked about the impact of revision in outlays in BE and RE of GSI during 2017-18 on its physical targets, the Ministry of Mines in a written reply has informed the Committee as under :-

"As per the operational needs financial outlay under different schemes has been modified at RE stage so that the set physical target of Field Season (FS) 2017-18 can be achieved successfully. GSI is making all efforts to achieve the physical targets set for FS 2017-18. The targets vis-à-vis the achievements of GSI upto January 2018 are as under:-

TARGET VS. ACHIEVEMENT DURING THE F.S.2017-2018 OF GSI

Scheme/Mission	Name of the Scheme/Project/Programme	Target for F.S.2017-2018	Achievement upto 31st January' 18
	MISSION-I		
a) GROUND SURVEYS	i) Spl. Thematic Mapping (sq.km.)	14,000	14056.5
	ii) Geochemical Mapping (sq.km.)	1,37,000	119211.33
	iii) Geophysical Mapping (sq.km.)	1,00,000	89914.5
b) AERIAL SURVEYS	iv) Multisensor/Aeromagnetic Survey (with Twin Otter (lkm)	60,000	8369
	v) Heliborne Survey (lkm)	25,000	2693
c) MARINE SURVEYS	1. Bathymetric Survey (lkm)-	10,000	8468
	2. Magnetic (lkm) -	11,000	13785

	3. Swath Bathymetry (sq.km.)	42,000	50180
	4. Seismic Survey (lkm)	5,000	4498
	5. Gravity (l. km)	16,000	6259
	6. Sub bottom profiling (l. km)	15,000	12677
	7). Systematic coverage within TW + EEZ (sq. km)	5000	4850
	MISSION-II		
	a) Reconnaissance Mapping (sq km)	4500	6715
	a) Large Scale Mapping (LSM)(sq. km.)	6000	7009.4
	b) Detailed mapping (DM) (sq. km.)	110	78.75
	c) Drilling (meter)	1,15,000	99655.45
	d) Preliminary mineral investigation within EEZ(sq.km)	30,000	13391
	MISSION-III		
GEO-INFORMATICS	No. of Projects	40	45 initiated
	i) Map Compilation+Data Integration(nos.)	15	19 initiated
	ii) Publications(nos.)	15	11 published
	MISSION-IV		
FUNDAMENTAL AND MULTIDISCIPLINARY GEOSCIENCES	No. of Projects	70	96 initiated
	i) NLSM/LSM(Sq. km)	45,000	43901
	ii) Land Slide Investigation(LHZ/LSI) (nos.)	5	14 initiated
	iii) Seismic Hazard (SEI) (nos.)	6	13 initiated
	iv) Polar Studies & Glaciology (nos.)	6	9 initiated
	No. of Projects	40	51 initiated
	i) Geochronology dates (nos.)	40 samples	Zicron from 54 samples separated, mounted and ready for analysis.
RESEARCH & DEVELOPMENT	ii) Isotope Analysis(nos.)	80 samples	193
	iii) EPMA analysis(nos.)	1500 samples	1492
	iv) XRD analysis(nos.)	900 samples	1815
	v) XRF analysis(nos.)	300 samples	317
	vi) OSL analysis(nos.)	80 samples	82
	vii) DTA analysis(nos.)	90 samples	18
	MISSION-V		
TRAINING AND CAPACITY BUILDING	No. of Projects	90	98 Completed & 5 in progress

i) Orientation Courses(nos.)	3	6 completed & 2 in progress
ii) Administrative Courses(nos.)	17	27 completed
iii) Thematic Courses(nos.)	68	64 Completed & 2 in progress
iv) International Courses(nos.)	2	1 Completed & 1 in progress

3.4 As regards achievements of lower target by GSI during 2017-18, a representative of Ministry of Mines informed the Committee during evidence as under:-

"So far as survey-mapping is concerned, GSI's last year BE was Rs. 82 crore and this year, it has been reduced to Rs. 76.20 crore. The main reason for this is that there was a helicopter in our remote sensing agency whose office is in Bengaluru. Since it was an old helicopter, a decision has been taken to condemn it. So, the expenditure on heliborne survey, mapping etc. will not be required. There was a field programme for the heliborne survey. That is the exact reason for which there has been a reduction."

3.5 During the course of evidence, a representative of the Ministry of Mines informed the Committee that the target of aerogeophysical could not be achieved due to grounding of Helicopter owned by GSI and now it is proposed to be carried out on contractual basis. For the year 2017-18, under the Modernisation and Replacement Head for procurement of Geotechnical Vessel (GTV), the fund has been has been (GTV), the fund has been reduced at RE stage but the milestone slipped due to procedural delay. The payment of two installments amounting to Rs. 50.00 crore have been made for GTV. The procurement of GTV will be completed in the year 2019.

3.6 Asked to furnish a detailed note on implementation of Modernization and Replacement Scheme of GSI, the Ministry of Mines in a written reply stated as under:-

"Under the scheme 'Modernisation & Replacement' different machineries and equipment have been purchased in a planned manner for upgradation and modernization of all laboratories as well as for execution of field programmes with quality data output. During preparation of the budget for every financial year, due attention is given for modernization and upgradation of the laboratories based on the departmental need and sufficient fund provision is also made for procurement.

To improve the capabilities in the field and laboratories for generating various types of earth science data and their interpretation, many machineries and equipments have been procured in recent past. The major high end instrument is Ocean Going Research Vessel (OGRV) 'Samudra Ratnakar' which is in operation since FS 2013-14 and actively engaged in offshore mineral investigation in addition to sea bed mapping.

High-technology drilling machines like wireline drilling and hydrostatic drilling have been procured as GSI is taking up G2-stage exploration since FS 2015-16 for which GSI shall require large quantities of drilling with sophisticated equipment to complete the exploration in a time-bound manner for assisting state government authorities in the auctioning of prospection blocks process.

The other important instruments procured in different laboratories of GSI include Laser Raman Spectroscopy, Trinocular Polarising Microscope, Laser Ablation Multi Collector Inductively Coupled Plasma Mass Spectrometer (LA-MC-ICP-MS), Laser Ablation Inductively Coupled Plasma Mass Spectrometer (LA-ICPMS) Electron probe micro analyser (EPMA), Magnetic barrier separator, Scanning Electron Microscope (SEM) with EDX, DT-TGA unit, instruments for gem testing, Thermo luminescence/ Optically Stimulated Light (TL/OSL) Reader, for different geological research laboratories; Atomic Absorption Spectrometer (AAS), Inductively Coupled Plasma Mass Spectrometer (ICPMS) X- ray florescence spectrometer (XRF) etc. for chemical laboratories; Resistivity Equipment, DGPS, Gravimeter, Magnetometer, geophysical loggers etc. for geophysical activities; Drill machines and accessories for drilling activities. All these high end machineries give quality data and cater the need of GSI as well as other Geological institutes of India on demand.

Many machineries and equipment have been planned to be procured phase-wise in near future. The major machinery planned to be procured is Geotechnical vessel (GTV). The procurement of GTV is in the process which will be completed by 2019-20. The Geotechnical Vessel will be able to undertake detailed evaluation of placer minerals and construction grade sand towards preparation of 3D models of resources, geotechnical studies towards preparation of geotechnical

maps, site specific studies for offshore structures and to assess the down-depth continuity of non-living resources.

In addition several petrological, chemical and geophysical instruments are also in the process of procurement for modernization of different laboratories."

3.7 As regards, actual utilization of funds under Modernisation and Replacement scheme of GSI for the year 2017-18, the Ministry of Mines in a written reply informed the Committee as under:-

"The details of actual utilisation of funds under the is as under:-

Scheme	BE Grant 2017-18	RE grant 2017-18	Actual Expenditure 2017-18 (Upto Jan. 2018)
Modernisation and Replacement (Machinery & Equipment + Motor Vehicle)	Rs.154.30 crore	Rs.107.30 crore	Rs. 77.05 crore

The Modernization Replacement head was increased in anticipation that GSI would get the requisite clearances for procurement of Geotechnical Vessel (GTV) but the milestone slipped due to delay in finalisation of contract for GTV. GSI has started the procurement process during FY 2017-18 and payment of two instalments amounting to Rs.50.00 crore will be made for GTV during FY 2017-18. Therefore, the RE allocation has been reduced in this scheme from Rs.154.30 crore to Rs.107.30 crore and the fund of Rs.47.00 crore has been reallocated to other schemes."

3.8 On utilization of funds, the Committee were informed that during Financial Year 2017-18, BE of Rs. 1027.87 crore was approved. Out of this, Rs. 429.00 crore was allocated for different schemes including NER and Rs. 598.87 crore was allocated for establishment expenditure. Accordingly, the quantifiable deliverables for each scheme have been finalised and all the activities are presently in execution. As per the operational needs RE budget of Rs. 1076.00 crore was proposed to meet the anticipated expenditure under different heads. However, RE budget of Rs. 1027.87 crore has been approved for FY 2017-18 due to non-availability of fiscal resources. Accordingly, the financial outlay under different schemes have been modified.

Under Modernisation & Replacement scheme, initially Rs. 110.00 crore was earmarked for payment of instalments for the procurement of Geotechnical Vessel (GTV) in BE, but due to delay in finalisation of contract, milestone has been slipped. During this financial year Rs. 50.00 crore will be paid for GTV instalments. Therefore, RE budget has been reduced in this scheme from Rs. 152.30 crore to Rs. 105.30 crore and the fund of Rs. 47.00 crore has been reallocated in other schemes as well as in establishment expenditure. Due to increased establishment expenditure due to the implementation of the enhanced allowances of 7th CPC, enhanced DA, hike in wages, etc. the RE was revised for Establishment Expenditures from Rs. 598.87crore to Rs. 628.80 crore. In Information Dissemination scheme head the budget has been increased by Rs. 15.70 crores to meet the committed expenditure of pending bills and other miscellaneous expenditures related to IT. There is minor increase in the RE budget in the schemes, Special Investigation, R&D and HRD (training) to meet the anticipated expenditure for the remaining period. All scheme activities are in progress and it is anticipated that targets will be achieved as per schedule of FY 2017-18.

3.9 On being asked to whether the increased allocation of funds during 2018-19 would sufficiently meet the requirements of ongoing Modernisation and Replacement Projects in GSI, the Ministry of Mines informed the Committee in a written reply as under:-

For Financial Year 2018-19, the fund under modernization and replacement head has been increased to Rs. 168.40 crore. This fund provision has been made to meet the major expenditure on instalment payment for the Geotechnical vessel to the tune of Rs 125 crores and rest 43.40 crores shall be utilized for procurement of machineries, laboratory, field equipment, drilling instruments, purchase of vehicles for all regions of GSI for smooth execution of all Mission activity of 2018-19. Different machineries and equipment have been planned to be procured for upgradation and modernization of all laboratories as well as for execution of field programmes. However, there are certain areas where it is expected that GSI may face some shortage and hence GSI may have to request for Supplementary funds to meet these expenditures."

3.10 Regarding the steps taken/being taken to improve the performance of GSI, the Ministry of Mines informed the Committee as under:-

- a) "GSI is presently executing all its activities under Mission-Region-Hybrid-Matrix mode for monitoring and quality output. GSI has prepared Standard Operating Procedure for different mission activities and it is in the continuous process of modification as per advanced techniques adopted in contemporary geo-science activities.
- b) To achieve the desired goal in multidisciplinary geoscientific field formulation of quality FSP programme with focused objective and generation of quality report are very important. To meet this challenge, GSI has adopted two tier review system for both field season programme formulation and finalization of the project reports. The internal peer review is being done for all field season programmes/reports and external peer review for 20% programmes/reports.
- c) GSI has increased its core activity especially in the field of mapping. Three national level mapping programme viz. National Geochemical Mapping, National Geophysical mapping in obvious geological potential area for search of prospective mineral zone and National Landslide Susceptibility mapping in landslide prone areas are in progress.
- d) GSI Training Institute (GSITI) is actively engaged in capacity building & skill development through induction programs to newly recruited scientific officers of GSI. In addition, GSITI also regularly conducts basic, refresher, advanced courses on specific technical themes of earth sciences for the requirement of the department and also for other Central / State Government, PSU's, other organizations / academic institutes including participants from foreign countries. This institute also conducts administrative and management courses as per the need of the department.
- e) To improve the capabilities in the field and laboratories for generating various types of earth science data and their analyses, many high end machineries and equipments have been procured in recent past and are also planned to be procured phase-wise in near future. GSI makes continuous endeavour to upgrade the laboratories for contemporary research work.
- f) GSI has continuous interaction with international scientific organisations / bodies and foreign agencies through active involvement in collaborative programmes and scientific projects. Recently GSI has signed MoU with Geoscience Australia (GA), British Geological Survey (BGS) , Natural Resources Canada (NRCan) , Geological Survey of Bangladesh (BGS) to take up collaborative programmes for knowledge sharing.
- g) GSI had been generating baseline geoscientific data and carrying out regional exploration for mineral deposits i.e. upto G3/G4 exploration level of United Nation Framework Classification (UNFC)

for non-energy minerals. From FS 2015-16, detailed mineral exploration has been opened up for GSI. Accordingly, GSI has re-oriented its exploration strategy in tune with the changes brought about in the Government policies in particular with the MMDR Amendment Act 2015. Accordingly, GSI has prioritized its exploration endeavour in line with National priorities and oriented its exploration activities involving G4, G3 and G2 stages. The G2 reports of GSI are handed over to the concerned State Government departments to consider in auctioning of mineral blocks.

- h) GSI has taken up a national aero-geophysical mapping programme (NAGMP) through outsourced agency in obvious geological potential (OGP) areas of the country including remote and inaccessible areas since April, 2017. One of the largest survey of its kind in the world, the aero-geophysical programme will be done in three phases over pre-selected OGP areas covering approximately 8.13 lakh sq km with an aim to prepare a composite aero-geophysical (magnetic and spectrometric) map. In the first phase, a project of aero-geophysical surveys has been taken up in pre-selected 4 blocks covering about 2.0 lakh sq km OGP area. The work is in progress. Subsequently in next two phases, another 8 blocks will be taken up in the remaining areas. This project is aimed to provide diverse information including data on the concealed and deep seated structures capable of hosting mineralization which will be of immense help for exploration activities in the country by different stake holders.
- i) In view of the rapid depletion of surface/near-surface deposits, GSI has shifted its thrust to probe deep-seated deposits. For this purpose, GSI has launched a new initiative in association with Geoscience Australia in the form of Project: UNCOVER (India) and this includes series of workshop, transact mapping etc. Four officers from GSI visited Australia to undergo training in data acquisition, data processing and data interpretation for Magneto – Telluric Survey (MTS). The collaborative work is in progress.
- j) With an aim of comprehensive management of the large quantity of geo-scientific knowledge gathered by the department since its establishment and in an effort towards paperless official transaction, GSI has launched the 'Online Core Business Integrated System' (OCBIS) which has employed state-of-the-art processes for digital data collection, management and dissemination of geo-scientific data. The available reports, maps and data of GSI are accessible through the OCBIS platform for all other stake holders."

3.11 When asked to highlight the achievements in terms of tangible additions by way of improvement in capabilities in the field or laboratories which were the stated purpose for allocation under this head, the Ministry of Mines in a written reply informed the Committee as under:-

"There is a continuous effort to augment the quality of output of all the projects and activities of GSI in which, state-of the-art laboratory network of GSI has always played a leading role by effectively supporting the major scientific works under different missions with quality data inputs and guidance. Under the aegis National Centre of Excellence in Geoscience Research (NCEGR) with centres at Kolkata, Bangalore and Faridabad, utilization of the laboratory facilities and deployment of available expertise have been optimised for a better and more effective functioning of laboratories.

Procurement of new state-of the-art instruments has been planned to augment the strength of the laboratories. Different high end instruments like EPMA, SEM, XRD, Raman Spectroscope, Gemmology, Fluid inclusion, Trinocular Polarising Microscope, TL and OSL Dating, Radiocarbon dating, Isotope Ratio Mass Spectrometer (IRMS), Laser Ablation Inductively Coupled Plasma Mass Spectrometer (LA-Q-ICPMS) and Laser Ablation Multi-collector Inductively Coupled Plasma Mass Spectrometer (LA-MC-ICPMS) are operating successfully along with basic laboratories such as petrology and palaeontology in different regions. These laboratory facilities are being used by the GSI officers as well as other organizations including academic institutes to facilitate their projects and research activities.

GSI is actively engaged in National Geochemical mapping, National Geophysical Mapping with an aim to cover the Obvious Geological potential (OGP) area of 8.13 lakhs sq km for identification of possible zones with mineral potential. To achieve these goal lot of field related geological, geophysical and chemical instruments have been procured to cater the operational need."

CHAPTER-IV

INDIAN BUREAU OF MINES (IBM)

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

4.2 An amount of Rs. 111.08 crore was provided to IBM at BE stage during 2017-18 which was revised to Rs.115.09 crore at RE stage. Now, an increased amount of Rs. 129.08 crore has been kept in BE for the year 2018-19. On being asked to furnish the reasons for variations between BE, RE 2017-18 and BE 2018-19, the Ministry of Mines informed the Committee in a written reply as follows:-

"A) There was increase of Rs.4.01 crores at RE stage in comparison to BE due to payment of salary for the month of January & February, 2018 and also for making payment towards MTS project & National Remote Sensing Centre (NRSC).

B) The BE for 2018-19 is Rs.129.08 crores. Thus there is increase of Rs.18.00 crores against the approved BE of 2017-18 (Rs. 129.08 Cr.- Rs.111.08 Cr.= Rs. 18.00 Cr.) due to the following reasons :-

- i) Cadre re-structuring
- ii) Payment towards MTS project.
- iii) Payment towards backlog Nagpur Municipal charges.
- iv) Outsourcing of services.
- v) Setting up of NRSC Centre at Hyderabad & Nagpur.

vi) Opening of Skill Development Centre at Varanasi."

4.3 When asked as to whether the funds allocated for IBM are sufficient for implementation of various schemes and the steps that have been initiated to ensure that budgeted funds are fully utilized, the Ministry of Mines informed the Committee as under:-

"The funds allocated for IBM are not sufficient for implementation of schemes as there are certain areas where it is expected that IBM may face some shortage e.g. setting up of MTS Cell and Geo-informatic Centre, etc. and hence IBM may have to request for Supplementary funds to meet these expenditures. To ensure that budgeted funds are fully utilized, the percentage of expenditure is being monitored by IBM as well as by the Ministry of Mines."

4.4 Enquired about the steps taken by IBM to ensure timely completion of various ongoing and new projects, the Committee were informed as under:-

"To ensure timely completion of various ongoing and new projects following steps are being taken:

As per Annual Programme 2018-19, a detailed Action Plan with Month-wise/ Quarter-wise activities fixing responsibilities for the divisions implementing on-going schemes is being prepared.

Monthly progress as per action Plan 2018-19 will be monitored at level of Controller General IBM through monthly performance report and the progress will be conveyed to Secretary (Ministry of Mines) through a monthly D.O. Letter.

Ministry of Mines monitors the performance monthly through Senior Officers Meetings (SoM) held in the Ministry in the first week of following month."

4.5 Asked about the details of the mining proposals approved by IBM during the last 3 years and those which are pending along with the reasons for the same, the Ministry in a written reply informed the Committee as under:-

"Mining Plans approved by Indian Bureau of Mines (IBM) during the last three years 2014-15, 2015-16 and 2016-17 & during 2017-18 (up to Jan., 2018) for fresh grants of mining lease are as follows:

Year	No. of Mining Plans approved for
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	fresh grants of Mining Lease
2014-15	185
2015-16	46
2016-17	67
2017-18(Up to Jan., 2018)	26

As on date, 2 cases are under processing with IBM."

4.6 During examination of Demands for Grants (2018-19) of the Ministry of Mines, the Committee were informed that Mining Plan approvals have been streamlined and are to be granted within 45 days.

4.7 As regards star rating of mines, a representative of IBM informed the Committee during evidence that two conclaves for rating of mines have been done and mine rating has already been started.

CHAPTER-V
CENTRAL PUBLIC SECTOR UNDERTAKINGS

The details of the Central Plan Outlay for the Ministry of Mines including budgetary support and IEBR components at BE, RE stage and actual expenditure during the last three years from 2015-16 to 2017-18 and BE 2018-19 of each PSUs under the Ministry of Mines are as under:

(Rs. in crore)

S N o	Organi sation	2015-16					2016-17					2017-18					2018-19	
		IEBR		CAPEX		Act ual	IEBR		CAPEX		Act ua l	IEBR		CAPEX		Actual Upto 31.01.1 8	IEBR	CAP EX
		BE	RE	BE	RE		BE	RE	BE	RE		BE	RE	BE	RE		BE	BE
1	HCL	475.0 0	380.0 0	475.0 0	475.0 00	398.56	668.0 0	400.0 0	668.0 0	400.0 0	231.20	400.00	400.0 0	400.0 0	400.00	376.35	400.00	400.00
2	NALCO	1142.21	5193.36	407.62	407.62	452.26	5233.15	2596.28	1367.87	1020.87	535.41	2791.59	2854.95	1158.00	1086.95	618.54	1981.43	1100.00
3	MECL	17.23	9.20	17.23	17.23	9.21	8.00	8.00	8.00	8.00	9.74	21.40	50.00	21.40	50.00	19.34	40.00	40.00
	Total	1634.44	5582.56	899.85	899.85	860.03	5909.15	3004.28	2043.87	3212.99	776.35	3212.99	3304.95	1579.40	1536.95	1014.23	2421.43	1540.00

No Budgetary support is provided to HCL and NALCO. However, Budgetary support provided to MECL is as under:

(Rs. in Crores)

MECL	2015-16	2016-17	2017-18	2018-19
	40.00	4.15	6.00	6.00

I. MINERAL EXPLORATION CORPORATION Ltd.(MECL)

5.2 Mineral Exploration Corporation Limited (MECL), a Miniratna category-II PSU under Ministry of Mines, is carrying out mineral exploration activities and is the premier exploration agency in the country. It carries out its exploration activities under promotional programme funded by Government of India and on contractual basis on behalf of other agencies including Public Sector, Private Sector and State Government(s) on mutually agreed terms and conditions. It has added 161 billion tonnes of mineral resources to National Mineral Inventory upto September, 2017. MECL is also engaged in regional exploration of coal & lignite on behalf of Ministry of Coal. The schemes of exploration are being finalized by the Core Group of Committee on Energy Minerals and Resources, Group V of Central Geological

Programming Board (EGPB). So far, a total of 49.40 billion tonnes of coal and 30.83 billion tonnes of lignite resources have been established by MECL on behalf of Ministry of Coal upto Sept., 2017. MECL has also taken up new Greenfield exploration (G-4 level) in 30 blocks in the states of Odisha, Andhra Pradesh, Rajasthan, Maharashtra, Jharkhand, Karnataka, Madhya Pradesh, Tamil Nadu & Kerala.

5.3 A grant of Rs.6.00 crore was earmarked in BE 2017-18 to MECL for Promotional work. However, the actual utilisation of funds up to November, 2017 is Rs.13.00 crore. Now, a provision of Rs.19.75 crore has been kept for the year 2018-19. When enquired about the reasons for increase in BE for the year 2018-19 compared to 2017-18 and also how the funds of Rs. 13 crore were raised and utilized upto November, 2017 to complete the promotional work, the Ministry of Mines informed the Committee in a written reply as under:-

"The main reasons for increase in BE 2018-19 compared to 2017-18 is for the completion of the approved project by SCPP during 2015-16 & 2016-17 which will be continued in 2018-19 as well as for taking up new projects.

Regarding fund of Rs. 13 crore raised and utilized upto November 2017, it is to informed that Ministry of Mines has provided amount to Rs. 6 crore in RE 2017-18 while balance amount of Rs. 7 crore has been utilized from internal resources of MECL which shall be taken up during 2018-19 from the budget to be provided."

5.4 Regarding the details of promotional work that was targeted and completed by MECL during the last three years and 2017-18, the Committee were apprised as under:-

"During 2014 -15, following promotional exploration projects have been completed and their GRs have submitted.

I. No	Name of Project	Minerals	Total Sanctioned Cost (Rs in crore)	Status
1	Mimi Pyakatsu block, district Kiphire, Nagaland	Lime-stone	1.18	GR Submitted in August 2014

2	Pahardia block, district West Singhbhum, Jharkhand	Gold	2.90	GR Submitted in Feb-2015
3	Parasi East block, district Ranchi, Jharkhand	Gold	3.55	GR Submitted in November 2014
4	Gurla South block, district Bhilwara Rajasthan	Lead & Zinc	1.27	GR Submitted in December 2014

During 2015 -16, following promotional exploration projects have been completed and their GRs have submitted.

(Rs in crore)

Sl. No	Name of Project	Minerals	Total Sanctioned Cost	Status
1	Lumthalary block, district East Jaintia Hills, Meghalaya	Limestone	5.43	GR Submitted in May 2015
2	Parasi West block, district Ranchi, Jharkhand	Gold	1.81	GR Submitted in July 2015

During 2016 -17, following promotional exploration projects have been completed and their GRs have submitted.

(Rs in crore)

Sl. No.	Name of Project	Mineral	Total Sanctioned Cost	Status
1	Thanewasna South Block, Phase II, district Chandrapur, Maharashtra (G2)	Copper	5.47	Geological Report submitted in June 2016
2	Ajjanahalli East block, Block A, district Tumkur, Karnataka (G2)	Gold	5.79	Geological Report submitted in July 2016
3	Kempinkote block, district Hassan, Karnataka (G2/G1)	Gold	4.33	Geological Report submitted in October 2016
4	Mannadipatti Central, District Dharampuri, Tamil Nadu (G3)	Molybdenum	0.66	Geological Report submitted in March 2017

During 2017 -18 (Upto January 2018), following promotional exploration projects have been completed and their GRs have submitted.

Sl. No.	Name of Project	Mineral	Status
1	Vellempatti South Block, District Dharampuri, Tamil Nadu	Molybdenum	Geological Report submitted in May 2017
2	Marudipatti Central Block, District Dharampuri, Tamil Nadu	Molybdenum	Geological Report submitted in May 2017
3	Vellempatti Central Block, District Dharampuri	Molybdenum	Geological Report prepared and sent for Peer Review.
4	Nandup (East) & Bayanbil combined Block, District-East Singhbhum, Jharkhand.	Copper	Geological Report submitted in December 2017
5	KGF Project,(Old Tailing Dump), (G-2) District Kolar	Gold	Geological Report submitted in January 2018

5.5 During the course of evidence, a representative of the Ministry of Mines informed the Committee that the Geological Reports of MECL have been handed over to the concerned State governments for auctioning.

5.6 As regards the details of new projects proposed to be taken by MECL during 2018-19, the Ministry of Mines apprised the Committee as under :-

"Proposal for the new projects to be taken up during 2018-19 are under preparation and will be discussed in the next meeting of Technical Sub Committee and SCPP for the following minerals.

- 1) Copper – Rajasthan, Maharashtra
- 2) Lead Zinc – Rajasthan
- 3) Tungsten – Maharashtra
- 4) Gold – Karnataka"

5.7 In a written reply, Ministry of Mines apprised the Committee of the following action/measures proposed to be taken for proper utilization of funds for implementation of various schemes during 2018-19 by MECL:-

"MECL has been fully utilizing the funds allocated to it for the Promotional work on behalf of Ministry of Mines Action / measures

proposed to be taken by MECL for proper utilization of fund during 2018-19 are:-

1. An advance planning and allocation of man / machinery will be made on approval of projects.
2. MECL shall take up and complete the exploration projects as per approved cost and time schedule by SCPP."

5.8 When asked to furnish the estimated cost and their schedule of completion of ongoing projects, the Ministry of Mines in a written reply informed the Committee as under:-

"The estimated cost and their schedule of completion of running projects are as under:

Sl. No	Name of the Block	Sanctioned / Estimated Cost (Rs in Lakhs)	Time Schedule for Submission of Geological Report
1	Mc Taggart West Lode Block, BGML, District- Kolar, Karnataka for Gold	7.27	February-2018
2	Oriental Lode & Mc Taggart West Lode, BGML, District- Kolar , Karnataka, Gold	10.04	March-2018

However, the estimated cost & schedules of the proposed projects to be put up to Standing Committee on Promotional Projects (SCPP) cannot be given at this stage."

5.9 Regarding the projects/schemes for modernization and up-gradation plan approved by the Technical Sub-Committee of Standing Committee on Promotional Projects (SCPP), the Ministry in a written reply informed the Committee as under:-

"So far, no projects / schemes for modernization and up-gradation have been approved by Technical Sub Committee of Standing Committee on Promotional Projects (SCPP). However, new mineral exploration proposals will be formulated and put up to SCPP for their approval during the year 2018-19. Therefore, additional funds will be required in the year 2018-19 for the completion of the approved projects and new projects."

II. NATIONAL ALUMINIUM COMPANY LTD.(NALCO)

5.10 National Aluminium Company Limited (NALCO) is a Navratna CPSE under Ministry of Mines. It was established on 7th January, 1981, with its

registered office at Bhubaneswar. The Company is an integrated and diversified mining, metal and power group 'A' CPSE with gross sales turnover of Rs. 7,933 crore in financial year 2016-17, Export sales accounted around 46% of turnover (Rs. 3,625 crore) and business in more than 15 countries. In 2015-16, the Company ranked 2nd net foreign exchange earning CPSEs' of India and is a winner of Top Export Award of CAPEXIL since 1988 and Star Performer Award of EEPIC in exports. As on 31.03.2017, net worth of Company is Rs. 10,206 crore. Presently, Government of India holds 65.36% equity of NALCO.

5.11 The company is neither availing, nor proposes to avail any budgetary support from Government of India. The plan outlay is being managed entirely through internal resources only.

5.12 Enquired about the total installed capacity of NALCO and the actual achievements during the years 2015-16, 2016-17 and 2017-18, the Ministry in a written reply informed the Committee as under:-

"Year-wise installed capacity and actual achievement

Name of the Scheme/ programme	2015-16		2016-17		2017-18	
	Installed Capacity	Actual	Installed Capacity	Actual	Installed Capacity	Actual (Jan-18)
Bauxite (Lakh MT)	68.25	63.4	68.25	68.25	68.25	60.63
Alumina Hydrate(Lakh MT)	21.00	19.53	21.00	21.00	21.00	17.40
Metal(Lakh MT)	4.60	3.72	4.60	3.87	4.60	3.54
Power (MU)	1200 MW	5841	1200 MW	6,066	1200 MW	5,465

The physical achievement in various category of product segment as on Jan'2018 varies from 80% to 88% of the target, company expects to achieve the annual production target in Mines & Refinery but in case of Aluminium metal, the achievement may be less due to non-availability of required quantity of coal."

The Physical targets of NALCO for 2017-18 and 18-19 are as under:

Product		Projection 2017-18	Projection 2018-19
Bauxite	(MT)	68,25,000	70,00,000
Alumina Hydrate	(MT)	21,00,000	21,00,000

Metal	(MT)	4,40,000	4,00,000
Power (Thermal)	(MU)	6,761	6,237

5.13 According to the Ministry of Mines, the Company does not propose any financial requirements as budgetary support from the Government of India and company shall manage its plan schemes from internal sources for the years under consideration. The approved Capital outlay of Rs.1,158 crore was projected for the Financial Year 2017-18 at BE stage, which was left unchanged during RE stage. The Capital expenditure plan outlay is projected at Rs. 1,100 crore for the present year BE 2018-19.

5.14 The plan outlay for NALCO during 2017-18 and 2018-19 has been planned mainly for new projects, projects in JVs and Addition/Modification/Replacement. As regards the reasons for the downward revision in plan outlays of NALCO from Rs. 1158.00 crore at BE stage during 2017-18 to Rs. 1100.00 crore during 2018-19 (BE), the Ministry of Mines in a written reply has informed as under:

"Capital plan outlay, BE 2018-19 and BE 2017-18

Head of Scheme	BE 2017-18	BE 2018-19
1.Ongoing projects		
a. Utkal-E, Coal Mines	105.89	26.00
b. Greenfield/JV Project		
1. 100 MW Wind Power	61.76	-
2. 50 MW Wind Power	175.00	-
3. 20 MW Solar Power	36.00	63.00
4. 50 MW Solar Power	155.00	-
5. Caustic Soda Plant (Gujarat)	50.00	50.00
6. Angul Aluminium Park	2.00	8.00
c. 5th Stream Refinery & Pottangi Mine	70.51	393.00
2.Addition Modification and Replacement	501.84	560.00
Total Plan outlay	1,158.00	1,100.00

The reduction in expenditure projection is mainly due to rephrasing/scaling down in plan outlay under few of the heads, mainly in the areas of Renewable energy, i.e, Solar power plant and Wind power plant, where the company anticipate non-availability of PPA (Power purchase agreement) for sale of power."

5.15 Asked about the reasons for shortfall in actual expenditure during the year 2017-18 vis-à-vis plan and revised outlays (Scheme/Project-wise) by NALCO, Ministry of Mines informed the Committee as under :-

"For Financial Year 2017-18, company has achieved an expenditure of Rs. 618.54 Crore, 53% of the BE 2017-18, 57% of RE. Company expects to achieve Rs.468 crore of CAPEX during February & March making the total expenditure of 94% of BE and 100% of RE.

PROGRESS OF EXPENDITURE OF PLAN FUNDS SCHEMewise AND GRANTWISE FOR THE YEAR 2017-18

(Rs. in crore)

Schemes	BE 17-18	RE 2017-18	Actual upto Jan-18
Utkal - E, Coal Mines	105.89	106.05	111.44
Green field project	479.76	152	79.18
Pottangi Mine & 5th Stream Refinery.	70.51	81.85	44.08
Addition, Modification & Replacement	501.84	747.05	383.84
TOTAL	1,158.00	1086.95	618.54

Reason for marginal shortfall due to uncertainty of signing of PPA with Discoms for Green Energy projects."

5.16 When asked about the action/measures proposed to be taken for proper utilization of funds for implementations of various projects during 2018-19, the Ministry of Mines in a written reply informed the Committee as follows:-

"The following action plan and overview of Management in respect of the plan expenditure for BE 2018-19 is planned in order to achieve proper utilization of the Plan fund.

Sl. No	Name of Scheme/ Programme	Objective	Outlay 2018-19 Rs. crore	Plan for achievement
1	New Projects	Utkal "D" & "E" Coal Blocks	26	Mining plan approval, Forest clearance, Environment clearance of Utkal D & E is expected. Land transfer of Utkal D is to be completed. The CAPEX is likely to be achieved.
		25 MW Wind Power	63	Commissioning of wind power project is expected in 1st quarter of FY-18-19. Stabilization & PG Test shall be carried out subsequent to commissioning process. It is expected that the projected CAPEX can be achieved.

		5th Stream Alumina Refinery Project.	393	Order for EPCM consultant (M/s TKIS) / Technology supplier (M/s RTAIL) has already been placed. Floating of 03 major LSTK packages (calcination, evaporation & Bauxite Handling) are expected shortly. Award of majority of the LSTK packages and works contracts are expected during the year 2018-19. Site work is expected to commence from 2nd Quarter of FY 2018-19.
2	Project in JV	Caustic Soda plant-Gujarat	50	Further equity will be contributed subject to equity call from JVC Board (GNAL), as the construction work will start in 2018-19.
		Angul Aluminium Park	8	Further equity will be contributed subject to equity call from JVC Board (AAPPL).
3	Additions, Modifications Replacements and Sustainable development projects	To maintain the production/p roductivity in different segments of the Company	560	<ol style="list-style-type: none"> 1. Online system for monitoring of CAPEX expenditure in respect of Major Projects have been developed. 2. Monitoring of implementation of major projects done at unit head i.e., Executive Director, then at Director in Corporate Office and also at level of CMD. 3. Progress of the projects put up regularly to the Board. 4. Progress of the projects reported to the Ministry
		Total	1100	

III. HINDUSTAN COPPER LTD. (HCL):

5.17 Hindustan Copper Limited (HCL), a Mini Ratna Government of India (GoI) Enterprise under the administrative control of the Ministry of Mines, was incorporated on 9th November 1967 under the Companies Act., 1956. It was established as a Govt. of India Enterprise to take over all plants, projects, schemes and studies pertaining to the exploration and exploitation of copper deposits, including smelting and refining from National Mineral Development Corporation Ltd. It is the only company in India engaged in mining of copper ore and owns all the operating mining lease of Copper ore and also the only integrated producer of refined copper (vertically integrated company). Major activities of HCL include mining, ore beneficiation, smelting,

refining and casting of refined copper metal into downstream products. HCL has acquired assets of Jhagadia Copper Limited from M/s ARCIL (Assent Reconstruction Company (India) Ltd.) 2015-16 and renamed as GCP (Gujarat Copper Project). With this acquisition HCL now have five operation units – one each in the states of Rajasthan, Jharkhand, Madhya Pradesh, Gujarat and Maharashtra.

5.18 HCL has no budgetary support for 2018-19. The annual plan outlay of 2018-19 reviewed in details and HCL has put up a budget of Rs 400.00 crore for 2018-19, which included budget for Replacement & Renewal, Green Field Exploration, Mine Development Expenditure and Expansion Projects. Financial requirements of Rs 400.00 crore to be funded mainly out of long term borrowings and partially internal accruals. This includes R&R budget of Rs 8.00 crore, Green Field Exploration of Rs 10.00 crore, Mine Development Expenditure of Rs 150.00 crore and Expansion Projects of Rs 232.00 crore. Similarly HCL had no Demands for Grants during 2015-16, 2016-17 and 2017-18. Financial requirements for Replacement & Renewal, Green Field Exploration, Mine Development Expenditure and Expansion Projects are funded both from long term borrowings and internal accruals.

The Physical Targets fixed for various activities during 2017-18 & 2018-19 are as under:

Particulars	2017-18 (Rs in crore)			2018-19 (Rs in crore)
	BE	RE	Actual (up to Dec'17)	BE
Expansion Projects	232.00	230.00	184.23	232.00
Green Field Exploration	10.00	10.00	1.20	10.00
Replacement & Renewal	38.00	10.00	6.53	8.00
Mine Development	120.00	150.00	120.37	150.00
Total	400.00	400.00	312.33	400.00

The financial requirements during 2017-18 & 2018-19 are to be met mainly from long term borrowings and partially from internal accruals and no budgetary support has been sought for.

5.19 When asked as to whether the funds earmarked for Mine Exploration, Mine Development, Replacement and Renewals and Greenfield explorations are sufficient to meet its requirement, the Ministry of Mines apprised the Committee as under:-

"The funds earmarked for Mine Exploration, Mine Development, Replacement and Renewals and Greenfield explorations are sufficient to meet its requirement during 2018-19 which is to be entirely met from long term borrowings and internal accruals and no budgetary support is sought from Ministry of Mines."

5.20 Regarding the physical Targets set out for HCL during the years 2015-16, 2016-17, 2017-18 and achievements thereof, the Ministry apprised the Committee in a written reply as follows:

Particulars	2015-16		2016-17		2017-18	
	Target (Very Good)	Actual	Target (Very Good)	Actual	Target (Very Good)	Actual (upto Jan'18)
Metal in Concentrate & Copper Cathodes from Purchased Copper (MT)	34000	31578	30000	34966	37750	37144

Reasons for shortfall in 2015-16

During the year, MIC production has fallen short of target primarily due to stoppage of production from Surda mine in the 1st quarter of 2015-16 as per instruction of Government of Jharkhand.

The financial targets set out for HCL during the years 2015-16, 2016-17, 2017-18 and achievements thereof are as follows:

(Rs in crore)

Particulars	2015-16		2016-17		2017-18	
	Target (Very Good)	Actual	Target (Very Good)	Actual	Target (Very Good)	Actual (upto Dec'17)
Turnover	1531.00	1068.95	1448.05	1216.94	1758.16	1397.64
Gross Margin	279.28	164.98	226.71	245.46	242.30	216.34
Profit Before Tax (PBT)	131.47	45.38	68.69	94.20	77.05	87.90
Profit After Tax (PAT)	86.78	43.56	53.17	61.94	48.98	57.68
LME (US\$)	6500	5215	5800	5154	6000	6273
Exchange Rate (Rs/US\$)	62.00	65.90	66.50	67.09	65.00	64.49

Reasons for shortfall

2015-16

The targeted turnover, gross margin, PBT & PAT were not achieved since LME Copper Price is much lower as compared to the one fixed at the targeted level.

2016-17

The targeted turnover was not achieved since LME Copper Price is lower as compared to the one fixed at the targeted level."

PART-II
OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

NATIONAL MINERAL POLICY

1. The Committee note an increase of about 13% in the total value of mineral production (excluding atomic and fuel minerals) during 2017-18 in the country over that of previous year. During 2017-18, estimated value for metallic minerals is Rs.53, 029 crore or 47.7% of the total value and non-metallic minerals including minor minerals is Rs.60, 512 crore or 53.3% of the total value. The Committee also note that National Mineral Policy, 2008 has been reviewed by a Committee constituted on 14th August, 2017 by the Ministry of Mines as per directions of Hon'ble Supreme Court in its judgment dated 02.08.2017 in the matter of Common Cause Vs. Union of India & Others. [Writ Petition (Civil) No. 114 of 2014]. This Committee has reportedly submitted its Report in December, 2017 and a draft National Mineral Policy, 2018 has been placed in the website of Ministry of Mines for public consultation. While appreciating 13% growth in value of mineral production in the country during 2017-18 over the previous year, the Committee recommend that the Ministry of Mines should ensure fairness and greater transparency in allotment of mineral concessions with a view to achieve optimal utilization of India's Mineral Resources for rapid industrial growth and socio-economic development of the country. The Committee also expect that New National Mineral Policy would be finalized expeditiously on the basis of feedback/inputs received

from stakeholders and experts. The Committee would like to be apprised of the progress made in this regard.

UTILIZATION OF DISTRICT MINERAL FUND

2. The Committee note that provision has been made under MMDR (Amendment) Act, 2015 for establishment of District Mineral Foundation (DMF) in any district affected by mining related operations with a view to ensure that the welfare of host population is protected and the benefit of economic activity in the mining sector equitably flows to those directly affected. DMF is funded by way of contributions at the prescribed rates from holders of mining lease. The contribution to DMF is prescribed at (i) 30% of the royalty for leases granted prior to 12.1.2015 and (ii) 10% of the royalty for leases granted on or after 12.1.2015. The Committee also observe that Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) is implemented by the DMFs using the funds accruing to DMF. At least 60% of PMKKKY funds will be utilized for drinking water supply, environment preservation and pollution control measures, health care, education, welfare of women and children, welfare of aged and disabled people, skill development and sanitation and up to 40% of the PMKKKY funds will be utilized for physical infrastructure, irrigation, energy and watershed development and any other measures for enhancing environmental quality in mining district. The Committee are happy to note that till 30th November, 2017, Rs.

13,398 crore has been collected under DMF in 12 major mineral rich states of the country, i.e., Goa, Karnataka, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Rajasthan, Telangana, Andhra Pradesh, Gujarat, Maharashtra and Tamil Nadu. The Committee further note that 12 major mineral rich states of the country have framed DMF rules and DMF has been set up in 338 districts of these states. As mineral production (including minor minerals) is reported from 32 states/UT, the Committee recommend that Ministry of Mines should take necessary steps to ensure that all the remaining states/UTs frame and notify the DMF rules at the earliest so that rights and interest of the persons affected by mining activity are protected and the benefit of economic activity in the mining sector equitably flows to those directly affected as per the provision of MMDR (Amendment) Act, 2015. The Committee would like to be apprised of the concerted efforts made and the initiatives undertaken by the Ministry in this regard. The Committee would also like to be apprised of the mechanism put in place by Ministry of Mines to monitor the utilisation of funds collected under DMF as per the provisions of PMKKKY.

BUDGETARY PROVISION AND UTILIZATION

3. The Committee note that Budgetary support under Revenue and Capital is obtained for different schemes implemented by Geological Survey of India (GSI), Indian Bureau of Mines (IBM), Mineral Exploration Corporation Limited (MECL) Promotional Scheme

and S&T Scheme. Revenue Provision is also obtained for GSI, IBM, Secretariat (Proper), grants-in-aid to Autonomous bodies, etc. The Committee further note that the budgetary allocation for Ministry of Mines for the year 2018-19 has been kept at Rs.1269.52 crore at BE stage against the BE and RE of Rs.1213.49 crore for the year 2017-18. However, during 2017-18 (till 31st January, 2018), actual expenditure was Rs.1019.77 crore. Thus the percentage of utilization comes to 84.03% of the BE & RE during the year 2017-18. While observing that 86.10% of budgetary grant has been utilized till the end of January, 2018 considering the minor works authorizations of Rs.9.50 crore have also been issued, the Committee desire that corrective measures need to be taken to overcome constraints in implementation of projects / schemes by the Ministry of Mines / attached offices so as to ensure optimum utilisation of funds allocated to them. The Committee also observe that for the year 2018-19, the Ministry of Finance has approved a total outlay of Rs. 1269.52 crore for the Ministry of Mines as against an outlay of Rs. 1472.42 crore proposed by the Ministry. The Committee desire that the Ministry of Mines should approach Ministry of Finance at RE stage and impress upon them to enhance the budgetary support as proposed by the Ministry for 2018-19 so that various schemes undertaken by the Ministry are not hampered for want of adequate funds for the purpose.

SCIENCE & TECHNOLOGY (S&T) PROGRAMME

4. The Committee note that with a view to promote R&D in the mining sector, the Ministry of Mines has launched a comprehensive Science & Technology Programme which includes (i) R&D component (ii) Information Education and Communication (IEC) and (iii) one-time capital component for up-gradation of R&D facilities of Jawaharlal Nehru Aluminium Research Development & Design Centre, National Institute of Miners' Health and National Institute of Rock Mechanics. However, the Committee are surprised to find that against the budgetary provision of Rs. 27.49 crore in BE 2017-18 and reduced to Rs. 24.40 crore at RE stage for S&T programme, only Rs. 10.15 crore has been spent upto January, 2018 which works out mere 41.60% with respect to RE allocation. During the course of evidence, the Committee were informed that the funds utilized under S&T programme of the Ministry of Mines rose to Rs. 22.66 crore upto 20 February 2018. The Committee note with concern the way the Ministry spent the funds in 20 days of February 2018 as to what the Ministry could spend during the first 9 months of the Financial Year 2017-18 on S&T programme. The Committee are of the view that funds meant for S&T programme should have been utilized rationally in a planned way throughout the year. The Committee also observe that for the year 2017-18, the Ministry of Finance has approved an outlay of Rs. 27.49 crore to S&T Programme of the Ministry of Mines as against an outlay of Rs. 46.02 crore

proposed by them. While observing that the National Mineral Policy has accorded higher priority to R&D Programmes, and that Science and Technology Programme of Ministry of Mines is being implemented with a view to encourage research and development of indigenous technology in the minerals and non-ferrous metal Sectors, the Committee are also of the opinion that S&T is a very important component for any sector to succeed and produce quality goods and given the current situation of Indian Mining Sector, due emphasis needs to be given on this aspect. The Committee, therefore, desire that the Ministry should look into the causes of erratic utilization of funds under this programme during various quarters of the financial year and take stringent measures so that the funds allocated for the scheme are justifiably utilized in different quarters of the financial year. The Committee also recommend that outlays under the scheme be suitably enhanced at supplementary grant stage so that ongoing S&T programmes do not go haywire and are completed well in time as targeted. The Committee would also like to be apprised of the steps taken for optimum utilization of approved outlays in this regard.

GEOLOGICAL SURVEY OF INDIA (GSI)

ACHIEVEMENT OF TARGETS

5. The Committee note that the main functions of Geological Survey of India (GSI) relate to creation and updation of national

geoscientific information and mineral resource assessment. These objectives are achieved through ground surveys, air-borne and marine surveys, mineral exploration, multi-disciplinary geoscientist, geotechnical, geo-environmental and natural hazards studies, glaciology, seism tectonics, and carrying out fundamental research. During the year 2017-18, GSI could utilize Rs. 895.24 crore as against BE and RE of Rs. 1027.87 crore till the end of January, 2018. Thus, only 87.10% of the funds could be utilized till January, 2018. During 2015-16 and 2016-17, the percentage of utilization of funds was 100.15% and 99.63% respectively. The Committee further observe that the physical targets set for GSI under various Schemes/ Projects namely Geochemical Mapping (sq.km), Geophysical Mapping (sq.km), Multisensor/Aeromagnetic Survey, Heliborne Survey, Gravity, preliminary mineral investigation and analysis have also not been satisfactory as is evident from the information made available to the Committee by the Ministry. During 2017-18 (till January, 2018) under Geochemical Mapping (sq. km) Scheme/Project, against the target of 137000, the achievement is 119211.33. Similarly, under Geophysical Mapping (sq. km), the achievement is only 89914.5 against the target of 100000. Further, GSI was able to achieve 8369 against 60,000 target under Multisensor Survey Scheme/Project, while its achievement under Heliborne Survey Scheme/Project remains 2693 as against 25,000. While under the Scheme/Project Gravity, the achievement is 6259 against the target

of 16,000 under preliminary mineral investigation Scheme/Project, GSI could achieve 13,391 Analysis against the target of 30,000 and the achievement under the Scheme/Project DTA analysis (nos.) is 18 against the target of 90 samples. According to the Ministry of Mines, the target of Aerial Surveys could not be achieved due to grounding of Helicopter owned by GSI and now it is proposed to be carried out on contractual basis. The Committee expect the GSI to make vigorous efforts in right earnest to utilise fully the funds allocated to them to improve the physical performance and achieve all the physical targets set under various Schemes/Missions. The Committee also desire that the Ministry of Mines should play a more active role to monitor and ensure that funds allocated to GSI are utilized optimally and physical targets set under various Schemes/Missions are also achieved. The Committee would like to be apprised of the initiatives undertaken by the Ministry/GSI in this regard.

MODERNISATION & REPLACEMENT SCHEME

6. The Ministry of Mines informed the Committee that modernization programme of GSI will be expedited so that the organization grow and diversify into various geoscientific activities and could deliver colossal contribution in the arena of geosciences as well as in the economic growth of the country. The Committee, however, note that as against BE grant of Rs. 154.30 crore for Modernization and Replacement Scheme during 2017-18, the RE was

Rs. 107.30 crore and actual expenditure upto January, 2018 was only Rs. 77.05 crore. The Committee note that the funds for the year 2018-19 under Modernisation and Replacement Head has been increased to Rs. 168.40 crore. Out of this fund, GSI proposed to spend Rs. 125.00 crore for payment of installment for the Geotechnical Vessel and Rs. 43.40 crore for procurement of machineries, laboratory, field equipment, drilling instruments, purchase of vehicles for all regions of GSI for smooth execution of its activities during 2018-19. However, the Committee note that under Modernisation and Replacement Scheme, GSI could spend only Rs. 50.00 crore as against the allocation of Rs. 110.00 crore during 2017-18 due to delay in finalisation of contract. As a result the RE Budget under the Scheme has been reduced from Rs. 154.30 crore to Rs. 107.30 crore. In this regard, the Committee are not satisfied with the reason put forward by the Ministry that due to delay in finalization of contract, the milestone has slipped. The Committee would like to be apprised of the reasons for delay in finalization of contract and the corrective steps undertaken to ensure optimum utilization of funds by GSI during 2018-19. The Committee would also like the Ministry to extend all possible support to GSI for procurement of all machineries/equipment etc. in a time-bound manner lest the modernization programme of GSI may get further delayed. The Committee also desire the Ministry to seriously monitor the affairs of GSI and take expeditious steps to address all

constraints, the organization is facing under its modernization programme.

INDIAN BUREAU OF MINES(IBM)

7. The Committee note that IBM is engaged in the promotion of scientific development of mineral resources of the country, conservation of minerals, protection of environment in mines. IBM performs regulatory functions with respect to the relevant provisions of Mines and Minerals (Development & Regulation) Act, 1957 and enforcement of the rules framed there under, namely Mineral Conservation and Development Rules, 1988 and Minerals Concession Rules 1960 besides Environmental (Protection) Act, 1986 and Rules made there under. IBM also undertakes scientific, techno-economic, research oriented studies in various aspects of mining, geological studies, ore beneficiation and environmental studies. The Committee observe that during 2017-18, against the BE of Rs. 111.08 crore and RE of Rs. 115.09 crore, IBM could utilize only Rs. 88.75 crore (upto January, 2018). The Committee further note that for IBM, an annual plan outlay of Rs. 129.08 crore has been approved to implement its schemes during 2018-19. The Committee also note that there has been an increase of Rs.4.01 crore at RE stage in comparison to BE due to payment of salary for the month of Jan. & Feb., 2018 and also for making payment towards MTS project & National Remote Sensing Centre (NRSC). As regards the BE 2018-19 of Rs.129.08 crore, the Committee were informed that the increase of Rs.18.00 crore is due

to Cadre re-structuring; Payment towards MTS project; payment towards backlog to Nagpur Municipal charges; Outsourcing of services; Setting up of NRSC Centre at Hyderabad & Nagpur; and Opening of Skill Development Centre at Varanasi. According to the Ministry of Mines, the funds allocated to IBM may not be sufficient for implementation of schemes and IBM may face some shortage of funds in areas like setting up of MTS Cell and Geo-informatic Centre, etc. As a result, the IBM may have to request for Supplementary funds to meet these expenditures. Taking note of the above admission of the Ministry of Mines regarding insufficient allocation of funds to IBM during 2018-19 required for implementation of important schemes like setting up of MTS Cell and Geo-informatic Centre, etc., the Committee recommend that budgetary allocation to IBM may be suitably enhanced at Revised Estimate stage and the Ministry of Finance may be impressed upon to allocate funds as required by IBM so that various activities under taken by them are executed smoothly and timely without any funds constraint. The Committee would also like to be apprised of the present status of cadre restructuring plan of IBM alongwith progress made in setting up of NRSC at Hyderabad and Nagpur as well as opening of Skill Development Center at Varanasi.

MINING PLAN/PROPOSAL APPROVED BY IBM

8. As regards the Mining Plan/Proposal approved by IBM for fresh grants of mining lease, the Committee observe that while during

2014-15, 185 Mining Plans were approved by IBM, during 2015-16 and 2016-17, the number of Mining Plans approved by IBM reduced significantly to 46 and 67 respectively. During 2017-18 (upto January, 2018) only 26 Mining Plans have been approved by IBM and 2 cases were reported to be under process. In this regard, the Committee would like to be apprised of the reasons for lower number of Mining Plans approved by IBM during 2015-16, 2016-17 and 2017-18 as compared to 2014-15. The Committee would also like to know about the total number of Mining Plans received during each of the last 3 years and approved within 45 days of statutory time period. The Committee would also like to be apprised of the present status of implementation of star rating of Mines by IBM and the time frame within which all mines in the country will be covered under the programme.

MINERAL EXPLORATION CORPORATION LTD. (MECL)

9. The Committee note that the Mineral Exploration Corporation Limited (MECL), a Miniratna Category-II PSU under Ministry of Mines is the premier exploration agency in the country and carries out its exploration activities under Promotional programme funded by Government of India and on contractual basis on behalf of other agencies including Public Sector, Private Sector and State Government(s) on mutually agreed terms and conditions. The Committee find it appreciable that MECL has added 161 billion tonnes of mineral resources to National Mineral Inventory upto September,

2017. MECL has carried out detailed exploration for ferrous, non ferrous, precious, industrial and other minerals on behalf of Ministry of Mines and a total of 6.88 billion tonnes of resources have been established in respect of above said minerals. The Committee also note that after Amendment in the MMDR Act 2015, MECL has been identified by Government of India as "Nodal Agency" for mineral exploration under National Mineral Exploration Trust (NMET) for speedy and expeditious exploration of mineral block so as to enable the State Government(s) concerned for carrying out their auctioning. MECL is also engaged in regional exploration of coal & lignite on behalf of Ministry of Coal. The schemes of exploration are being finalised by the Core Group of Committee on Energy Minerals and Resources, Group V of Central Geological Programming Board (CGPB). So far, a total of 49.40 billion tonnes of coal and 30.83 billion tonnes of lignite resources have been established by MECL on behalf of Ministry of Coal upto September 2017. Regarding allocation of funds for promotional drilling, the Committee note that a grant of Rs.6.00 crore was earmarked in BE 2017-18 to MECL for Promotional work. However, the actual utilisation of funds up to November, 2017 has been Rs.13.00 crore. Now, a provision of Rs.19.75 crore has been kept for the year 2018-19. The main reasons for increase in BE 2018-19 compared to 2017-18 is for completion of the approved projects by Standing Committee on Promotional Projects (SCPP) during 2015-16 and 2016-17 which will be continued in 2018-19 as

well as for taking up new projects. Regarding fund of Rs. 13 crore raised and utilized upto November 2017, the Committee note that Ministry of Mines provided an amount of Rs. 6 crore in RE 2017-18 while balance amount of Rs. 7 crore has been utilized from internal resources of MECL which shall be taken up during 2018-19 from the budget to be provided. The Committee also note that during 2017-18, IEBR of MECL was revised to Rs. 50 crore from BE of Rs. 21.4 crore. The actual utilization of IEBR upto 31.01.2018 was, however, only Rs. 19.34 crore. Now, a plan outlay of Rs. 40 crore has been made for MECL for the year 2018-19. The Committee were informed that new mineral exploration proposals are being formulated and put up to SCPP for their approval during the year 2018-19. Therefore, additional funds will be required during the year 2018-19 for the completion of the approved projects and new projects. In addition, MECL plan to take up 4 new projects for Copper- Rajasthan, Maharashtra; Lead Zinc – Rajasthan; Tugsten – Maharashtra; and Gold- Karnataka during 2018-19. These new projects are under preparation for discussion in the meeting of SCPP. The Committee also express their satisfaction to note that MECL has been fully utilizing the funds allocated to it for the Promotional work on behalf of Ministry of Mines and steps have been taken by MECL for proper utilization of funds during 2018-19. However, the Committee note that under targeted Capital Expenditure of Rs. 50 crore only Rs. 19.34 crore by MECL could be utilized during 2017-18 (upto January,

2018). The Committee would, therefore, like to be apprised of the reasons for lower utilization of the funds. The Committee would also like to be apprised of the total Capital Expenditure utilized by MECL during 2017-18 and the steps taken by MECL to ensure full utilization of Plan Outlays of Rs. 40 crore during 2018-19.

10. The Committee also note that MECL has completed 15 promotional exploration projects during 2014-15 to 2017-18 (upto January, 2018) and their Geological Reports (GRs) have been submitted. On perusal of these projects, the Committee observe that out of these 15 promotional exploration projects, 6 projects namely Pahardia block, district West Singhbhum, Jharkhand , Parasi East block, district Ranchi, Jharkhand Parasi East block, district Ranchi, Jharkhand, Ajjanahalli East block, Block A, district Tumkur, Karnataka (G2), Kempinkote block, district Hassan, Karnataka (G2/G1) and KGF Project,(Old Tailing Dump), (G-2) District Kolar were related to Gold. The Committee also note that more than Rs. 18 crore were expended by MECL on these 6 promotional exploration projects. Although, the Ministry of Mines informed the Committee that the States have to initiate auction of projects on which Geological Reports (GRs) have been submitted, the Committee feel that since Government of India has released funds to MECL for promotional exploration, the Ministry of Mines should ensure that all promotional exploration projects for which GRs have been submitted

are brought to mineral exploitation stage. The Committee would like to be apprised of the monitoring mechanism available with the Ministry of Mines in this regard.

NATIONAL ALUMINIUM COMPANY LTD.(NALCO)

11. National Aluminium Company Limited (NALCO), a Navratna CPSE under Ministry of Mines is an integrated and diversified mining, metal and power group 'A' CPSE with gross sales turnover of Rs. 7,933 crore in financial year 2016-17. The Committee note that the approved Capital outlay of Rs.1,158 crore projected for the Financial Year 2017-18 at BE stage, was left unchanged at RE stage. According to the Ministry of Mines, the actual utilization of funds was however, Rs. 618.54 crore upto January, 2018 which comes to 53.41% of the approved outlays. The under utilization of funds has been attributed by NALCO for reduction in expenditure mainly on account of rephrasing/scaling down in plan outlay under the heads of Renewable energy, i.e, Solar power plant and Wind power plant, where the company anticipate non-availability of Power Purchase Agreement (PPA) for sale of power. The Committee further note that the physical achievement in various category of product segment as on Jan'2018 varies from 80% to 88% of the target and the Company expects to achieve the annual production target in Mines & Refinery but in case of Aluminium metal, the achievement may be less due to non-availability of required quantity of coal. The Committee observe

from the information provided to them that though actual expenditure on Utkal-E Coal Mines at Rs. 111.44 crore (upto January, 2018) exceeded Revised Estimates of Rs. 106.05 crore, the Company's fund utilization for Pottangi Mines & 5th Stream Refinery and AMR was Rs. 44.08 crore and Rs. 383.84 crore as against the RE of Rs. 81.85 crore and Rs. 747.05 crore respectively. While appreciating the physical performance of NALCO during 2017-18, the Committee expect that as targeted, the Company will be able to achieve Rs. 468 crore of Capital Expenditure on Pottangi Mine & 5th Stream Refinery and Addition, Modification & Replacement (AMR) Scheme of NALCO during February and March, 2018. At the same time, the Committee recommend that NALCO may take all necessary steps ensuring proper and optimum utilisation of planned outlay of Rs 1100.00 crore for 2018-19 and achievements of planned targets contemplated under its action plan and overview of Management for implementation of various schemes/programmes for 2018-19. The Committee further recommend that the Ministry of Mines/NALCO may also take up the issue of non-availability of adequate quantity of Coal with authorities concerned so that the production of Aluminium metal is not hampered for want of required quantity of coal. The Committee also recommend that remedial measures may also be undertaken for execution of Power Purchase Agreement (PPA) with Discoms for country's green energy projects. The Committee may be apprised of the action taken in this regard.

HINDUSTAN COPPER LIMITED (HCL)

12. The Committee observe that major activities of Hindustan Copper Limited (HCL) include mining, ore beneficiation, smelting, refining and casting of refined copper metal into downstream products. HCL has acquired assets of Jhagadia Copper Limited from M/s ARCIL(Asset Reconstruction Company (India) Limited) in 2015-16 and renamed as GCP (Gujarat Copper Project). With this acquisition HCL now have five operation units - one each in the states of Rajasthan, Jharkhand, Madhya Pradesh, Gujarat and Maharashtra. Against the financial outlays of Rs. 400 crore for HCL during 2017-18 at BE and RE stage, the actual utilization by the Company upto December, 2017 was Rs. 312.33 crore only. Although, the Committee were informed that HCL will achieve the scheme-wise target set during 2017-18, the Committee find that expenditure by the 3rd quarter of the financial year (upto December, 2017) was Rs. 184.23 crore for 'Expansion Project' against RE of Rs. 230 crore. For replacement and Renewal work, the BE of Rs. 38 crore were revised to Rs. 10 crore and actual utilization by December, 2017 was Rs. 6.53 crore only. In view of under utilization of allocated funds by HCL during 2017-18 for these projects/schemes, the Committee would like to be apprised of the steps taken by HCL to utilize targeted Scheme/project-wise expenditure for 2017-18. The Committee would also like to be apprised of the reasons for reduction in funds earmarked for Replacement & Renewal works during 2017-18 from

Rs. 38 crore at BE stage to Rs. 10 crore at RE stage and allocation of only Rs. 8 crore for the purpose during 2018-19. The Committee feel that a drastic reduction in funds for the purpose will not only hamper the operation of the Company efficiently but also the safety of work force and therefore, desire that HCL should take necessary steps to ensure allocation of appropriate funds for Replacement & Renewal works. The Committee would like to be apprised of the action taken by HCL in this regard.

**NEW DELHI;
09 March, 2018
18 Phalguna, 1939 (Saka)**

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

Annexure-I

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 21 FEBRUARY 2018 IN COMMITTEE ROOM NO '3', FIRST FLOOR, PARLIAMENT HOUSE ANNEXE EXTENSION BUILDING, NEW DELHI.

The Committee sat from 1300 hrs. to 1500 hrs.

PRESENT

Shri Rakesh Singh- Chairperson

Lok Sabha

2. Shri Chandu Lal Sahu
3. Shrimati Jyoti Dhurve
4. Dr. Banshilal Mahato
5. Shri Godam Nagesh
6. Shri Ravindra Kumar Ray
7. Shri Janardan Singh "Sigriwal"
8. Shri Pashupati Nath Singh
9. Shri Rama Kishore Singh
10. Shri Sushil Kumar Singh

Rajya Sabha

11. Dr. Pradeep Kumar Balmuchu
12. Shri Dilip Kumar Tirkey

SECRETARIAT

1. Shri Ajay Kumar Garg - Director
2. Shri Arvind Sharma - Additional Director

WITNESSES

1. Shri Arun Kumar, Secretary
2. Dr. K. Rajeswara Rao, Additional Secretary
3. Smt. Reena Sinha Puri, JS&FA
4. Dr. Niranjan Kumar Singh, Joint Secretary
5. Shri Bipul Pathak, Joint Secretary
6. Dr. Shakuntala, CCA
7. Shri Ram Karan, Economic Adviser
8. Dr. Joyesh Bagchi, Director (Tech)
9. Shri Amit Saran, Director
10. Shri Kamalkant Panda, ADG, GSI
11. Shri Neelesh Katiyar, Dir (Fin.), GSI
12. Dr. V.G.K. Bhagwan Gumma, RMG, IBM
13. Dr. Tapan Kumar Chand, CMD NALCO
14. Shri Anupam Anand, Director (P), HCL
15. Shri S.K. Bhattacharya, Director (Mining), HCL
16. Shri R.N Jha, CMD, MECL

2. At the outset, the Chairperson welcomed the Secretary and other representatives of the Ministry of Steel and Public Sector Undertakings to the sitting of the Committee convened in connection with the examination of Demands for Grants (2018-19) of the Ministry of Steel. The Chairperson then drew their attention to Direction 55 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings. .

3. Thereafter, the Secretary, Ministry of Mines briefed the Committee about the Plan Outlays *vis-a-vis* actual utilization by the Ministry and PSUs under its administrative control. In a visual presentation, the Committee were apprised about the financial and physical targets set and achieved by the Ministry and Steel PSUs during 2017-18 and the major thrust areas envisaged for the development of Steel Sector for 2018-19.

4. The Committee then discussed the issues relating to the utilization of plan outlays and expenditure by Steel PSUs, research and development initiatives being taken up by the Steel Ministry and Steel PSUs, reasons for decline in profits of some Steel PSUs, steps being taken by various PSUs to overcome them, reasons for delay in implementation of various projects, constraints faced by PSUs in their implementation, penalizing the contractors and fixing of responsibilities for these delays etc.

5. The Members raised their concerns on the above issues and sought clarifications from the representatives of the Ministry of Steel. The Chairperson directed the representatives of the Ministry of Steel to furnish written replies to the queries raised by the Members, which could not be responded to during the sitting of the Committee. The Secretary, Ministry of Steel assured the Committee that the same would be furnished within the stipulated time.

A copy of verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

ANNEXURE-II

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 9 MARCH, 2018 IN HON'BLE CHAIRPERSON'S CHAMBER, ROOM NO. '210', B-BLOCK, PHA EXTENSION BUILDING, NEW DELHI.

The Committee sat from 1000 hrs. to 1030 hrs.

PRESENT

Shri Rakesh Singh - Chairperson

Lok Sabha

2. Shri Chandulal Sahu
3. Dr. Banshilal Mahato
4. Shri Godam Nagesh
5. Smt. Riti Pathak
6. Shri Ravindra Kumar Ray
7. Shri Janardan Singh 'Sigriwal'
8. Shri Pashupati Nath Singh
9. Shri Sunil Kumar Singh
10. Shri Krupal Balaji Tumane

Rajya Sabha

11. Shri Ranvijay Singh Judev
12. Shri Ram Vichar Netam
13. Shri Sanjay Singh

SECRETARIAT

1. Shri U.B.S. Negi - Joint Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Arvind Sharma - Additional Director

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

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

- | | | | | |
|-------|--------------------|-------------------------------|-----------------|----|
| (i) | ** | ** | ** | ** |
| (ii) | Draft Report on | "Demands for Grants(2018-19)" | relating to the | |
| | Ministry of Mines; | | | |
| (iii) | ** | ** | ** | ** |
| (iv) | ** | ** | ** | ** |

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

The Committee then adjourned.

** Do not pertain to this Report.

