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**STANDING COMMITTEE ON
COAL AND STEEL
(2019-2020)
SEVENTEENTH LOK SABHA**

**MINISTRY OF MINES
DEMANDS FOR GRANTS
(2020-21)
SEVENTH REPORT**



**LOK SABHA SECRETARIAT
NEW DELHI
MARCH, 2020 / PHALGUNA, 1941 (SAKA)**

SEVENTH REPORT

**STANDING COMMITTEE ON
COAL AND STEEL
(2019-2020)**

**SEVENTEENTH LOK SABHA
MINISTRY OF MINES
DEMANDS FOR GRANTS
(2020-21)**

Presented to Lok Sabha on 12.03.2020

Laid in Rajya Sabha on 12.03.2020



**LOK SABHA SECRETARIAT
NEW DELHI
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**COMPOSITION OF THE STANDING COMMITTEE ON
COAL AND STEEL (2019-20)**

Chairperson - Shri Rakesh Singh

Lok Sabha

2. Shri Balubhau Dhanorkar alias Suresh Narayan
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Raghurama Krishnaraju Kanumuru
6. Shri C. Lalrosanga
7. Shri S. Muniswamy
8. Shri Ajay Nishad
9. Shri Basanta Kumar Panda
10. Smt. Riti Pathak
11. Shri Komati Reddy Venkat Reddy
12. Shri Chunni Lal Sahu
13. Shri Arun Sao
14. Dr. Beesetti Venkata Satyavathi
15. Shri Sushil Kumar Singh
16. Shri Pashupati Nath Singh
17. Shri Sunil Kumar Singh
18. Dr. Alok Kumar Suman
19. Dr. Thirumaavalavan Thol
20. Shri Shyam Singh Yadav
21. Shri Tokheho Yeptthomi

Rajya Sabha

22. Dr. Vikas Mahatme
23. Shri Mukut Mithi
24. Shri Prashanta Nanda
25. Shri Ram Vichar Netam
26. Shri Samir Oraon
27. Shri Dhiraj Prasad Sahu
28. Shri Prabhakar Reddy Vemireddy
29. Shri B. Lingaiah Yadav*
30. Shri Anil Desai[#]
31. Vacancy

*w.e.f. 3rd December, 2019

[#]w.e.f. 21st December, 2019

(ii)

SECRETARIAT

1. Shri Pawan Kumar- Joint Secretary
2. Shri Arvind Sharma- Director
3. Smt. Geeta Parmar -Additional Director
4. Smt. Madhu Tandon- Executive Officer

(iii)

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 Seventh Report (Seventeenth Lok Sabha) on Demands for Grants (2020-21) 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 05.02.2020. 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 18.02.2020.

4. The Report was considered and adopted by the Committee at their sitting held on 11.03.2020.

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;
11 March, 2020
21 Phalguna, 1941 (Saka)**

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

(iv)

REPORT
PART-I
CHAPTER-I
INTRODUCTORY

Mining sector is an important segment of the Indian economy. The country is endowed with huge resources of many metallic and non-metallic minerals. 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 Development of Mining Sector is essential for a country's development in industrial sector. India is deficient in many important minerals and India also needs capacity building in geosciences, transfer of technology in mining sector as well as acquisition of mining assets abroad by public and private sector. The Ministry of Mines is engaged to strengthen its cooperation in the area of geology and mineral resources with mineral rich countries to ensure the seamless supply of the minerals. Also International Cooperation Division has been engaged in collaboration with countries like Australia, Russia, African and Latin American countries. Further to attract foreign investment in Indian mining sector, India has been participating in various International Mining events by setting up India Pavilion, making presentations before the delegates about the recent reforms and opportunities in mining sector in India.

1.3 The Ministry of Mines is responsible for survey, 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 role of

the Ministry is 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 and atomic minerals. The Ministry also administers the Offshore Areas Mineral (Development and Regulation) Act, 2002 and rules made there under.

1.4 The list of subjects allocated to the Ministry of Mines, is as under:-

- (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.

1.5 The Ministry of Mines has the following attached/ subordinate office, namely:-

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

1.6 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

1.7 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

NATIONAL MINERAL POLICY; 2019

1.8 National Mineral Policy(NMP), 2019 focus on make in India initiative and Gender sensitivity in terms of the vision. In so far as the regulation in Minerals is concerned, the main focus of the policy is in ease of doing business by adopting e-governance, IT enabled systems, awareness and Information campaigns. Regarding the role of state in mineral development, online public portal with provision for generating triggers at higher level in the event of delay of clearances has been suggested. NMP 2019 aims to attract private investment through incentives while the efforts would be made to maintain a database of mineral resources and tenements under mining tenement system. The new policy focuses on use of coastal waterways and inland shipping for evacuation and transportation of minerals and encourages dedicated

mineral corridors to facilitate the transportation of minerals. The NMP, 2019 reiterates the utilization of the district mineral fund for equitable development of project affected persons and areas. NMP 2019 proposes a long term export import policy for the mineral sector to provide stability and as an incentive for investing in large scale commercial mining activity.

1.9 The Ministry further informed the Committee regarding vision of the Ministry, to double the production of minerals in next 5 years with resultant reduction in import dependency, by allocating and regulating minerals in transparent and sustainable manner and intensity exploration to find deep seated minerals and effectively implement vision stated in the National Mineral Policy, 2019.

Demands for Grants (2020-21)

1.10 The detailed Demands for Grants (2020-21) of the Ministry of Mines were presented to Lok Sabha on 05.02.2020. While analyzing the detailed Demands for Grants of the Ministry of Mines, the Committee in the present Report have examined various schemes/programmes of the Ministry and PSUs under its administrative control. The detailed analysis along with 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 (2020-21)

The Demands for Grants of the Ministry of Mines 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 It has been observed that the Budgetary support under Revenue and Capital is obtained for different schemes implemented by Geological Survey of India (GSI), Indian Bureau of Mines (IBM), and the S&T programme. Revenue provision is also obtained for GSI, IBM, Secretariat (Proper), Grants-in-Aid to Autonomous bodies, etc.

Detailed Demands for Grants 2019-20 & 2020-21

(Rs. in crore)

Year	Total Budget Allocation			Expenditure*		
	Revenue	Capital	Total	Revenue	Capital	Total
2019-20	1567.98	107.57	1675.55	1117.13	59.55	1176.68*
2020-21	1587.04	114.36	1701.40	-	-	-

* Upto 31.01.2020

Budgetary allocations :Organization wise

(Rs. in crore)

S. No	Organization	2018-19			2019-20			2020-21
		BE	RE	Actual Exp.	BE	RE	Exp. upto 31 Jan 2020	BE
1.	GSI	1057.87	1028.55	1015.59	1322.93	1241.59	992.19	1349.98
2.	IBM	129.08	107.09	98.97	124.31	109.11	82.74	128.31
3.	Sectt. Proper	43.58	29.96	29.86	48.55	41.75	35.83	42.43
4.	BGML	4.50	4.50	4.50	4.50	4.50	4.50	5.50
5	Grant in Aid to ABs and others	28.49	23.92	23.42	25.26	21.27	19.40	25.18
6.	MECL	6.00	6.00	6.00	0.00	0.00	0.00	0.00
7.	NMET	400.00	150.00	88.40	150.00	110.00	42.02	150.00
	Total	1669.52	1350.02	1266.74	1675.55	1528.22	1176.68	1701.40

Review of the Performance during 2019-20

2.3 It has been observed that the annual plan outlay of the Ministry of Mines for the year 2019-20 at BE stage was Rs.1675.55 crore which was reduced to Rs.1528.22 crore at RE stage. The BE, 2020-21 has been kept at Rs.1701.40 crore.

2.4 When asked about the reasons in detail for reduction of funds at RE, 2019-20 and also enhancing the funds allocation at BE, 2020-21, the Ministry of Mines has informed that 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.

2.5 The Committee have been further apprised that, in the case of NMET, the Budget Estimates for the year 2019-20 of Rs.150 crore including estimates in respect of project of Multi-sensor Aero-geophysical Survey over Obvious Geological Potential (OGP) areas was proposed, however, due to Non-commencement of Phase-II work of the aero-geophysical survey project by the Project Implementing Agencies (PIAs) due to litigation issue and bills submitted by Notified Exploration Agencies (NEAs) for lesser amount than projections provided by them, the budget allocation was reduced to Rs.110.00 crore at RE (2019-20).

2.6 Asked about the reasons for enhancing the BE (2020-21), shortfall in utilization of funds during 2019-20, the Committee are informed as under:-

- (i) Under the Revenue Head, fund for Establishment Expenditure in GSI has been increased at BE Rs.780.24 crore in the Financial Year 2020-21 compared to RE Rs.712.93 crore in the Financial Year 2019-20 considering increase in salary and wages.
- (ii) Under the Survey & Mapping Head, BE grant of GSI has been increased to Rs.148.20 crore from Rs.131.50 crore considering

- the number of mapping projects have been considerably increased compared to the Financial Year 2019-20.
- (iii) Under Information dissemination activity, budget allocation of GSI has been increased to Rs.74.05 crores in comparison to Rs.37.30 crore at RE 2019-20. The amount is increased for considering the provisions towards O & M of OCBIS, PMU, Bandwidth (Primary & Secondary) and upgradation of Bandwidth, AMCs of various IT equipment and GIS software, Network switches and implementation of wireless LAN, Augmentation of HDVC & IPT infrastructure, Implementation of Data Archival System, Secure Web Access across organisation (VAQ item), OCBIS Mobile App (VAQ item), Augmentation of OCBIS Storage, NGDR Project, CAMC of Seismological instrument, GPS, computers, software, SPARROW etc.
 - (iv) In Minor Works head under Other Expenditure, budget allocation has been increased to Rs. 40.00 crore for BE 2020-21 as compared to Rs. 21.00 crore at RE 2019-20 stage considering the repair of GSI buildings and maintenance of work of buildings through CPWD; Accessible India, Net Zero Energy Building, special repair / upgradation of earmarked buildings, Geo-science Museum at Gwalior.
 - (v) Under the Capital head of GSI, the BE grant was increased to Rs.108.30 crore in comparison to RE of Rs.80.70 crore in the Financial Year 2019-20 in view of present modernization programme of GSI laboratories as per Visibility, Activity & Quality (VAQ) programme as well as procurement of field instruments and field vehicles.
 - (vi) The BE Grant for 2020-21 for NMET has been increased to Rs.150 crore in comparison to Rs. 110.00 crore at RE 2019-20 stage. The increase has been made keeping in view the exploration work to be performed by the NEAs which are carrying out NMET funded exploration projects. Besides, aero-geophysical survey work of GSI in respect of Phase-II, which was under litigation during previous year, is expected to commence during the year 2020-21.

2.7 The Committee have further observed that the actual expenditure during 2019-20 (upto 31st January, 2020) was Rs.1176.68 crore. As per the trend of expenditure up to January, 2020 and the restriction imposed by the Ministry of Finance for carrying out expenditure in the last quarter/month (25% and 10%), the likely expenditure for the current financial year will be Rs.1250.00 crore.

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 169 years since its inception, GSI has continued to grow and diversify into various geo-scientific activities, and delivered colossal contribution in the arena of geosciences as well as in the economic growth of India. One of the oldest survey organisations of the world, the history of GSI is synonymous with history of development of the infrastructure and industries in India. The key functions of GSI relate to creation and updation of national geo-scientific information and mineral resource assessment. GSI has been taking up ground survey, airborne and marine survey, mineral exploration, multi-disciplinary geo-scientific, geo-technical, geo-environmental and natural hazards studies, glaciology, seismotectonics, and fundamental research. Outcome of these activities have immense societal value.

3.2 It has been observed that the budgetary allocation of funds to GSI in BE (2019-20) was Rs.1322.93 crore which was reduced to Rs.1241.59 crore in RE. Now the BE is Rs.1349.98 crore during 2020-21. While observing downward revision of funds for GSI at RE stage during 2019-20, the Committee wanted to know the reasons for variations between BE and RE during 2019-20 and actual expenditure (likely) during 2019-20. In this regard, the Ministry of Mines has stated that during the Financial Year 2019-20, budget grant has been reduced from BE Rs.1322.93 crore to RE Rs.1241.59 crore with overall reduction of Rs.81.34 crore. In view of reduction of fund, GSI has judiciously reallocated fund for different activities under revenue and

capital heads with an aim to achieve physical targets for Field Season 2019-20 of different missions with optimum utilisation of the fund. However, due to curtailment of the fund, GSI will not be able to make instalment payment to Shipping Corporation of India (SCI) towards operation and maintenance of GSI vessels for the last two quarters of the Financial Year 2019-20.

3.3 The activity wise budget outlay and actual expenditure in different heads (Revenue & Capital) during the Financial Year 2019-20 are given in the following table:-

(Rs in crore)

Activity	2019-20					
	BE Grant	RE Grant	Actual Expenditure (up to 10.02.2020)	% of utilisation of Fund against RE allotment till 10.02.2020	Utilisation of Fund against RE allotment likely to be done till 31.03.2020	% of utilisation of Fund against RE allotment likely to be done till 31.03.2020
Survey and Mapping	109.85	132.30	122.63	92.69	132.30	100%
Mineral Exploration	45.65	37.05	31.97	86.29	37.05	100%
Information Dissemination	78.46	39.45	36.00	91.25	39.45	100%
Special Investigation & other exploration (Antarctica)	2.52	2.04	1.75	85.78	2.04	100%
Research & Development	12.15	10.05	8.40	83.58	10.05	100%
Human Resource Development#	75.47	75.20	2.73	3.63	75.20	100%
TSP	24.00	24.00	19.07	79.46	24.00	100%
SCSP	45.00	45.00	10.80	24.00	18.00	40%
Administrative	106.08	90.59	81.29	89.73	90.59	100%

Support Activity*						
Establishment Expenditure	722.35	705.21	631.40	89.53	705.21	100%
Total Revenue	1221.53	1160.89	946.04	80.75	1133.89	
Capital (Modernization & Replacement)	101.40	80.70	67.18	83.25	80.70	100%
Total (Rev. + Capital)	1322.93	1241.59	1013.22	81.61	1214.59	97.83%

Out of Rs.75.20 crore, Grant-in-Aid general Rs.72.30 crore will be transferred to 36th IGC society.

* Administrative Support Activity (ASA) includes an amount of Rs.8.58 crore for which Minor works authorisation issued to Ministry of Urban Development (MoUD).

3.4 Activity-wise performance of GSI during 2019-20 is given as under:

- (i) Under survey & mapping head, budget grant has been increased to Rs.132.30 crore at RE stage in view of pending installments payment to SCI for last two quarters of the Financial Year 2018-19 and quarterly installment payments for the Financial Year 2019-20.
- (ii) For mineral exploration activity, the fund allocation has been marginally reduced to Rs.37.05 crore at RE stage as funds allocated under heads of Tribal Sub Plan (TSP) and Scheduled Caste Sub-Plan (SCSP) are also being used for carrying out mineral exploration activities falling in Scheduled Caste / Scheduled Tribe areas as per guidelines. It is anticipated that fund will be sufficient for execution of all activities under this head.
- (iii) For information & dissemination activity, RE grant has been reduced to Rs.39.45 crore in view of curtailment of the overall budget grant at RE stage as well as withdrawal of allocated fund for National Geoscience Data Repository (NGDR) as this project has not yet come under execution. In spite of the reduction of the fund, GSI will give utmost effort to complete all activities under this head.
- (iv) Under Research & Development and Specialized investigation activities, RE grant has been reduced marginally due to curtailment of the overall budget grant at RE stage. However, the targets set for the activities under these heads will be achieved.

- (v) For HRD activities, fund has been marginally reduced as per the changed requirement for training and capacity building and targets will be achieved. Under HRD head, Grant-in-Aid general Rs.72.30 crore has been provisioned for preparatory activities and organisation of the main event of 36th International Geological Congress (IGC) and the fund will be transferred to 36thIGC society.
- (vi) At BE stage, the mandatory fund allocation of ₹ 24.00 Crores has been provisioned under TSP head and Rs.45.00 crore has been allocated under SCSP head for utilisation mandated field activities of Mission-I, II, IV and V. At RE stage, the fund allocation remained unchanged in both TSP & SCSP heads. GSI will put its best effort for optimum utilisation of the TSP & SCSP fund. However, it is anticipated that GSI will not be able to utilise the SCSP fund because of limited scope of field activity falling in SC areas.
- (vii) For establishment expenditure & administrative support activities, RE grant has been reduced in view of curtailment of the budget at RE stage and GSI has taken austerity measures to meet the expenditure in these heads.

3.5 In view of curtailment of the budget at RE stage, the capital grant has been reduced from Rs. 101.40 crore at BE to Rs.80.70 crore at RE stage so that GSI activities e.g. survey & mapping, mineral exploration, research & development, specialized investigation etc. falling under revenue head do not get hampered and the physical targets of all missions for the Financial Year 2019-20 can be achieved.

3.6 When asked whether the total outlay of Rs. 1349.58 crore to GSI will be sufficient to carry the ongoing schemes/projects during 2020-21, the Ministry of Mines has informed that GSI demanded for Rs.1464.89 crore (Rev. Rs.1306.59 crore & Cap. Rs.158.30 crore) in the budget estimate for the Financial Year 2020-21 considering fund requirement for continuation of all activities of GSI especially for enhanced geological mapping projects, escalation of the administrative and establishment expenditure and to meet the committed expenditure of the Financial Year 2020-21. However, GSI received

budget grant of Rs. 1349.98 crore (Rev. Rs.1241.68 crore & Cap. Rs.108.30 crore) and accordingly GSI has made activity-wise outlay for carrying out all activities. However, due to curtailment of the budget grant in the Financial Year 2019-20 at RE stage, GSI is not able to make installment payment to SCI for last two quarters of the Financial Year 2019-20 and this pending due will be cleared from Budget grant of the Financial Year 2020-21. Hence, it is anticipated that additional fund will be required for making installment payment to SCI for the Financial Year 2020-21. Keeping in view of the change in requirement of fund for execution of all activities during the Financial Year 2020-21, GSI will submit the revised demand of budget (both revenue & capital heads).

3.7 As regards the steps being initiated by GSI to ensure full utilization of funds as targeted during 2020-21, the Ministry of Mines has informed that the steps which have been taken by GSI to ensure full utilization of funds as targeted during the Financial Year 2020-21, are as under:-

- (i) GSI has critically reviewed the demand of fund submitted by the operational units for execution of all activities under different missions during the Financial Year 2020-21 and budget grant has been judiciously allocated in all heads giving priority on the committed expenditures and for execution of operational activities so that physical targets of the Financial Year 2020-21 can be achieved with the available fund.
- (ii) Monitoring of fund utilization under different heads is done periodically by making synergy with all region/missions of GSI.
- (iii) Engagement of private drilling firms for outsourcing drilling, outsourcing of geophysical mapping and analyses of chemical samples, enhancement of in-house instrumental capacity of various laboratories.
- (iv) Real time monitoring of fund utilisation through effective monitoring under PFMS.

3.8 Geological Survey of India carries out Research & Development (R&D) activities on fundamental geo-science including field based

research activity. Under the auspices of National Centre of Excellence in Geo-science Research (NCEGR) having main centre at Kolkata and satellite centres at 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.

3.9 When asked to furnish details of the R&D activities carried out during 2019-20 and reasons for variation of funds during 2019-20 and 2020-21, the Ministry of Mines has informed that . during 2019-20, GSI has taken up 57 research projects in the fields of petrology, palaeontology, geochronology & isotope geology, meteorite & planetary studies, experimental studies, etc. by utilizing state-of-the-art advanced instruments available at NCEGR and all regional laboratories to unravel the geological history of the rocks in time and space. The R&D activities are also aimed to give support to various ongoing projects of other missions especially geological mapping and mineral exploration and also to sort out the identified geological problems. Under 'R&D' head, fund is provisioned for taking up R&D programmes, AMC of the laboratory instruments, procurement of raw material for chemical analysis etc.

3.10 It has further been added that during the Financial Year 2020-21, budget grant of Rs.17.80 crore has been made under this head which is comparatively higher than that of RE grant of Rs.10.05 crore during the Financial Year 2019-20 as provision has been made to expedite chemical analysis of voluminous rock/ sediment/soil samples, likely to be generated in geological mapping and mineral exploration projects of GSI. Analysis of chemical samples will be done from other government laboratories in addition to in-house chemical analyses at GSI laboratories so that project work can be completed within Field Season Programme schedule.

CHAPTER-IV INDIAN BUREAU OF MINES (IBM)

The 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. It performs regulatory functions with respect to the relevant provisions of Mines and Minerals (Development and Regulation) Act, 1957 and enforcement of the rules framed there under, namely Mineral Conservation and Development Rules, 1988/2017 and Mineral Concession Rules, 1960/ 2016 and Environmental (Protection) Act, 1986 and Rules made there under. It undertakes scientific, technoeconomic, research oriented studies in various aspects of mining, geological studies, ore beneficiation and environmental studies.

4.2 It has been observed that an amount of Rs.124.31 crore provided to IBM at BE stage during 2019-20 which was reduced to Rs.109.11 crore at RE stage and expenditure upto December, 2019 is Rs.79.16 crore only. Now, an amount of Rs.128.31 crore has been kept in BE for the year 2020-21.

4.3 When asked to furnish reasons for variations between BE, RE 2019-20, the Ministry of Mines has stated that there was decrease of Rs.15.20 crore under revenue provision at RE stage in comparison to BE due to non-filling up of vacant/ new posts and also non-materialization of payment towards Mining Tenement System (MTS) project.

4.4 As regards the steps taken/proposed to be taken by IBM to fill up the vacant posts, it has been stated that the proposals for recruitment through DR/DPC have been sent to Ministry for filling up of the vacant posts in respect of posts in phase manner for which revised recruitment rules have been notified. As regards the execution of Mining Tenement System, the Ministry of Mines has informed that M/s WIPRO Ltd is the implementing agency for development of the Mining Tenement System (MTS) and agreement was signed on 10.11.2016 between IBM and WIPRO. Three modules of MTS Project viz. PMKKKY, Registration and Daily Returns were launched by the then Honourable Minister of Mines on 20.03.2018 during 3rd National Conclave on Mines & Minerals at New Delhi. PMKKKY is currently live for data entry at district level and most of the States have started data entry. Daily Return and Monthly Return are live to view and submit the returns. Further, regarding the current status, the Ministry of Mines has informed that the Mining Plan, Star Rating and Ore Accounting System (OAS) modules are under testing. The Software Requirement Specification (SRS) V3.1 of Phase II Modules i.e. Grant and Execution of Concession, Inspection Module, GIS Module, IBM existing databases, ML WMMP, NMI, MCP and Final Mine Closure Plan modules are under examination.

4.5 When asked about the steps taken or proposed to be taken by IBM to ensure timely completion of various ongoing and new projects during 2020-21, the Ministry of Mines has stated in a written reply to ensure that the budgeted outlays are fully utilized and also for optimum utilization of funds of Rs.128.31 crore allocated during 2020-21, all concerned have been advised to indicate action for utilization of funds and percentage of expenditure will be monitored at IBM Level so

as to comply with the provisions of Fiscal Responsibility and Budget Management (FRBM) Act.

4.6 Regarding the number of Mining Plans, as approved by IBM, during 2016-17, 2017-18, 2018-19 and 2019-20 for fresh grant of mining lease, the Ministry of Mines has given the details as under:

Year	No. of Mining Plans approved for fresh grant of Mining Lease
2016-17	67
2017-18	31
2018-19	21
2019-20 (up to 31st January. 2020)	14**

**As on date, 9 under process will be disposed off within time frame and 01 is pending with party for processing.

CHAPTER-V

SCIENCE AND TECHNOLOGY PROGRAMME OF MINISTRY OF MINES

Ministry of Mines Govt. of India provides funds to academic institutions, universities national institutes and R&D institutions recognized with the Department of Scientific and industrial Research, Government of India for implementing R&D projects under Science and Technology Programme of Ministry of Mines with the vision to promote research in applied geosciences, mineral exploration, mining and allied areas, mineral processing, optimum utilization and conservation of the mineral resources of the country, for the benefit of the nation.

5.2 The Ministry of Mines has informed that the Plan outlay for Science and Technology Programme for the year 2019-20 was Rs. 24.26 crore at BE Stage which reduced to Rs.20.27 crore at RE stage and BE for the year 2020-21 has been planned at Rs. 24.13 crore. The funds under this head are further released towards salary and capital grants to grantee autonomous institutions under administrative control of Ministry of Mines viz. National Institute of Rock Mechanics, National Institute of Miners' Health and Jawaharlal Nehru Aluminium Research Development and Design Center and S&T projects and IEC component under the Science and Technology Programme Scheme of Ministry of Mines. Till 12.2.2020, Rs.19.49 crore has actually been utilized under Science and Technology programme during 2019-20. Further, the reduction in RE 2019-20 was on account of less provision for salary, capital grants to autonomous institutions and for Science & Technology (S&T) projects of the Ministry. Also, the quality of most of the project proposals received during the year was not good enough to consider them for grants under the said Scheme. As a result, there was less expenditure towards such projects under this Head.

5.3 The Committee also wanted to know the steps being contemplated for timely completion of R&D projects targeted to be completed during 2019-20. The Ministry of Mines has stated that the ongoing projects are reviewed periodically by Project Evaluation and Review Committee (PERC). Thereafter, the final technical reports are evaluated by Standing Scientific Advisory Group (SSAG) for approval in the light of attainment of objectives, research carried out, etc.

5.4 The Committee asked whether the funds allocated under Science and Technology Programme for 2019-20 and 2020-21 are sufficient for various ongoing and new projects proposed to be undertaken during the years, the Ministry of Mines, in a written reply, has stated that the funds allocated for 2019-20 and 2020-21 are not sufficient to meet salary and capital expenditure of grantee autonomous bodies and various ongoing and new S&T projects. Further, the Ministry of Mines stated that the shortage of funds adversely affects the progress of research projects and there is shortfall in Grant-in-aid salary for grantee autonomous bodies. Also, the shortfall in proposed grants for creation of capital assets & the actual allocation for the same in 2020-21 may result in non-upgradation of research infrastructure in Autonomous Bodies.

CHAPTER-VI
CENTRAL PUBLIC SECTOR UNDERTAKINGS/TRUST

The details of the Capital Expenditure of PSUs viz. NALCO, HCL and MECL for 2018-19, 2019-20 and 2020-21 are as under:

(Rs. in crore)

Sl. No	Organi- zation	2018-19 CAPEX			2019-20 CAPEX			2020-21 CAPEX
		BE	RE	Actual	BE	RE	Actual	BE
1.	NALCO	1100.00	1102.53	977.59	1041.07	1055.89	939.50 (likely by Mar., 2020)	1012.21
2.	HCL	400.00	600.00	602.46	600.00	600.00	313.06 (upto Dec., 2019)	402.00
3.	MECL	6.00	6.00	6.00	-	-	-	-

A. HINDUSTAN COPPER LTD. (HCL):

6.2 Hindustan Copper Limited (HCL), a Miniratna Category-I, 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 Government 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 (Asset Reconstruction Company (India) Limited) in 2015-16 and renamed as GCP (Gujarat Copper Project). With this acquisition HCL now have five units - one each in the states of Rajasthan, Jharkhand, Madhya Pradesh, Gujarat and

Maharashtra. HCL is a listed company on BSE and NSE, with 76.05 % equity owned by the Government of India.

6.3 Physical Targets fixed vis-a-vis actual achievement (upto December, 2019) for various activities of HCL during 2019-20 and BE 2020-21 are as follows:-

(Rs. in crore)

Particulars	2019-2020			2020-21 BE
	BE	RE	Actual (up to December, 2019)	
Expansion Projects	402.00	402.00	103.43	402.00
Green Field Exploration	10.00	10.00	8.44	10.00
Replacement & Renewal	8.00	8.00	12.48	8.00
Mine Development	180.00	180.00	188.71	180.00
Total	600.00	600.00	313.06	600.00

6.4 When asked to specify the reasons for under utilization of funds of actual during 2019-20 (upto December, 2019) and details of the projects/schemes thus affected, the Ministry of Mines has stated that though under Expansion Projects at RE stage, the target has been retained at Rs 402.00 crore, the same amount of expenditure may not be achieved due to delay in awarding of some of the tenders related to mine expansion. Under-utilisation of the fund is mainly due to lower expenditure under Expansion projects which includes development of Malanjkhand Copper Project (MCP) underground mine, development of 2nd phase of Khetri mine, expansion of Surda mine, development of Kendadih mine and opening of new mine – Chapri & Siddeshwari mine. It has further been stated that the Development work of MCP underground mine, Kendadih mine is in progress. Development work 2nd phase Khetri mine was not possible to commence due to non-

finalisation of tender owing to high price quoted by the single bidder (single offer was received). Tender related to Chapri-Siddheswar mine was not yet finalised due to high price quoted by the L1 bidder as compared to the departmental estimate. It was not possible to take up expansion work of Surda mining lease extension was not obtained. In view of these, utilisation of funds under Expansion projects was lower. Expected utilisation of fund upto March, 2020 is Rs. 450 crore.

6.5 When asked about the efforts being made by HCL to achieve the targets for improving the functioning of the company during 2020-21, the Ministry of Mines has stated that a contract for production from MCP under developed underground mine has been awarded valuing Rs.1573.82 crore. Resource mobilisation by the contractor is under progress. Production will commence from 2020-21.

6.6 As regards, keeping the target of BE Rs.600 crore during 2020-21, the Ministry of Mines has stated that it is felt that in BE Rs.600.00 crore is sufficient to meet the financial requirement. However, the Company will allocate the required fund to the extent necessary, based on the job need to meet the production target for the year 2020-21.

6.7 When enquired about the steps being initiated to ensure full utilization of funds as targeted during 2020-21, the Ministry of Mines stated that the Company is exploring the possibility of appointing Mine Developer & Operator (MDO) for operation of Rakha & Chapri mine including installation of matching Concentrator. Expression of Interest (EOI) has already been floated in Economic Times & Business Standard on 30.01.2020. Steps has also been taken for finalisation of Khetri 2nd phase development contract and Tender for expansion work of Surda Mine will also be taken up upon obtaining mine lease.

6.8 When asked whether any mining lease of HCL is pending with the State Government for approval, the Ministry of Mines has furnished the Mine wise Status of Lease Renewal as follows:

a) Extension of Surda Mining Lease is pending with Govt. of Jharkhand
Status regarding extension of Surda Mining Lease is as under:

- (i) Surda Mining Lease of Hindustan Copper Limited (HCL) situated in East Singhbhum District of Jharkhand having area of 388.68 hectares.
- (ii) Surda Mining Lease will expire on 31.03.2020. As per Clause No. 3(2) of Mineral (Mining by Government Company) Rule, 2015, the lease is to be extended for another 20 years.
- (iii) Application for renewal of lease made on 23.01.2017.
- (iv) And fresh application made again on 22.02.2019 before the Govt of Jharkhand.
- (v) Govt of Jharkhand is asking for EC for extension of the lease which is under process.
- (vi) Several correspondences made to Govt of Jharkhand for extension of the lease including letter from CMD to Govt. of Jharkhand on 10.02.2020.
- (vii) Lease is yet to be extended.

The other lease at ICC namely Kendadih and Rakha Mining Lease have been extended.

b) Mining Leases at Rajasthan

There are three Mining Lease of Hindustan Copper Limited in the State of Rajasthan which are as under:-

1. Khetri Mining Lease
 2. Kolihan Mining Lease &
 3. Chandmari Mining Lease
- (i) Application for Renewal of the lease have been submitted to DMGR on 20.02.2017 and on 12.06.2018
 - (ii) Validity of Chandmari Mining lease has been extended by Govt of Rajasthan till 26.12.2022.
 - (iii) Khetri & Kolihan Mining Leases are valid up to 31.03.2020. After several correspondences Joint Secretary (Ministry of Mines), Govt. of Rajasthan issued LOI for extension of the leases till 31.03.2040 on 01.11.2019 asking for compliance of two conditions, after which final extension letters will be issued.
 - (iv) These conditions have been complied and request letter submitted for extension of the leases.

Final lease extension letters are awaited.

6.9 During the course of oral evidence, a representative of the Ministry of mines informed the Committee that extension of Surda Mining Lease is pending with Govt. of Jharkhand and will expire on 31.03.2020. Application for renewal of lease made on 23.01.2017 and fresh application made again on 22.02.2019 before the Government of Jharkhand. It has been stated that several correspondences have been made to Governmentt of Jharkhand for extension of the lease including letter from CMD to Govt. of Jharkhand on 10.02.2020. The lease is yet to be extended.

6.10 The witness further has informed the Committee that applications for renewal of the lease have been submitted to DMGR on 20.02.2017 and on 12.06.2018. Khetri & Kolihan Mining Leases are valid up to 31.03.2020. After several correspondences, Joint Secretary (Ministry of Mines), Govt. of Rajasthan issued LOI for extension of the leases till 31.03.2040 on 01.11.2019 asking for compliance of two conditions, after which final extension letters will be issued. These conditions have been complied and request letter have been submitted for extension of the leases. Final lease extension letters are awaited.

B. NATIONAL ALUMINIUM COMPANY LTD.(NALCO)

6.11 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 net sales turnover of ₹ 11,386 crore in financial year 2018-19, export sales (i.e. ₹ 4,793 crore) accounted about 42% of turnover and business in more than 15 countries. The Company is 3rd highest net foreign exchange earning CPSE in the year 2017-18. Presently, Government of India holds 51.5% equity of NALCO.

6.12 It has been observed that the yearly Capital Expenditure (Capex) Plan BE 2019-20 for NALCO was Rs.1041.07 crore which was revised upward to Rs.1055.89 crore at RE stage and the actual utilization of funds upto December, 2019 was Rs.555.61 crore only. The outlay in BE 2020-21 has now been planned at Rs.1012.21 crore.

6.13 On being enquired about the reasons for enhancement of funds at RE during 2019-20 and likely utilization of funds upto March, 2020, the Ministry of Mines has stated that the enhancement was primarily due to equity investment in JV of Utkarsha Aluminium Dhatu Nigam Ltd (UADNL), a JV with MIDHANI which was not envisaged during BE stage. The additional requirements will be funded from Company's internal resources without any budgetary support of Government of India. The Committee have, further, observe that the likely utilization of funds upto Mar' 2020 is Rs 939 crore, the project-wise details are given as under:-

(Rs. in crore)

Sl. No	Schemes	2019-20			
		BE/ Outcome	RE	Actual up to Jan'2020	Likely expenditure
1.	New and on-going Schemes.				
a	Coal Mines - UTKAL –D & E	30.00	30.00	15.62	18
b	Pottangi / 5th Stream Refinery	225.33	176.72	33.92	161
c	Alternate sourcing of Bauxite	15.50	0.60	-	-
d	Green Energy projects	10.00	10.05	-	-
e	JV Projects	95.67	104.47	100.50	100.50
2.	Addition, Modification & Replacements (AMR)				
a	AMR	664.57	734.05	459.52	660
	Total	1041.07	1055.89	609.56	939.5

Note:

1. Due to delay in getting the Stage IFC of Utkal E, the payment towards NPVs i.e. Rs 12 Cr is likely to be materialised in next financial year.

2. Due to delay in getting the Stage IFC of Pottangi Bauxite, the payment towards NPVs and other related payments for FC i.e. Rs 64 Cr is likely to be materialised in next financial year.
3. The contractor is financially sick and has opted for S4A scheme (Scheme for Sustainable Structuring of Stressed Assets). Due to liquidity crisis he is unable to advance the project.
4. The Alternate sourcing of Bauxite project will be aligned to 5th stream Refinery commissioning schedule to prevent idling of assets.
5. 90% of projected AMR i.e. Rs 660 Cr is likely to be achieved by Mar' 2020.

Details of Capital Expenditure Plan BE for 2020-21:

(Rs. in crore)

Sl. No.	Particulars	BE 20-21
a)	New projects	342.96
b)	Projects in JVs	40.00
c)	Addition Modification & Replacement	629.45
	Grand Total	1,012.21

6.14 Further, asked to furnish the reasons for expected under utilization of funds as actual was Rs.555.61 crore (upto December, 2019) during 2019-20, the Ministry of Mines has stated that Capital Expenditure (CAPEX) was envisaged considering construction of boundary wall which was being resisted by villagers, to be resolved in the beginning of the financial year. A settlement could be reached in recent past. Delay in resolving the issue by the State govt. has resulted into under utilisation of CAPEX.

6.15 When asked to furnish detail of the total installed capacity of NALCO and the actual achievements during the years 2018-19 and 2019-20, the Ministry of Mines informed the Committee, in a written reply, as under:-

Name of the Unit	Name of Product	Installed Capacity (2018-19 & 2019-20)	Unit of Measurement	Details of Production	
				2018-19	2019-20 (likely)
Bauxite Mines	Bauxite	68,25,000 MT	Tonne	72,30,546 \$	73,00,000 *
Alumina Refinery	Alumina Hydrate	21,00,000 MT #	Tonne	21,52,500	21,60,000
Aluminium Smelter	Aluminium	4,60,000 MT	Tonne	4,40,242	4,13,000
Thermal Power Plant	Thermal Power	1,200 MW	Million unit	6,256	6,013
Wind Power Plant	Wind Power	98.4 MW	Million unit	363	330

\$ For 2018-19, Bauxite transportation from North - Central Block of bauxite mines was 68,25,000 tonne. Transportation from South Block was 4,05,546 tonne and combined transportation of both the Mines was 72,30,546 tonne.

* For 2019-20, Bauxite transportation from North - Central Block of bauxite mines is expected to be 68,25,000 tonne. Transportation from South block is expected to be 4,75,000 tonne and combined transportation of both the Mines is likely to be 73,00,000 tonne.

After implementation of new IBM guidelines on use of higher silica content Bauxite since Oct' 2015, the Normative capacity for Alumina Refinery has become 21, 00,000 MT.

6.16 On being asked whether the funds earmarked during the year 2020-21 are sufficient and action/measures proposed to be taken for optimum utilization of funds for implementation of various projects during 2020-21, the Ministry of Mines has stated that funds for 2020-21 has been earmarked based on the requirement for implementation of various projects keeping in view the progress of each projects and would be sufficient. As regards the optimum utilisation of funds, the Ministry of Mines stated that the budget has been allocated based on the progress of work which is reviewed by a dedicated group earmarked for Capex utilisation and being reviewed at management level through an online CAPEX monitoring system.

C. NATIONAL MINERAL EXPLORATION TRUST (NMET)

6.17 The National Mineral Exploration Trust (NMET) was established by the Central Government by notification dated 14th August, 2015 in pursuance of sub section (1) of Section 9C of Mines and Minerals (Development & Regulation) Amendment Act, 2015 with the objective to expedite mineral exploration in the country. The NMET Rules were also notified on 14th August, 2015. As per the Act, the holders of Mining Lease and Prospecting Licencecum-Mining Lease shall pay to the Trust, a sum equivalent to 2 percent of the royalty paid in terms of the Second Schedule of the Act to the State Government, simultaneously with payments of royalty.

6.18 It has been observed that NMET had been granted Rs.150 crore in BE during 2019-20 which was reduced to Rs.110 crore at RE stage. When asked to furnish reasons for the same, the Ministry has informed that the utilization of NMET budget primarily depends on the progress of work of NMET funded exploration projects which are carried out by Notified Exploration Agencies (NEAs). NEAs have submitted bills of lesser amount than projections provided by them. Further, Phase-II work of the aero-geophysical survey project could not be commenced by the Project Implementing Agencies (PIAs) due to litigation issue.

6.19 As regards the reasons for the BE 2020-21 being kept at the same level of Rs.150 crore in the year 2019-20, the Ministry of Mines has informed that it is so keeping in view of the exploration work to be performed by the NEAs which are carrying out NMET funded exploration projects. Besides, aero-geophysical survey work of GSI in respect of Phase-II, which was under litigation during previous year, is expected to commence during the year 2020-21.

6.20 The Committee wanted to know the likely expenditure for the year 2019-20 and the reasons for expected under utilization of outlays. In reply, the Ministry of Mines has stated that the likely expenditure for the year 2019-20 will be Rs.68 crore approx. due to restriction of budget to 25% of BE or RE, whichever is lower, for the final quarter of the Financial Year 2019-20.

6.21 When asked about the steps being initiated to ensure full utilization of funds as targeted during 2020-21, the Ministry of Mines has stated that the NEAs have been asked to provide year-wise phasing of projections containing information regarding work to be carried out along with work milestones and corresponding cost etc. for better projections and monitoring of NMET funded projects. The exploration agencies will be asked to submit claims for payment in time and adhere to the timelines of the exploration projects.

6.22 During the course of evidence, a representative of the Ministry informed the Committee that increasing exploration, especially of base and deep seated minerals, by intensifying mineral exploration in the country through inviting greater participation of specialised exploration agencies, private sector, tapping experts and agencies with new knowledge and state of art technology, are essential to realise the vision of the Ministry. It would supplement the exploration by GSI and MECL. The utilisation of fund collected under the National Mineral Exploration Trust (NMET) is not commensurate with the objectives for which it was set up, viz boost exploration in the country. Further, it has been stated that at present MMET is functioning as a section of the Ministry.

PART –II

OBSERVATIONS/RECOMMENDATIONS

NATIONAL MINERAL POLICY(NMP), 2019

1. The Committee note that in so far as the regulation in mineral sector is concerned, the main focus is in ease of doing business by adopting e-governance, IT enabled system, awareness and information campaigns. The Committee also note that National Mineral Policy (NMP), 2019 aims to attract private investment through incentives while the efforts would be made to maintain a database of mineral resources and tenements under Mining Tenement System. Further, it not only reiterates the utilisation of the district mineral fund for equitable development of project affected persons but also proposes a long-term Export Import policy for the mineral sector to provide stability and as an incentive for investing in large-scale commercial mining activity. For attaining self-sufficiency in major minerals production, doubling the production of minerals in next 5 years is being targetted with resultant reduction in import dependency, by allocating and regulating minerals in transparent and sustainable manner and intensifying exploration to find deep-seated minerals and effectively implement vision stated in the National Mineral

Policy 2019. The Committee observe that delay in taking various clearances also acts as a hindrance for prospective bidders, which adversely affects investment in mining of minerals. The Committee feel that if these clearances are already in place at the time of auction, it will give a boost to the auction process by greater participation and higher competition. Consequently, delays in start of production will be reduced. The Committee recommend that the Ministry should make all efforts to put such a system in place at the earliest. While observing that the NMP, 2019 has very forward-looking recommendations for the Mining Sector, the Committee recommend the Ministry to implement the same without any further delay.

2. The Committee also observe that mineral resources are scarce and finite and therefore desire that Ministry should ensure to make best use of available mineral resources and metals produced using these resources. In this direction, Ministry should seriously look into recycling of metals. This is important as recycling of metals does not lead to loss of property and use lesser energy in making recycled products and can also prove to be environment friendly. The Committee desire that Ministry should frame a policy on recycling of non-

ferrous metals. The Committee are also of the view that such steps would help the Ministry to achieve its vision including doubling of the production of minerals in next 5 years with resultant reduction in import dependency.

BUDGETARY PROVISIONS AND UTILIZATION

3. The Committee find that the budgetary allocation proposed by the Ministry of Mines under Demand No. 68 for the year 2020-21 is Rs. 1701.40 crore, which comprises Rs. 1587.04 crore under revenue section and Rs. 114.36 crore under capital section. Hence there is a marginal increase of Rs. 25.85 crore, if compared with BE, 2019-20 of Rs. 1675.55 crore and an increase of Rs. 173.18 crore, as compared to RE, 2019-20 of Rs. 1528.22 crore. The Committee note that the increase in BE, 2020-21 has resulted in increase in budget allocation for establishment expenditure of GSI, Survey & Mapping Head of GSI, Information dissemination activity, Minor works under other expenditure, Capital head of GSI and for projects under NMET. The Committee hope that the Ministry of Mines would make sincere efforts to execute their projects/schemes targetted for the year 2020-21 at a steady pace so that the funds allocated to the Ministry at BE stage are not reduced at RE stage as Ministry of Finance has issued directions to

optimally utilise funds in first three quarters and restricted the funds to be utilized in the last quarter.

4. The Committee note that during 2018-19, budgetary allocation of Rs. 1669.52 crore for the Ministry of Mines was scaled down to Rs. 1350.02 crore at RE stage. Again, during 2019-20, budgetary allocation of Rs. 1675.55 crore was reduced to Rs. 1528.22 crore at RE stage. The Ministry has stated that the variations in allocations at BE and RE stage are a part of the budgeting process and allocation is done by the Ministry of Finance as per the resources available with them. The Committee feel that such reduction of annual plan outlays would lead to shortfall in completion of projects/schemes of the Ministry targeted for a year. The Committee further note that the Ministry of Mines could not utilize the reduced allocations at RE stage during the last two years. Out of the allocation of Rs. 1350.02 crore at RE, 2018-19, the Ministry could utilize Rs. 1266.74 crore (93.83%). Again, out of the allocation of Rs. 1675.55 crore at BE, 2019-20, the Ministry could utilize Rs. 1176.68 crore up to January, 2020. The reason for the shortfall is stated to be under-utilisation of NMET budget due to slow progress of NMET funded exploration projects during the year. The Committee learn that as per the

trend of expenditure during the year 2019-20 by the Ministry of Mines, the Ministry of Finance has imposed the restriction for carrying out expenditure up to 25% and 10% in the last quarter/month and as a result, the Ministry would be able to utilize Rs. 1250.00 crore during 2019-20. In this regard, the Committee desire the Ministry of Mines to gear up its machinery to timely execute the projects/utilize funds and does not leave things for the fag end of the year lest it leads to shortfall in physical and financial targets during the year.

GEOLOGICAL SURVEY OF INDIA(GSI)

5. The Committee note that budgetary allocation of Rs.1322.93 crore was made to GSI for the year 2019-20 for undertaking various activities under revenue and capital heads. The same was, however, reduced to Rs.1241.59 crore at RE stage with overall reduction of Rs.81.34 crore. In view of reduction of funds, GSI has stated to have judiciously reallocated funds for different activities in order to achieve physical targets for Field Season 2019-20 of different missions with optimum utilisation of the funds. The Committee note that GSI has been able to spend Rs. 1013.22 crore (81.61%) up to 10 February, 2020 and likely to spend Rs. 1214.59 crore (97.83%) up to 31 March, 2020. In view of the restrictions

imposed by the Ministry of Finance for carrying out expenditure up to 25% and 10% in the last quarter/month, the Committee apprehend the optimum utilization of funds by GSI during 2019-20. The Committee hope that GSI will at least now make serious efforts for timely utilization of budgetary allocations for the year 2020-21.

6. The Committee are apprised that GSI had proposed an allocation of Rs. 1464.89 crore (Revenue Rs. 1306.59 crore and Capital Rs. 158.30 crore) for the year 2020-21 to undertake its activities especially for enhanced geological mapping projects and escalation of the administrative and establishment expenditure during 2020-21. However, GSI received budget grant of Rs. 1349.98 crore (Revenue Rs. 1241.68 crore and Capital Rs. 108.30 crore). It has been stated that due to curtailment of the budget grant in 2019-20, GSI is not able to make instalment payment to Shipping Corporation of India (SCI) for the last two quarters of the year 2019-20 and this pending dues will be cleared from budget grant for 2020-21. Therefore, GSI is planning to submit the revised demand of budget. The Committee are concerned to note that GSI which is entrusted with conducting geological surveys besides being the prime provider of geoscientific

information and mineral resource assessment data to government, industry and public, are facing resource crunch. The Committee strongly recommend that Ministry of Mines should ensure that plan allocations for GSI be stepped up and the revised estimates be submitted in due course to meet the physical targets.

7. The Committee note that during the Financial Year 2020-21, budget grant of Rs.17.80 crore has been allocated under 'Research & Development' head which is higher than BE, 2019-20 of Rs. 12.15 crore and RE, 2019-20 of Rs.10.05 crore. The Committee also note that the provision has been made to expedite chemical analysis of voluminous rock/ sediment/soil samples, likely to be generated in geological mapping and mineral exploration projects of GSI. Analysis of chemical samples will be done from other government laboratories in addition to in-house chemical analyses at GSI laboratories so that project work can be completed within Field Season Programme schedule. Taking note of the fact that the funds of Rs. 12.15 crore allocated at BE, 2019-20 for R&D activities were reduced to Rs. 10.05 crore at RE stage, the Committee find it encouraging that the Revised estimates are likely to be fully utilized. Keeping in view the importance of R&D activities

in providing support to various ongoing projects of especially geological mapping and mineral exploration and also to sort out the identified geological problems, it is imperative that R & D is prioritized and the Government provides necessary assistance including sufficient budgetary support to enrich the research activities. The Committee trust that budgetary allocation of Rs.17.80 crore under R & D head will be maintained at same level at RE, 2020-21 and if required, be suitably stepped up.

INDIA BUREAU OF MINES(IBM)

8. The Committee note that funds utilization by IBM was Rs. 98.97 crore against BE of Rs. 129.08 crore and RE of Rs. 107.09 crore during 2018-19. Similarly, during 2019-20, against BE of Rs. 124.31 crore and RE of Rs. 109.11 crore, IBM has been able to utilize Rs. 82.74 crore up to 31 January, 2020. The reasons put forward for decrease of Rs.15.20 crore under revenue provision at RE stage during 2019-20 are reported to be non-filling up of vacant/new posts and also non-materialization of payment towards MTS project. Taking note of the fact that allocated funds could not be utilized, the Committee would like to be assured that IBM takes all necessary steps to resolve these issues and the budgetary allocation of Rs. 128.31 crore for the year 2020-21 would be optimally utilized.

9. The Committee are concerned over the decrease in the number of approved Mining Plans for fresh grant of mining lease during the last three years by IBM. During 2016-17, 2017-28, 2018-19, the approved Mining Plans were, 67, 31 and 21, respectively. During 2019-20, 14 Mining Plans have been approved till 31 January, 2020 and 9 cases were reported to be under process. In this regard, the Committee would like to be apprised of the reasons for decrease in Mining Plans approved during the last three years along with the total number of Mining Plans received during all these years and approved within statutory time period of 45 days. The Committee would further 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 are proposed to be covered.

SCIENCE AND TECHNOLOGY (S&T) PROGRAMME

10. The Committee note that Ministry of Mines provides funds to academic institutions, national institutes and R&D institutions recognized with the Department of Scientific and Industrial Research, Government of India for implementing R&D projects under its S&T Programme. The vision of the programme is to promote research in applied geosciences, mineral exploration,

mining and allied areas, mineral processing, optimum utilization and conservation of the mineral resources of the country, for the benefit of the nation. It has been informed that during 2019-20 and 2020-21, the Ministry will focus on widening the outreach of its S&T Programme thereby leading to an increase in the number of project proposals to be sponsored by the Ministry. The Committee, however, note that during 2019-20, budgetary allocations of Rs. 24.26 crore for implementing R&D projects under S&T programme of the Ministry was reduced to Rs. 20.27 crore at RE stage which was on account of less provision for salary, capital grants to autonomous institutions and for S&T projects of the Ministry. The Committee are happy that Ministry has utilized Rs.19.49 crore upto 12.02.2020 and hope that funds allocated would be optimally utilized.

11. The Committee further observe that during 2020-21, BE of Rs. 24.13 crore has been kept for S&T Programme of the Ministry. It has been stated that funds allocated during 2019-20 and 2020-21 are not sufficient to meet salary and capital expenditure of grantee autonomous bodies and various ongoing and new S&T projects and the shortage of funds adversely affects the progress of research projects. There is shortfall in Grant-in-aid salary for grantee autonomous bodies. The

Committee are of the view that reduction in the proposed grants during 2020-21 for creation of capital assets and the actual allocation for the same may result in non-upgradation of research infrastructure in Autonomous Bodies. In view the vision of the S&T programmes of the Ministry of Mines outlined in the preceding paragraph, it is high time the Government put in place the research priorities under S&T programme of the Ministry of Mines in an articulate manner and provide sufficient budgetary support to enrich the research activities and strive to make it a long term objective.

HINDUSTAN COPPER LTD.(HCL)

12. Major activities of Hindustan Copper Limited (HCL) include mining, or beneficiation, smelting, refining and casting of refined copper metal into downstream products. The Committee note that during 2019-20, out of Rs. 402 crore allocated for its expansion projects, HCL could utilise Rs. 103.43 crore up to December, 2019. It has been stated that though under expansion projects at RE stage, the target has been retained at Rs. 402 crore, however, the same amount of expenditure may not be achieved due to delay in awarding of some of the tenders related to mine expansion. Development of second phase of Khetri Mine could not be commenced due to

non-finalisation of tender owing to high price quoted by the single bidder. Further, tender related to Chapri-Siddheswar mine was not finalized due to high price quoted by L1 bidder as compared to the departmental estimate. The Committee feel that all these projects are instrumental for exploration and exploitation of copper in the country and hence, the Ministry/HCL should give serious consideration to remove these procedural delays for timely execution of projects. The Committee hope that HCL would take timely steps to remove all the bottlenecks for timely execution of its expansion projects and would optimally utilize their Plan Outlays of Rs. 600 crore during the year 2020-21.

13. The Committee note with concern that that HCL is facing problem of extension of Surda Mining Lease and Khetri and Kolihan Mining Leases. Extension of Surda Mining Lease of HCL is pending with Government of Jharkhand and renewal of Khetri and Kolihan Mining Leases are pending with the Government of Rajasthan and both the above mining leases are valid upto 31.03.2020. The Committee also note that inspite of long correspondence made by the Ministry of Mines/HCL with both the State Governments, final extension letters are still awaited. As time bound grant of mining leases are of paramount

importance for reaping the benefits of various activities of HCL, the Committee would like the Ministry of Mines/HCL to make continuous efforts to get extension of mining leases with the State Governments of Jharkhand and Rajasthan at the highest levels. The Committee would like to be apprised of the progress in the matter.

NATIONAL ALUMINIUM COMPANY LTD. (NALCO)

14. The Committee note that during 2019-20, plan outlay of NALCO of Rs. 1041.07 crore was revised upward to Rs. 1055.89 crore at RE stage. Enhancement was primarily due to equity investment in JV of Utkarsha Aluminium Dhatu Nigam Ltd. (UADNL), a JV of MIDHANI which was not envisaged at BE stage. However, the Committee find that NALCO will not be able to utilize the plan outlay during 2019-20. NALCO has been able to utilize Rs.555.61 crore upto December, 2019 and likely to utilize Rs. 939.50 crore upto March, 2020. The underutilization of funds has been attributed to envisaging capital expenditure considering construction of boundary wall which was being resisted by villagers. The matter had to be resolved in the beginning of the financial year, however, a settlement could be reached in recent past. Delay in resolving the issue by the State Government has resulted in under utilisation of capital

expenditure. The Committee hope that NALCO would optimally utilise the funds of Rs. 1012.21 crore allocated during 2020-21 by taking all necessary steps to overcome the problems being faced in timely execution of the projects.

NATIONAL MINERAL EXPLORATION TRUST (NMET)

15. The Committee note that NMET with the mandate to expedite the mineral exploration in the country was provided with budgetary allocation of Rs. 150 crore during 2019-20. However, the allocation was revised downward to Rs. 110 crore at RE stage. The Committee note with concern that NMET could utilise only Rs. 42.02 crore upto 31.01.2020 and the likely expenditure up to March, 2020 will be Rs.68 crore approx. due to restriction imposed by the Ministry of Finance on utilization of funds upto 25% of BE or RE, whichever is lower, for the final quarter of the Financial Year. It has been stated that utilization of NMET budget primarily depends on the progress of work of NMET funded exploration projects which are carried out by Notified Exploration Agencies (NEAs). As NEAs have submitted bills of lesser amount than projections provided by them and there was non-commencement of Phase-II work of the aero-geophysical survey project by the Project Implementing Agencies (PIAs) due to litigation issue, the funds allocated could

not be utilised. The Committee are of the view that the reasons cited above can be overcome with foresight and co-ordinated efforts. The Committee would like to be assured that NMET would take all necessary steps to resolve these hurdles and budget outlay of Rs. 150 crore for the year 2020-21 would be optimally utilized.

16. The Committee note that increasing exploration specially of base and deep seated minerals by intensifying mineral exploration in the Country through inviting greater participation of specialised exploration agencies, private sector, tapping experts and agencies with new knowledge and state of art technology, are essential to realise the vision of the Ministry. Such steps would supplement the exploration by GSI and MECL. Further, utilisation of funds collected under the National Mineral Exploration Trust (NMET) is not commensurate with the objectives for which it was set up, viz. to boost exploration in the country. In this regard, the Committee recommend that NMET should work as autonomous body to respond to emerging challenges in exploration. To achieve these objectives, the Committee desire that the Ministry should explore the possibility of making NMET an autonomous body and function on pattern similar to that of the Directorate General of Hydrocarbons which

**works under the administrative control of Ministry of Petroleum
and Natural Gas.**

**NEW DELHI;
11 March, 2020
21 Phalguna, 1941 (Saka)**

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

ANNEXURE-I

MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON TUESDAY THE 18 FEBRUARY, 2020 IN COMMITTEE ROOM 'C', GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1130 hrs. to 1400 hrs.

PRESENT

Shri Rakesh Singh- Chairperson

Lok Sabha

2. Shri Balubhau Dhanorkar alias Suresh Narayan
3. Shri Kunar Hembram
4. Shri Ajay Nishad
5. Smt. Riti Pathak
6. Shri Komati Reddy Venkat Reddy
7. Shri Arun Sao
8. Dr. Beesetti Venkata Satyavathi
9. Shri Sushil Kumar Singh
10. Shri Pashupati Nath Singh
11. Shri Sunil Kumar Singh
12. Dr. Alok Kumar Suman
13. Dr. Thirumaavalavan Thol

Rajya Sabha

14. Dr. Vikas Mahatme
15. Shri Prashanta Nanda
16. Shri Dhiraj Prasad Sahu
17. Shri B. Lingaiah Yadav
18. Shri Anil Desai

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Arvind Sharma - Director
3. Smt. Geeta Parmar - Additional Director
4. Shri Girdhari Lal - Deputy Secretary

WITNESSES
MINISTRY OF MINES AND PSUs/ORGANIZATIONS

1.	Dr. K. Rajeswara Rao	Additional Secretary
2.	Smt. Reena Sinha Puri	JS&FA
3.	Shri Anil Kumar Nayak	Joint Secretary
4.	Shri Upendra Chandra Joshi	Joint Secretary
5.	Shri Alok Chandra	Economic Adviser
6.	Shri Anil Srivastava	CCA (Mines)
7.	Smt. D. Veena Kumari	Director
8.	Shri Sanjeev Kumar Verma	Director
9.	Shri Amit Saran	Director(NMET)
10.	Shri L.P. Singh	Director (NMET)
11.	Shri N. Bhattacharjee	Director (F)
12.	Shri M. Sridhar	DG, GSI
13.	Smt. Indira Ravindran	Controller General in charge (IBM)
14.	Shri P.N. Sharma	Controller of Mines (IBM)
15.	Shri Sridhar Patra	CMD, NALCO
16.	Shri Arun Kumar Shukla	CMD, HCL
17.	Dr. Ranjeet Rath	CMD, MECL
18.	Dr. Anupam Agnihotri	Director, JNARDDC
19.	Dr. H.S. Venkatesh	Director, NIRM

2. At the outset, the Chairperson welcomed the Additional Secretary and other representatives of the Ministry of Mines and its Public Sector Undertakings (PSUs) to the sitting of the Committee convened to examine the Demands for Grants (2020-21). The Chairperson drew their attention to Direction 55 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. Thereafter, the Additional Secretary, Ministry of Mines briefed the Committee about their Plan Outlays *vis-a-vis* actual utilization by

the Ministry and PSUs under its administrative control during 2019-20. In a visual presentation, the Committee were apprised about the financial and physical targets set and achieved by the Ministry of Mines and its PSUs during 2019-20 and the major thrust areas envisaged for the development of Mines Sector during 2020-21.

4. The Committee then sought clarifications on the issues like major initiatives taken by the Ministry to make the mining sector robust and vibrant; implementation aspect of the National Mineral Policy, 2019; Amendments in MMDR Act, 2015; current status of procurement of Geo-technical Vessel by Geological Survey of India (GSI); planning for optimum utilization of allocated funds by GSI, Indian Bureau of Mines (IBM) and Mine PSUs during 2020-21; non filling of vacant posts and non-operation of Mining Tenement System (MTS) project by IBM; Grant to Bharat Gold Mines Ltd. (BGML); status of applications for additional mining leases filed by Hindustan Copper Ltd. (HCL); reasons for under-utilization of funds during 2019-20; initiatives for enhancing investment in Research and Development projects, etc.

5. The representatives of the Ministry/PSUs replied to some of the queries of the Members. The Chairperson directed the representatives of the Ministry of Mines to furnish written replies to the queries raised by the Members which remained unanswered during the sitting of the Committee within a week.

A copy of verbatim record of the sitting has been kept.

The Committee then adjourned.

**MINUTES OF THE ELEVENTH SITTING OF THE
STANDING COMMITTEE ON COAL AND STEEL**

The Committee sat on Wednesday, the 11th March, 2020 from 1530 hrs. To 1600 hrs. in Hon'ble Chairperson's Chamber, Room No. '210', B-Block, PHA Extension Building, New Delhi.

PRESENT

Shri Rakesh Singh - Chairperson

Lok Sabha

2. Shri Vijay Kumar Hansdak
3. Shri Kunar Hembram
4. Shri Raghurama Krishnaraju Kanumuru
5. Shri C. Lalrosanga
6. Shri Ajay Nishad
7. Shri Basanta Kumar Panda
8. Smt. Riti Pathak
9. Shri Arun Sao
10. Dr. Beesetti Venkata Satyavathi
11. Shri Pashupati Nath Singh
12. Shri Sunil Kumar Singh
13. Dr. Alok Kumar Suman
14. Dr. Thirumaavalavan Thol
15. Shri Shyam Singh Yadav

Rajya Sabha

16. Dr. Vikas Mahatme
17. Shri Mukut Mithi
18. Shri Prashanta Nanda
19. Shri Anil Desai

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Arvind Sharma - Director
3. Shri Girdhari Lal - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee thereafter considered and adopted the following Reports without any amendments:-

- (i) ** ** ** **
- **
- (ii) Draft Report of the Standing Committee on Coal and Steel on "Demands for Grants (2020-21)" relating to Ministry of Mines; and
- (iii) ** ** **
- **

3. The Committee then authorized the Chairperson to finalise the Reports in the light of the factual verification received from the concerned Ministries and present/lay the same in both the Houses of Parliament.

The Committee, then, adjourned.

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

SUMMARY OF OBSERVATIONS/RECOMMENDATIONS

- 1. The Committee recommend that the Ministry should make all efforts to put such a system in place at the earliest. While observing that the NMP, 2019 has very forward-looking recommendations for the Mining Sector, the Committee recommend the Ministry to implement the same without any further delay.**
- 2. The Committee desire that Ministry should frame a policy on recycling of non-ferrous metals. The Committee are also of the view that such steps would help the Ministry to achieve its vision including doubling of the production of minerals in next 5 years with resultant reduction in import dependency.**
- 3. The Committee hope that the Ministry of Mines would make sincere efforts to execute their projects/schemes targetted for the year 2020-21 at a steady pace so that the funds allocated to the Ministry at BE stage are not reduced at RE stage as Ministry of Finance has issued directions to optimally utilise funds in first three quarters and restricted the funds to be utilized in the last quarter.**
- 4. The Committee desire the Ministry of Mines to gear up its machinery to timely execute the projects/utilize funds and does not leave things for the fag end of the year lest it leads to shortfall in physical and financial targets during the year.**
- 5. The Committee hope that GSI will make serious efforts for timely utilization of budgetary allocations for the year 2020-21.**
- 6. The Committee strongly recommend that Ministry of Mines should ensure that plan allocations for GSI be stepped up and the revised estimates be submitted in due course to meet the physical targets.**
- 7. The Committee trust that budgetary allocation of Rs.17.80 crore under R & D head will be maintained at same level at RE, 2020-21 and if required, be suitably stepped up.**
- 8. Taking note of the fact that allocated funds could not be utilized, the Committee would like to be assured that IBM takes all necessary steps to resolve these issues and the budgetary allocation of Rs. 128.31 crore for the year 2020-21 would be optimally utilized.**
- 9. The Committee would like to be apprised of the reasons for decrease in Mining Plans approved during the last three years along with the total number of Mining Plans received during all these years and approved within statutory time period of 45 days. The Committee**

would further 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 are proposed to be covered.

10. The Committee are happy that Ministry has utilized Rs.19.49 crore upto 12.02.2020 and hope that funds allocated would be optimally utilized.

11. In view of the vision of the S&T programmes of the Ministry of Mines outlined in the preceding paragraph, it is high time the Government put in place the research priorities under S&T programme of the Ministry of Mines in an articulate manner and provide sufficient budgetary support to enrich the research activities and strive to make it a long term objective.

12. The Committee hope that HCL would take timely steps to remove all the bottlenecks for timely execution of its expansion projects and would optimally utilize their Plan Outlays of Rs. 600 crore during the year 2020-21.

13. As time bound grant of mining leases are of paramount importance for reaping the benefits of various activities of HCL, the Committee would like the Ministry of Mines/HCL to make continuous efforts to get extension of mining leases with the State Governments of Jharkhand and Rajasthan at the highest levels. The Committee would like to be apprised of the progress in the matter.

14. The Committee hope that NALCO would optimally utilise the funds of Rs. 1012.21 crore allocated during 2020-21 by taking all necessary steps to overcome the problems being faced in timely execution of the projects.

15. The Committee would like to be assured that NMET would take all necessary steps to resolve these hurdles and budget outlay of Rs. 150 crore for the year 2020-21 would be optimally utilized.

16. The Committee desire that the Ministry should explore the possibility of making NMET an autonomous body and function on pattern similar to that of the Directorate General of Hydrocarbons which works under the administrative control of Ministry of Petroleum and Natural Gas.