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**STANDING COMMITTEE ON
COAL AND STEEL
(2020-2021)
SEVENTEENTH LOK SABHA**

MINISTRY OF MINES

**DEMANDS FOR GRANTS
(2021-22)**

SEVENTEENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

MARCH, 2021 / PHALGUNA, 1942 (SAKA)

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COAL AND STEEL
(2020-2021)**

**SEVENTEENTH LOK SABHA
MINISTRY OF MINES
DEMANDS FOR GRANTS
(2021-22)**

Presented to Lok Sabha on 16.03.2021

Laid in Rajya Sabha on 16.03.2021



१६/३/२१

LOK SABHA SECRETARIAT

NEW DELHI

MARCH, 2021/PHALGUNA, 1942 (SAKA)

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**COMPOSITION OF THE STANDING COMMITTEE ON
COAL AND STEEL(2020-2021)**

Chairperson - Shri Rakesh Singh

Lok Sabha

2. Shri Balubhau Dhanorkar *alias* Suresh Narayan
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Chandra Prakash Joshi
6. Shri Saumitra Khan
7. Shri C. Lalrosanga
8. Shri S. Muniswamy
9. Shri Ajay Nishad
10. Shri Basanta Kumar Panda
11. Smt. Riti Pathak
12. Dr. Lorho S. Pfoze
13. Shri S.R. Parthiban
14. Shri Komati Reddy Venkat Reddy
15. Shri Chunni Lal Sahu
16. Shri Arun Sao
17. Shri Pashupati Nath Singh
18. Shri Sunil Kumar Singh
19. Shri Sushil Kumar Singh
20. Dr. Beesetti Venkata Satyavathi
21. Dr. Thirumaavalavan Thol

Rajya Sabha

22. Shri Anil Desai
23. Dr. Vikas Mahatme
24. Shri Venkataramana Rao Mopidevi
25. Shri Prashanta Nanda
26. Shri Ram Vichar Netam
27. Shri Samir Oraon
28. Shri Dhiraj Prasad Sahu
29. Shri Shibu Soren
30. Shri Prabhakar Reddy Vemireddy
31. Shri B. Lingaiah Yadav

SECRETARIAT

- | | | |
|-----------------------|---|---------------------|
| 1. Shri Pawan Kumar | - | Joint Secretary |
| 2. Shri Arvind Sharma | - | Director |
| 3. Smt. Geeta Parmar | - | 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 Seventeenth Report (Seventeenth Lok Sabha) on Demands for Grants (2021-22) 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 10.02.2021. 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 25.02.2021.

4. The Report was considered and adopted by the Committee at their sitting held on 15.03.2021.

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;
15 March, 2021
24 Phalgun, 1942 (Saka)

RAKESH SINGH
Chairperson,
Standing Committee on Coal and Steel

REPORT
PART-I
CHAPTER-I
INTRODUCTORY

India is well endowed with natural resources, particularly minerals, which serve as raw material for many industries, paving a path for rapid industrialisation and infrastructural development. This, in turn, will facilitate the economy's ascent to a path of sustained growth and a five trillion dollar economy. During last six years, the Government has introduced important reforms to open up the mineral sector to ensure its contribution in achieving the national policy goals. Major reforms include enactment of the Mines and Mineral (Development & Regulations) (MMDR) (Amendment) Act, 2015, which made the process of allocation of mineral concessions completely transparent by introducing public auctions with active participation of the State Governments. In the federal set up, States are owners of mineral wealth in their respective territories. For realising the benefits of mineral wealth, States have primary and significant role to come up with auctionable mineral blocks that have clearance to start production.

1.2 The Ministry of Mines has a vision to double the production of important minerals in next 5 years with resultant reduction in import dependency, by allocating and regulating minerals in a transparent and sustainable manner and to promote exploration and mining of deep seated minerals to meet country's needs and to effectively implement other policy goals stated in the National Mineral Policy, 2019, thereby enabling the country to progress towards attaining self-sufficiency in major mineral production.

1.3 The Ministry 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; and
- (iii) Mineral Exploration Corporation Limited (MECL), Nagpur.

1.7 The following two 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), Bengaluru; and

II. Demands for Grants (2021-22)/Performance during 2019-20 and 2020-21

1.8 The detailed Demands for Grants (2021-22) of the Ministry of Mines were presented to Lok Sabha on 10.02.2021. The Demands for Grants of the Ministry includes provision for expenditure under Revenue and Capital Heads for the Ministry, its attached/subordinate offices and Public Sector Undertakings under its administrative control.

1.9. 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. A brief summary of Demands for Grants (2021-22) and performance of the Ministry during 2019-20 and 2020-21 is given as under:-

(Rs. in crore)

Sl. No.	Name of the Organisation	2019-20			2020-21			2021-22
		BE	RE	Actual Exp.	BE	RE	Exp. upto 31.01.21	BE
1	Secretariat (Proper)	48.55	41.75	39.11	42.43	41.89	30.70	41.50
2	Geological Survey of India	1322.93	1241.59	1139.64	1349.98	1115.01	975.29	1181.58
3	Indian Bureau of Mines	124.31	109.11	94.55	128.31	94.00	74.12	110.00
4	Grants to MECL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Bharat Gold Mines Limited- Grants	4.50	4.50	4.50	5.50	7.00	4.99	5.84
6	S&T Programme/ Other Programme (6.1 to 6.6)	25.26	21.27	20.57	25.18	22.78	21.16	27.90
6.1	NIRM	7.99	6.74	6.74	8.21	8.21	8.21	9.95
6.2	NIMH	0.98	0.98	0.98	1.00	0.30	0.30	0.00
6.3	JNARDDC	9.29	9.29	9.29	9.92	9.92	9.92	10.90
6.4	IC	0.35	0.35	0.15	0.40	0.35	0.12	0.40
6.5	NMA	0.65	0.65	0.15	0.65	0.00	0.00	0.65
6.6	Other Research Programme	6.00	3.26	3.26	5.00	4.00	2.61	6.00
7	NMET	150.00	110.00	68.31	150.00	90.00	66.07	100.00
	Total	1675.55	1528.22	1366.68	1701.40	1370.68	1172.33	1466.82

1.10 It may be seen from the above that the annual plan outlay of the Ministry of Mines for the years 2019-20 and 2020-21 at BE stage was and Rs. 1675.55 crore and Rs.1701.40 crore respectively, which was reduced to Rs. 1528.22 crore and Rs.1370.40 crore, respectively at RE, 2019-20 and 2020-21, The BE, 2021-22 is Rs.1466.82 crore.

1.11 The Committee have subsequently been informed that the Ministry of Mines proposed a financial allocation of Rs.1828.70 crore for Budget Estimate 2021-22, however the Ministry of Finance approved Rs.1466.82 crore.

1.12 On being asked about the schemes/projects of the Ministry which would be affected due to the reduction of the proposed allocations by the Ministry of Finance, it has been stated that for the financial year 2021-22, GSI demanded for Rs.1421.06 crore in the budget estimate considering fund requirement for continuation of all activities of GSI especially for enhanced geological mapping and mineral exploration target compared to the financial year 2020-21, escalation of the operational expenditure, to meet the committed expenditure of the financial year 2021-22 and also to clear the pending dues of the financial year 2020-21, however, the budget grant has been reduced to Rs.1181.58 crore with overall reduction of Rs.239.48 crore.

1.13 The Committee enquired whether the Ministry would demand more funds at RE, 2021-22. While replying in affirmative, the Ministry added that there will be increased demand for enhancing the outlay by the respective organizations.

CHAPTER-II

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 later years, GSI diversified into various geoscientific activities, and made contributions in geosciences and resultantly, in the economic growth of India. The key functions of GSI are creation and updation of national geoscientific information and assessment of mineral resources. Towards these, GSI has taken up ground, airborne and marine surveys, mineral exploration, multi-disciplinary geoscientific, geo-technical, geo-environmental and natural hazard studies, glaciology, seismotectonics, and fundamental research.

2.2 It has been observed that the budgetary allocation of funds to GSI in BE(2019-20) and BE (2020-21) was Rs. 1322.93 crore and Rs. 1349.98 crore, respectively which was reduced to Rs. 1241.59 crore and Rs. 1115.01 crore, respectively in RE. The actual utilization of funds during 2019-20 and 2020-21 (upto 31st January, 2021) had been Rs. 1139.64 crore and Rs. 975.29 crore, respectively. The BE for the year 2021-22 is Rs. 1181.58 crore.

2.3 While observing downward revision of funds for GSI at RE stage during 2020-21, the Committee desired to know the reasons for reduction of allocation of funds to GSI at RE 2021-22. In this regard, the Ministry of Mines has stated that during the financial year 2020-21, GSI received budget grant of Rs.1349.98 crore (Revenue Rs.1241.68 crore & Capital Rs.108.30 crore) and accordingly GSI made activity-wise fund allocation for carrying out all activities.

2.4 The Committee have been further apprised that as per operational need for achievement of the target, GSI sought revised demand of Rs.1272.68 crore at the RE stage. The revised reduced budget demand was submitted considering the issues like COVID-19 pandemic and expenditure ceiling of 15% of overall BE: 2020-21 with monthly ceiling of 5% expenditure imposed by Ministry of Finance (MoF). All activities of GSI especially, mapping, mineral exploration, capital procurement etc. were hampered in 1st and 2nd quarters of the financial year 2020-21 resulting in low expenditure with respect to Demand for Grants 2020-21. The requirement of funds for establishment expenditure & administrative support activities heads was also reduced due to freezing of Dearness allowances of the employees as per government order, restricted official tour (national and international), very low demand for LTC benefit by the employees in view of COVID-19 pandemic, etc.

2.5 It has further been informed that the budget grant to the Ministry for 2020-21 was reduced from BE of Rs.1349.98 crore to RE of Rs.1115.01 crore with overall reduction of Rs.234.97 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 2020-21 with optimum utilisation of the fund. In view of curtailment of the budget at RE stage, the capital grant has been reduced to Rs.52.42 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 2020-21 can be achieved.

2.6 When asked as to how the reduced funds have affected the implementation of projects of GSI during the year, it has been

informed that during 2020-21, GSI has taken up 967 projects. After withdrawal of ceiling on expenditure by the Ministry of Finance in the month of October, 2020, GSI has taken necessary steps to execute bulk of the activities under all missions during 3rd and 4th quarters (October, 2020 to March, 2021). In spite of challenge caused by Covid-19 pandemic, GSI is giving all efforts for completion of the targets with optimum utilization of the fund. However, due to reduction of fund, GSI will not be able to make installment payments to Shipping Corporation of India (SCI) towards operation and maintenance of GSI vessels for the last quarter (partly) of the financial year 2020-21. GSI will make necessary arrangement for clearing the pending dues of SCI for the financial year 2020-21 from the budget grant of the financial year 2021-22. The following pro-active steps have been taken by GSI to achieve both financial and physical targets of the financial year 2020-21:-

- Due to COVID -19 pandemic in the whole country, execution of field projects is now a great challenge for GSI geoscientists. Field officers have been advised to follow the covid-19 protocol as per SoP, Govt. of India and all precautionary measures have been taken for safety of the field officers and field supporting staffs.
- The budget grant has been allotted to all regions / missions for execution of field projects and it is anticipated that fund will be sufficient for completion of the projects as per Field Season Programme (FSP) schedule.
- Utmost efforts are being given to get the necessary forest clearance for drilling and sample collection in forest area.
- To achieve the drilling target, the empanelled outsourced drilling agencies are being deployed in certain exploration projects in addition to in-house drilling capacity.
- The state government authorities in the concerned field projects have been intimated to render all support for successful execution of the field projects and field officers of GSI also coordinate with local administrations to resolve any field related issues.
- The supervisory level officers are constantly monitoring the progress of field achievements and Term Review of all projects involving external experts have been conducted to ensure target achievement leading to quality output of field work.

- In spite of all efforts to complete the assigned target, if GSI fails to achieve the target for any particular project/activity, it will be completed in the next field season as additional spill over item.

2.7 When asked whether the funds of Rs. 1115.01 crore allocated at RE, 2020-21 would be optimally utilised, the Ministry of Mines has stated that the RE grant of Rs.1115.01 crore will be optimally utilized for execution of all activities of GSI except Special Component Plan for Scheduled Castes (SCSP) head due to COVID-19 pandemic and limited scope of field activities falling in Scheduled Castes (SC) areas as per guideline. GSI has requested to the Ministry of Mines on 29.01.2021 for transfer of Rs.8.00 crore to Ministry of Finance for reallocation to other ministry in compliance to the Ministry of Social Justice and Empowerment Office Memorandum dated 19th January, 2021.

2.8 The Committee have observed that the BE, 2021-22 at Rs. 1181.58 crore is on the lower side, if compared to BE, 2020-21 of Rs. 1349.98 crore. When asked how the funds constraints would affect the implementation of the projects during 2021-22, the Ministry has informed that during the financial Year 2021-22, GSI will take up programmes in five Missions, out of which bulk of the items will be under survey and mineral exploration. GSI received BE grant of Rs.1181.58 crore (Revenue Rs.1115.68 crore & Capital Rs.65.90 crore) for 2021-22 and accordingly GSI, has made allocation in all heads to carry out all mission activities, modernization, administrative activities and establishment expenditure.

2.9 It has also been added that assessing the requirement of fund for execution of all activities during the financial year 2021-22, GSI will submit the revised demand of budget (both revenue & capital heads) after six months for optimum utilization of the fund.

2.10 As regards the steps taken or proposed to be taken by GSI to ensure timely execution of various ongoing and new activities under the different Missions, the Ministry of Mines has informed that 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 2021-22 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 2021-22 can be achieved with the available fund. Monitoring of fund utilization under different heads is done periodically by making synergy with all region/missions of GSI, Controller of Accounts and Ministry of Mines. For effective planning and management of funds, the heads of the regions / missions / support systems have been communicated well in advance about the budget grant allotted for execution of all activities of GSI under revenue and capital heads during the financial year 2021-22.

2.11 It has further been stated that priority will, however be given to clear the pending dues of the financial year 2020-21 immediately after receiving the approved budget grant of the financial year 2021-22 for smooth functioning of GSI activities. Hence, periodic review of the utilisation of budget grant will be undertaken with regional / mission / support system to frame the timeline for utilisation of funds. Keeping in view of the change in requirement of fund for execution of all activities during the financial year 2021-22, GSI will submit the revised demand of budget (both revenue & capital) for optimum utilization of the fund. All financial transactions are done electronically under PFMS module of Government of India so that status of fund utilization can be monitored by all concerned authorities. Utmost efforts will be given to get the necessary forest clearance for drilling and sample collection in

forest area. Also, in order to achieve the drilling target, the empanelled outsourced drilling agencies will be deployed in certain exploration projects in addition to in-house drilling capacity for timely completion of the project. Proper planning will be done during pre-field activities in order to achieve targets during available working window.

2.12 To a specific query on the existing monitoring and control system of the Ministry to monitor schemes being implemented by GSI, it has been stated that the existing monitoring and control system of the Ministry of Mines to monitor output and outcomes of the various mission activities being implemented by GSI is adequate. All activities of GSI are under constant monitoring and evaluation by the Ministry and the details are summarized below:-

- (i) The GSI in its Mission-Region Matrix mode is presently working in its optimum capacity by implementing about 967 projects during the financial year 2020-21 including survey, mineral exploration, projects of societal concern, technical assistance in heavy engineering projects following the guidelines given by Ministry of Mines time to time.
- (ii) The physical and financial achievements made by GSI have been regularly monitored through the monthly reports submitted to the Ministry. Besides this the achievements have been reviewed through the frequent Senior Officers Meetings and remedial measures have been suggested as and when required. Besides, the periodic review of the various activities has also been carried out by the Ministry for the betterment of the organization.
- (iii) The policy decisions taken by GSI have been reviewed and approved by the Ministry. Ministry plays an important role for inter-ministerial collaboration/ convergence as well as international collaboration.
- (iv) The contribution of GSI in different fields of activities especially in mineral exploration has been regularly monitored by the Ministry.

CHAPTER-III 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. 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, techno-economic, research-oriented studies in various aspects of mining, geological studies, ore beneficiation and environmental studies

3.2 The Committee have observed that an amount of Rs. 124.31 crore and Rs. 128.31 crore was allocated to IBM at BE, 2019-20 and BE 2020-21, respectively. However, it was reduced substantially at RE 2019-20 and 2020-21 to Rs. 109.11 crore and Rs. 94.00 crore, respectively. The actual expenditure upto 31st January, 2021 is Rs. 74.12 crore. Further, an allocation of Rs. 110.00 crore has been made at BE, 2021-22.

3.3 When asked to furnish the reasons for reduction of the allocated funds at RE, 2020-21 from BE, 2020-21, the Ministry of Mines has informed the Committee that the reduction was due to non-filling up of vacant posts, less numbers of official tours and inspection of mines due to COVID -19, non-implementation of MTS project due to litigation with implementing agency i.e. M/s Wipro, planned and

scheduled trainings were not held due to COVID-19, due to non-payment of pending rent payable towards Gandhinagar office which is presently under consideration of review, due to less requirement of funds towards maintenance and up keeping of residential and official building of IBM and less requirement towards procurement of vehicles as well as machinery & equipments.

3.4 On being asked about the reasons for slow utilisation of funds as only Rs. 74.12 crore (upto 31st January, 2021) have been utilised out of the allocation of 94.00 crore, the Ministry has furnished the following information:

- Due to about 50% vacancy position in IBM, salary component could not be spent.
- Due to Covid 19, as there were lesser number of tours & inspections by the officers/officials of IBM, DTE component could not be spent.
- Due to non-fulfillment of contractual obligations by implementing agency for MTS, funds allocated for Scheme no.5 are not fully utilized.
- As IBM has no scope of expenditure under its continuing schemes which may provide direct benefits to the Tribals, SC & ST community as per the policy prescribed by the NITI Aayog, the budget allocated under TASP, Scheduled Cast Sup-Plan(SCSP) & NER (Capital) have not been utilized.

The Ministry also informed that IBM has already taken up matter with the Ministry regarding surrender of funds under TASP & SCSP. Likewise IBM also requested Ministry to transfer NER (Capital) to GSI.

3.5 The Committee wanted to know whether IBM would be able to optimally utilise allocated amount at RE, 2020-21. In reply, the Ministry has informed that the amount of Rs. 94.00 crore allocated would be fully utilized except the funds available under the object head Tribal Area Sub Plan (TASP), Special Component Plan for Scheduled Castes (SCPSC) and Other Capital Expenditure (OCE) (NER), as IBM has no scope of incurring expenditure under these object heads.

3.6 When asked whether the funds allocated for IBM are sufficient for implementation of various schemes as funds of Rs. 110 crore allocated at BE, 2021-22 is on the lower side as compared to BE, 2020-21 of Rs. 128.31 crore. In this regard, the Ministry has stated in a written reply that the budgeted funds during the year 2021-22 for IBM are sufficient to fulfill the present requirements. To ensure that budgeted outlays are fully utilized, all concerned have been advised to indicate action for utilization of funds and percentage of expenditure is being monitored at IBM Level so as to comply with the provisions of FRBM Act.

3.7 When asked about the efforts being taken for optimal achievements of the financial as well as physical targets during 2021-22, the Ministry has stated that the Annual Plan is prepared in accordance with the charter of functions of IBM and as per the objectives of the schemes to finalize the financial as well as physical targets during the year. Further, as per Annual Plan for a particular year, a detailed Action Plan with Month-wise/ Quarter-wise activities fixing responsibilities for the officers is prepared, intimated to Ministry of Mines at the beginning of the year and implemented.

3.8 It has been added that monthly progress as per action plan is monitored at level of IBM through monthly performance report and the monthly progress is conveyed to Ministry of Mines. The Ministry also monitors the performance through review meetings. Besides, Standing Parliamentary Committee on Coal & Steel monitors the performance of IBM on yearly basis at the time of Demands for Grants for a particular year. The Schemes are evaluated by Independent Impartial Agency for continuation in next Plan/Finance Commission.

3.9 As regards the number of Mining Plans, as approved by IBM, during 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
2017-18	31
2018-19	21
2019-20	22
2020-21(up to 31 st January. 2020)*	41

**As on date, 3 mining plans are pending with the applicants in the year 2020-21 which will be disposed off within time frame after resubmission.

3.10 When asked whether the existing monitoring and control system of the Ministry to monitor output and outcomes of the various schemes being implemented by IBM, the Ministry of Mines has stated that efforts taken by IBM for optimal achievements of the financial as well as physical targets during the particular year are in the form of following "Monitoring Mechanism":

- Annual Plan is prepared in accordance with the charter of functions of IBM and as per the objectives of the schemes to finalize the financial as well as physical targets during the year.
- As per Annual Plan for a particular year, a detailed Action Plan with Month-wise/ Quarter-wise activities fixing responsibilities for the officers is prepared, intimated to Ministry of Mines at the beginning of the year and implemented.
- Monthly progress as per Action Plan is monitored at level of IBM through monthly performance report and the monthly progress is conveyed to Ministry.
- Ministry of Mines monitors the performance through review meetings and output – outcome framework documents.
- Standing Parliamentary Committee on Coal & Steel monitors the performance of IBM on yearly basis at the time of Demands for Grants for a particular year.
- The Schemes are evaluated by Independent Impartial Agency for continuation in next Plan/Finance Commission.

CHAPTER-IV

National Mineral Exploration Trust (NMET)

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 Licence-cum-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.

4.2 NMET has two-tier structure. The overall control, periodical reviews and policy directions of the Trust vest with the Governing Body (GB) and the Executive Committee (EC) is managing, administering and supervising the day-to-day activities of the Trust. The GB is chaired by Hon'ble Minister of Mines and the EC is chaired by the Secretary, Ministry of Mines. Besides, a Technical-cum-Cost Committee (TCC) has also been constituted to evaluate the technical as well as cost parameters of the project proposals submitted by Notified Exploration Agencies (NEAs) for NMET funding. The TCC recommends the suitable proposals to EC for approval.

4.3 The Committee have observed that during 2019-20 and 2020-21, an allocation of Rs. 150 crore was made at BE stage. However, the same was reduced to Rs. 110 crore and Rs. 90 crore, respectively at RE stage. The actual expenditure remained at the level of Rs. 68.31

crore (2019-20) and Rs.66.07 crore (up to 31 January, 2021) during 2020-21. Now, BE of Rs.100 crore has been made for 2021-22.

4.4 When asked about the reason for lower allocation of Rs. 100 crore for NMET during 2021-22 as compared to Rs.150 crore allocated during 2020-21, the Ministry of Mines has informed the Committee that the BE for 2020-21 was estimated at Rs.150 crore on the basis of information provided by Notified Exploration Agencies in respect of exploration work to be performed by them during 2020-21. Besides, base-line geoscience survey work by GSI, other exploration agencies i.e. MECL, NMDC, KIOCL, DMG offices, TSMDC etc. are also carrying out NMET funded exploration projects. Further, the utilisation of NMET budget depends on the progress of work of NMET funded exploration projects executed by various Notified Exploration Agencies (NEAs).

4.5 As regards the reasons for reduction in allocation to Rs.90.00 crore at RE, 2020-21 from Rs. 150 crore at BE, 2020-21, the Ministry has informed that during 2020-21, the exploration work was affected due to COVID-19 pandemic. In respect of National Airborne Geophysical Mapping Programme (NAGMP) project, Phase-III (Block 9 to 12) work was severely affected due to COVID-19 pandemic and inability of conducting aerial survey by international Project Implementation agencies. Further, work on Phase-II (Block 5 to 8) of the aero-geophysical survey project of Geological Survey of India (GSI) could not commence during the year due to litigation issue.

4.6 The Ministry has further stated that it is expected that reduced allocation will be fully utilized in 2020-21. Further, BE, 2021-22 was reduced to Rs.100 crore keeping in view of uncertainty of ongoing COVID-19 pandemic and limitations in mobility of international

agencies associated with the advanced geoscience projects due to COVID. NMET annual budget is utilized to meet the expenditure in respect of ongoing exploration projects from previous years as well as projects approved by NMET during the current year. The additional requirement of budget, if any that may arise during the year, will be requested at RE, 2021-22.

4.7 As regards, the advance measures taken/proposed to be taken to ensure achievement/utilisation of physical / financial targets during 2021-22, the Ministry of Mines has informed that NEAs have been asked to provide period-wise phasing of projections regarding work to be carried out along with milestones and corresponding cost. Periodic progress reports of ongoing projects are being obtained from NEAs for regular monitoring of project work. Technical reviews of the ongoing projects are being carried out on regular basis through Technical-cum-Cost Committee of NMET.

CHAPTER-V

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

In January 2015, Government of India brought the amendment in the Mines and Minerals (Development and Regulation) Act 1957. The Section 9B introduced through the MMDR Amendment Act, 2015, which states that in any district affected by mining related operations, the State Government shall, by notification, establish trust, as a non-profit body, to be called the District Mineral Foundation(DMF). The object of the DMF shall be to work for the interest and benefit of persons, and areas affected by mining related operations in such manner as may be prescribed by the State Government. The composition and functions of the DMF shall be such as may be prescribed by the State Government. Central Government, on a careful consideration of the matter, opined that the national interest requires that all DMFs should implement a development programme for the mining affected areas and people.

5.2 It has further been informed that the scheme is being monitored regularly through regular video conferences and meetings held at the appropriate level in the Ministry. In the last two years, 14 Video Conferences have been conducted with the States to monitor the scheme. As per the MMDR Act composition and functions of the DMF shall be such as may be prescribed by the State Government. Thus, the DMF may undertake expenses for carrying out development programs in the mining affected areas as per PMKKKY guidelines issued by the Central Government.

5.3 The Committee have further been informed that with reference to involvement of public representatives, Ministry of Mines vide

communication dated 25.10.2018 issued the direction to all the State and UTs to include the MPs and MLAs/ MLCs appropriately in the Governing Council of respective DMFs in the larger public interest. Moreover, Ministry of Mines vide communication dated 17.01.2020 requested all the State DMFs to provide the compliance report on the Ministry's directions dated 25.10.2018. Ministry of Mines is regularly following up the matter with States in order to enforce the directives of Ministry of Mines regarding association of Members of Parliament in the Governing Council of DMFs. So far, Rajasthan, Chhattisgarh, Gujarat, Karnataka and Telangana have incorporated the same in their rules.

5.4 As per the Mines and Minerals Rules, 2015, the contribution to DMF accrues directly to the DMF of the district in which the mining operations are carried out. PMKKKY is implemented by the respective DMFs. The Central Government does not release any funds to States.

5.5 Asked about the policy for sector wise expenditure of DMF, the Committee have been informed that PMKKKY has mandated the DMF funds to be utilized under High Priority and Other Priority Sectors. At least 60% of the funds are to be utilized for High Priority Areas, such as Drinking water / Environment preservation and pollution control / Health care / Education / Skill development / Welfare of women, children, aged and disabled people / Sanitation and at most 40% of the funds to be utilized for Infrastructure - Roads & physical infrastructure / Irrigation / Watershed development.

5.6 Following is the sector wise expenditure incurred till January 2021:-

(Rs. in crore)

S.No.	Sector	Number of Projects	Amount Sanctioned	Amount Spent
High Priority work-60%				
1	Drinking water supply	44434	10288.37	5387.15
2	Environment Preservation and pollution control measures	5158	693.32	266.59
3	Health	12257	4043.18	2050.07
4	Education	38134	5457.80	2393.46
5	Welfare of Women and Children	12553	1019.14	467.25
6	Welfare of aged and disabled people.	881	129.29	67.22
7	Skill development	4980	908.94	411.12
8	Sanitation	10421	1452.65	798.72
9	Other	9176	3191.93	1699.35
Sub Total		137994	27184.63	13540.93
Other Priority work-40%				
1	Physical infrastructure	48747	10985.80	4588.99
2	Irrigation.	3504	1731.69	889.29
3	Energy and watershed development.	7684	692.19	423.53
4	Any other measures for enhancing environmental quality in mining district	2505	745.74	562.64
5	Other	941	799.95	331.21
Sub Total		63381	14955.37	6795.67
Total		201375	42140.00	20336.60

5.7 When asked about the action taken on the recommendations contained in Report of the committee on "Implementation of District Mineral Foundation (DMF) and Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY), the Ministry of Mines in a post evidence reply informed that based on suggestions of Parliamentary Standing Committee of Coal and Steel in their Report on the subject and its Action Taken Report, the Ministry of Mines has stated to have moved a

Note for Union Cabinet on 13.01.2021 which approved proposal for empowering the Central Government to issue directions to the State Governments with respect to composition and functions of DMF. A Bill will be brought in upcoming Parliament Session for bringing Amendment to MMDR Act,1957 for provisions related to DMF. Once the Act is amended, existing PMKKKY guidelines will be amended based on the advice of Parliamentary Standing Committee.

5.8 The Committee had observed in their Action Taken Report on the 47th Report on "Implementation of District Mineral Foundation (DMF) and Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)' that the statement of auditing of DMF in respect of mineral rich States since 2015-16 to 2018-19 that audit status of DMF in respect of certain States was not furnished for the year 2015-16 to 2018-19 and also in respect of certain States, audit status was missing for some particular year/s. Besides, information on action taken by the Ministry against the defaulting States was also not furnished.

5.9 In this regard, the Ministry of Mines has further informed the Committee that provision for auditing of DMF Funds has been made in the PMKKKY guideline. Point 6 of PMKKKY guideline states that "The accounts of the DMF shall be audited every year by the Chartered Accountant appointed by the DMF, or in such other manner as the Government may specify, and the report thereof shall be placed in the public domain along with the Annual Report.

CHAPTER-VI

CENTRAL PUBLIC SECTOR UNDERTAKINGS/TRUST

A. HINDUSTAN COPPER LTD. (HCL):

Hindustan Copper Limited (HCL), a Miniratna Category-I, Government of India Enterprise under the administrative control of the Ministry of Mines, was incorporated on 9th November, 1967 under the Companies Act, 1956 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 operation units -one each in the S tates 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.

6.2 The Committee have observed that BE and RE for the year 2019-20 for HCL was Rs. 600 crore, however, the actual expenditure remained Rs. 452.96 crore only. It has been stated that though under Expansion Projects at RE stage the target has been retained as Rs.402.00 crore, the same amount of expenditure could not be achieved due to delay in awarding of some of the tenders related to mine expansion. Also, the expenditure against Green Field Exploration

was not achieved since no fresh mine lease was granted in favour of HCL.

6.3 Further, BE and RE for the year 2020-21 was Rs. 600 crore and the actual expenditure upto December, 2020 is Rs. 283.13 crore. Now, BE of Rs. 350 crore has been made for the year 2021-22. As regards the reasons for expected under-utilisation Plan Outlays of Rs. 600 crore during 2020-21, the Ministry of Mines has stated that the reason for non-achievement of the target for the financial year 2020-21 are as under:-

- i. Stoppage & slow-down of operation of all CAPEX projects due to imposition of lock down and maintaining COVID-19 protocol in underground as well as in open cast mines;
- ii. Contract for Mine Development, Production Drilling and Ore Production from MCP underground mine, which was already in place, could not commence as mobilization of resources/equipments by the contractor were held up due to COVID-19;
- iii. Delay in getting Environmental Clearance (EC) of Surda mine, the targeted CAPEX expenditure of Surda mine could not be met;
- iv. Since majority CAPEX of HCL is being met through long term and medium term loans from banks, and because of high debt equity ratio of 4.21:1 at the end of the financial year 2019-20, it has increasingly become difficult to get loans from banks/financial institutions.

6.4 When asked about the likely figures for expenditure up to March, 2021 against the targets of the company during 2020-21, the Ministry of Mines has furnished the details with regard to the targets vis-à-vis likely achievement for various activities during 2020-2021 as follows:

(Rs in crore)

Particulars	2020-21			
	BE	RE	Actual (upto December, 2020)	Likely Achievement
Expansion Projects	235.00	170.00	135.22	167.00
Green Field Exploration	10.00	5.00	-	3.00
Replacement & Renewal	15.00	15.00	9.11	10.00
Mine Development	340.00	170.00	138.80	180.00
Total	600.00	360.00	283.13	360.00

6.5 It has been added that keeping in view the present financial condition of the company, HCL has planned to focus on such CAPEX which will give immediate production and will help in revenue generation and to continue those development work which are required in order to sustain production in the coming years. However, no budgetary support has been sought for during the financial year 2020-21.

6.6 The Committee have further observed that no grant has been provided by the Ministry of Finance for any of the schemes of HCL during the year 2021-22. However, schemes/ project wise allocation funded out of long term borrowings and partially from internal accruals during the financial year 2021-22 by HCL are as under:

(Rs in crore)

Particulars	BE 2021-22
Expansion Projects	170.00
Green Field Exploration	10.00
Replacement & Renewal	10.00
Mine Development	160.00
Total	350.00

6.7 It has been stated that keeping in view the financial condition of the company, HCL has planned to focus on such CAPEX which will give

immediate production and will help in revenue generation and only to continue those development work which are required in order to sustain production in the coming years. The company proposes a plan outlay of Rs.350.00 crore in 2021-22 for achieving maximum mine output from KCC, ICC and MCP. However, during the year 2021-22 onwards, HCL targeted new projects/schemes by appointing Mine Developer cum operator (MDO) for reopening, operation and expansion of closed Rakha Copper Mine, development of new underground mine at Chapri and installation & commissioning of new Concentrator Plant at Indian Copper Complex, Jharkhand, India. By appointing MDO, HCL will not have any cash outflow.

6.8 When asked whether any mining lease of HCL is pending with the State Government(s) for approval, the Ministry of Mines has informed that the renewal of Surda Mining Lease at Indian Copper Complex, Jharkhand is pending with State Government of Jharkhand from 01.04.2020 onwards. Operation of Surda Mine was discontinued from 01.04.2020 as the renewal of Surda Mining Lease is pending with State Government of Jharkhand. Expert Appraisal Committee (EAC) of Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India in its 35th meeting held on 06/07.08.2020 has recommended in favour of HCL for Environment Clearance (EC) and recorded the recommendation in minutes of meeting. MoEFCC vide letter dated 29.12.2020 has intimated HCL about the acceptance of EAC recommendation for grant of EC, which is still awaited.

6.9 When asked about advance measures taken or proposed to be taken by HCL to ensure timely completion of ongoing and new projects, the Ministry in its reply has informed that HCL vigorously monitors the status of projects for timely completion of ongoing projects.

6.10 Regarding the total installed capacity of the company vis-à-vis actual achievements during the last 3 years and 2020-21, the Ministry of Mines has furnished the details of the present total installed capacity of the company vis-à-vis actual achievements during 2018-19, 2019-20 & 2020-21 as under:-

Particulars	2018-19		2019-20		2020-21	
	Installed Capacity	Actual	Installed Capacity	Actual	Installed Capacity	Actual (upto Dec'20)
Ore (million tonne)	5.30	4.12	5.30	3.97	5.30	2.28
Ore Milling (million tonne)	5.60	3.98	5.60	3.90	5.60	2.49

B. NATIONAL ALUMINIUM COMPANY LTD.(NALCO)

6.11 NALCO is a 'Group A' Navratna CPSE under Ministry of Mines. The Company is an integrated and diversified mining, metal and power CPSE with sales turnover of Rs. 8,426 crore in financial year 2019-20 and export sales of Rs.3,511 crore accounted about 42% of turnover. The Company has business in more than 15 countries. The Company is 2nd highest net foreign exchange earning CPSE in the year 2018-19. Presently, Government of India holds 51.5% equity of NALCO.

6.12 The Committee have observed that the approved plan outlay, BE 2020-21 was Rs. 1012.21 crore. However, the actual utilization of funds upto December, 2020 was Rs. 766.21 crore. The proposed Capital Plan outlay, BE 2021-22 is projected at Rs. 1500.00 crore. In this regard, Ministry of Mines has stated that the Company has achieved CAPEX of Rs.856 crore till January, 2021 and will achieve 100% of approved capital plan outlay target by March, 2021. Further, Ministry of Mines has also informed that no projects / schemes will be affected due to less utilization of funds during 2020-21.

6.13 When asked whether the funds projected at BE, 2021-22 would be sufficient for meeting those targets, the Ministry replied that funds for 2021-22 has been projected based on requirement of various ongoing projects keeping in view the progress of each projects and hence would be sufficient.

6.14 Regarding advance actions/measures taken by NALCO for proper utilization of funds and timely completion of various ongoing schemes during 2021-22, the Ministry of Mines has stated that dedicated teams has been formed to steer head the tendering and execution of different ongoing projects. Preponement of tenders, squeezing of time schedule for tendering, evaluation and award of contracts have been undertaken to ensure achievement of different milestones for ongoing projects and achieving the targeted fund utilization during 2021-22.

6.15 When asked about the total installed capacity of the company vis-à-vis actual achievements and profit or loss (quarter-wise) of the company during the last 3 years and 2020-21, the Ministry of Mines has furnished the details as follows:-

Installed capacity of the company vis-à-vis actual achievements

Name of the Unit	Product	Unit of Measurement	Installed Capacity	Details of Production			
				2017-18	2018-19	2019-20	2020-21 (Upto January, 2021)
Bauxite Mines	Bauxite	Tonne	68,25,000	70,25,109	72,30,546	73,02,245	60,82,255
Alumina Refinery	Alumina Hydrate	Tonne	21,00,000	21,05,500	21,52,500	21,60,500	17,05,000
Aluminium Smelter	Aluminium cast Metal	Tonne	4,60,000	4,25,515	4,40,242	4,18,373	3,43,811
Thermal Power Plant	Net Power	Million unit	1,200 MW	6,547	6,256	6,067	5,336

The quarter wise profit/loss of the Company

Quarter	Profit or (Loss) (Rs in Crore)			
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Qtr 1	128.94	687.05	97.78	16.63
Qtr 2	234.63	510.0	-(28.35)	107.45
Qtr 3	721.77	301.76	-(33.96)	239.81
Qtr 4	257.07	233.59	102.76	Yet to be completed

CHAPTER-VII

BHARAT GOLD MINES LTD. (BGML)

Bharat Gold Mines Limited (BGML) has been closed since 1st March, 2001. The Cabinet had taken a decision in the year 2006 to dispose-off the assets and liabilities of the Company through an open tender. However, the Cabinet decision could not be implemented due to litigation and amendments to MMDR Act in 2015. To Finally in 2013, the Supreme Court allowed the Government to implement the cabinet decision. Meanwhile, many changes had taken place, hence the Cabinet decision of 2006 could not be implemented. It was decided to explore the possibilities of revival of BGML after Techno-Economic Feasibility Study (TEFS).

7.2 It has further been informed that a Monitoring Committee is supervising all the work regarding suggesting a way forward for BGML by doing legal review, asset Valuation, TEFS, Techno-Economic Feasibility Report (TEFR), etc. Ministry of Mines is getting the exploration of KGF mining lease area and processing of tailing dumps through Mineral Exploration Corporation Ltd. (MECL) and Non-Ferrous Technology Development Centre (NFTDC) respectively. MECL has started the exploration in Betraswamy Block of BGML. NFTDC has done preliminary processing of the tailing dumps of BGML and found gold and wolframite with associated rare earth elements. Pilot plant processing of BGML tailings started operations on 6th November 2020 and first result of 10 tons sample processing is expected very soon. Any future course of action in respect to BGML can be decided only based on the results of exploration/ beneficiation results of mine tailings report and subsequent techno-commercial feasibility report.

7.3 The Committee have subsequently been informed that there has not been any production since BGML was closed, including during the current year. As a result of orders for winding up of the Company passed by BIFR/AAIFR and permission granted by the Ministry of Labour, GoI for closure of the company, the service of all the employees were terminated from 1st March 2001 and terminal benefits have been settled. Cabinet decision on sale of assets through Global Tender could not be implemented. Ministry of Mines is now exploring the possibilities for revival of operations of BGML in Kolar Gold Field (KGF) or otherwise and getting explored BGML lease area through MECL and processing tailings through Non-Ferrous Materials Technology Development Centre (NFTDC).

7.4 When asked to furnish in detail about the efforts being taken by the Ministry of Mines for revival of operations of BGML, the Ministry has informed as under:-

- (a) Ministry of Mines through BGML conducted drone survey of BGML land and classified different types of land use and demarcated underground mine area on the surface.
- (b) BGML owns 12109 Acres of the land at Kolar Gold Fields, Karnataka, however the land records of the State Government are not reflecting the same. The matter has been taken up with Govrenment of Karnataka and necessary modifications in the revenue records of Govt. of Karnataka have been made for majority land parcels and confirmation of the same is underway.
- (c) Two blocks i.e Mectagart and Oriental were explored through MECL and work of exploring Betraswamy block of BGML has also been assigned to MECL which would be completed by end of March, 2021.
- (d) Monitoring committee has been constituted to monitor way forward activities of BGML.
- (e) MECL has been entrusted the responsibility of Programme Manager for engagement of a Management Consultant for BGML. The exploration reports by MECL and the TEFr by NFTDC will be the inputs for the Management Consultant. M/s DMT has been appointed as Management Consultant through MECL.

- (f) Management Consultant is mandated to review the legal status, undertake valuation of the assets, and financial due diligence for recommending possible alternatives for operationalization of the BGML. The report of the Management Consultant is scheduled to be submitted by June, 2021.

Any future course of action in respect to BGML can be decided only based on the results of exploration/ beneficiation results of mine tailings report and subsequent techno-commercial feasibility report.

7.5 The Committee also desired to know about the steps being taken by the Ministry of Mines to deal with the bottlenecks, if any, in getting the BGML lease area explored through MECL. In reply, the Ministry has informed that the field activities entailing the mapping of Betraswamy Block of BGML lease areas and exploratory drilling activities by MECL has already been completed. The geological report preparation is underway and is scheduled to be submitted by end of March, 2021.

PART-II
OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

INTRODUCTORY

The Committee note that though the Ministry of Mines had proposed a financial allocation of Rs.1828.70 crore for Budget Estimates, 2021-22, the Ministry of Finance approved Rs.1466.82 crore only. Moreover, the proposed outlay for 2021-22 is significantly lower if compared to plan outlays of Rs. 1675.55 crore and Rs. 1701.40 crore for financial years 2019-20 and 2020-21 respectively. Evidently, there has been major curtailment in the funds proposed by GSI. GSI demanded for Rs.1421.06 crore in the budget estimate taking into consideration the requirement of funds for continuation of all of its activities especially for enhanced geological mapping and mineral exploration target compared to the financial year 2020-21, escalation of the operational expenditure, to meet the committed expenditure of the financial year 2021-22 and also to clear the pending dues of the financial year 2020-21. However, the budget grant has been reduced to Rs.1181.58 crore with overall reduction of Rs.239.48 crore. The Committee also note that the organisations under Ministry of Mines could not fully utilise the budgetary grants during the previous years. While endorsing the Government view that there will be demand for enhancing the outlay by the respective organizations at RE, 2021-22, the Committee expect these organisations to effectively utilise the approved grants in the first two quarters of 2021-22 so that fund allocations could be suitably stepped up at RE, 2021-22. The Committee would like to be apprised of the steps taken by the Ministry and its attached and subordinate offices to execute their various schemes/activities in an effective manner.

GEOLOGICAL SURVEY OF INDIA(GSI)

2 While appreciating the mission-wise activities of GSI, the Committee are happy to note that GSI has also generated more than Rs. 38 lakh as internal resources by way of undertaking various commercial activities such as sponsored commercial geotechnical works; sharing of data, multi disciplinary & fundamental research etc. The Committee note that during 2019-20, against BE and RE of Rs. 1322.93 crore and Rs. 1241.59 crore, GSI could utilise Rs. 1139.64 crore (91.79% of RE). During 2020-21, against BE and RE of Rs. 1349.98 crore and Rs. 1115.01 crore, GSI has been able to expend Rs. 975.29 crore (87.47% of RE) upto 31st January, 2021. The Committee have been informed that for timely implementation of 967 projects taken up during 2020-21, GSI has taken necessary steps to execute bulk of activities under all missions during 3rd and 4th quarters (October, 2020 to March, 2021) and achieve the targets with optimum utilization of the funds. The supervisory level officers are constantly monitoring the progress of field achievements and Term Review of all projects involving external experts have been conducted to ensure target achievement leading to quality output of field work. The Committee hope that much needed constant monitoring and supervision along with term review of all the projects would yield the desired results. The Committee would like to be apprised of the actual expenditure of GSI against the allocated funds (RE) during 2020-21.

3. The Committee note that GSI has been provided the budgetary allocation of Rs. 1181.58 crore only during the year 2021-22 and it has been downsized as compared to BE, 2019-20 and BE, 2020-21 of Rs. 1322.93 crore and Rs. 1349.98 crore, respectively. The Committee have been apprised that

GSI has judiciously allocated the budgetary grant in all heads giving priority on the committed expenditures and for execution of operational activities so that physical targets of the financial year 2021-22 can be achieved with the available fund. Mindful of the significant role and functions of the GSI in creation and updation of national geoscientific information and assessment of mineral resources and its contribution to the economic growth of the country and having regard to the fact that GSI had demanded for Rs.1421.06 crore in the budget estimates for the year 2021-22 for continuation of its various activities, the Committee recommend that allocation for GSI should be enhanced to the required level at RE, 2021-22 subject to judicious utilisation of funds in first two quarters of the financial year. The Committee would also like to be apprised of the steps taken by the Ministry/GSI in this regard.

INDIAN BUREAU OF MINES (IBM)

4. The Committee observe that IBM was allocated funds of Rs. 124.31 crore and Rs. 128.31 crore at BE, 2019-20 and BE 2020-21, respectively. The allocation was, however, reduced substantially at RE 2019-20 and 2020-21 to Rs. 109.11 crore and Rs. 94.00 crore, respectively. The Committee observe that IBM was not able to utilize even the reduced allocations and the actual expenditure during these years remained Rs. 94.55 crore and Rs. 74.12 crore (upto 31st January, 2021), respectively. Some of the reasons for reduction in the allocated funds at RE, 2020-21 like non- filling up of vacant posts, less numbers of official tours and inspection of mines due to COVID -19, less requirement of funds towards

maintenance and up keeping of residential and official building of IBM and less requirement towards procurement of vehicles as well as machinery & equipments are found to be justifiable. However, less allocation of funds for IBM at RE, 2019-20 and then under-utilisation of funds allocated at RE, 2019-20 depicts a different picture and speaks clearly on the lack of efforts on the part of IBM to optimally utilize the funds allocated. The Committee would therefore desire IBM to avoid recurring under-utilisation of allocated funds and work towards utilizing the allocated budget in a prudent manner. The Committee have, however been assured that the amount of Rs. 94.00 crore allocated at RE, 2020-21 would be fully utilized except the funds available under the object head Tribal Area Sub-Plan (TASP), Special Component Plan for Scheduled Castes (SCPSC) and Other Capita Expenditure (OCE) (NER), as IBM has no scope of incurring expenditure under these object heads. The Committee would like to be kept informed of the actual expenditure by IBM during 2020-21.

5. The Committee, further note that a budgetary allocation of Rs. 110 crore has been made for IBM for the year 2021-22 and it has been downsized if compared to BE of Rs. 124.31 crore and Rs. 128.31 crore during 2019-20 and BE 2020-21, respectively. The Committee have been informed that in order to fully utilize the budgeted outlays during the year, all concerned have been advised to indicate action for utilization of funds and percentage of expenditure is being monitored at IBM Level so as to comply with the provisions of Fiscal Responsibility and Budget Management (FRBM) Act. While observing the responsibility entrusted to IBM for 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), besides undertaking scientific, techno-economic, research-oriented studies in various aspects of mining, geological studies, ore beneficiation and environmental studies, the Committee hope and desire that the works that remained pending due to COVID-19 would be completed and the funds of Rs. 110 crore allocated to IBM during 2021-22 would be fully utilised and if need be, more funds may be demanded at RE, 2021-22.

NATIONAL MINERAL EXPLORATION TRUST(NMET)

6. The Committee have been informed that the utilisation of National Mineral Exploration Trust (NMET) budget depends on the progress of work of NMET funded exploration projects executed by various Notified Exploration Agencies (NEAs). Besides, base-line geoscience survey work by GSI, other exploration agencies i.e. MECL, NMDC Ltd., KIOCL Ltd., DMG offices, TSMDC etc. are also carrying out NMET funded exploration projects. However, the Committee note under-utilization of funds of NMET during 2019-20, where against BE and RE of Rs. 150 crore and Rs. 110 crore, respectively, only Rs. 68.31 crore were utilized. During 2020-21, against BE and RE of Rs. 150 crore and Rs. 90 crore, respectively, only Rs.66.07 crore have been utilized up to 31 January, 2021. The Committee understand under-utilization of NMET funds during 2020-21 due to reduction in expenditure as exploration work

got affected by COVID-19 pandemic. In respect of National Airborne Geophysical Mapping Programme (NAGMP) project, Phase-III (Block 9 to 12) work was severely affected due to COVID-19 pandemic. Besides, due to litigation issue, aerial survey by international project implementation agencies could not be conducted which led to non-commencing of work on Phase-II (Block 5 to 8) of the aero-geophysical survey project of GSI. However, the Ministry has expected that reduced allocation will be utilized in 2020-21. The Committee would like to be informed of the actual utilization of NMET funds during 2020-21.

7. The Committee further note that BE, 2021-22 has been downsized to Rs.100 crore, as compared to BE, 2019-20 and BE, 2020-21 of Rs. 150 crore. The Committee have been informed that this is done keeping in view the uncertainty of ongoing COVID-19 pandemic and limitations in mobility of international agencies associated with the advanced geoscience projects due to COVID. Considering the importance attached to the NMET funds for exploration projects, the Committee recommend that adequate corrective measures should be taken by the Ministry of Mines/NMET to ensure optimum utilization of plan outlays of Rs. 100 crore during 2021-22 and they be apprised of the same.

District Mineral Foundation (DMF) and Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)

8. The Committee note that at present State Governments are empowered to decide on the composition of District Mineral

Foundation. The Committee have been apprised that the Ministry of Mines has moved a Cabinet Note on 13.01.2021 for proposal to empower the Central Government to issue directions to the State Governments with respect to composition and functions of DMF and a Bill may be brought in the upcoming Parliament Session for bringing Amendment to MMDR Act,1957 for provisions related to DMF. As has been submitted, as soon as the Act is amended, existing PMKKKY guidelines will be amended. The Committee would like to be kept updated on the status of the above Cabinet Note from time to time.

9. In their Action Taken Report on the 47th Report "Implementation of District Mineral Foundation (DMF) and Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)", the Committee had observed from the statement furnished to them with regard to auditing of DMF in respect of mineral rich States since 2015-16 to 2018-19 that audit status of DMF in respect of certain States was furnished for the year 2015-16 to 2018-19 and also in respect of certain States, it was missing for some particular year/s. Besides, the Ministry of Mines had not furnished the information on action taken by them against the defaulting States. The Committee would hence desire to be informed about the status of action taken with regard to their above mentioned observation in order to ensure that audits of DMF in all the mineral rich States are completed at the earliest. Action taken by the Ministry in respect of the defaulting States may also be furnished.

HINDUSTAN COPPER LIMITED(HCL)

10. The Committee note that during 2019-20, against BE and RE of Plan outlays of Rs. 600 crore, HCL was able to spend Rs. 452.96 crore only because under its Expansion Projects at RE stage, the target was retained as Rs.402.00 crore and amount could not be spent due to delay in awarding of some of the tenders related to mine expansion. Further, during 2020-21, against BE and RE of Rs. 600 crore, the actual expenditure upto December, 2020 is Rs. 283.13 crore only and the likely expenditure up to March, 2021 will be Rs. 360 crore. The reasons adduced for expected under-utilisation of funds *viz.* stoppage & slow-down of operation of all CAPEX projects for maintaining COVID-19 protocol in underground as well as in open cast mines; Contract for Mine Development, Production Drilling and Ore Production from Malanjkhand Copper Project (MCP) underground mine, could not commence as mobilization of resources/equipments by the contractor were held up due to COVID-19; Delay in getting Environmental Clearance (EC) of Surda mine, the targeted CAPEX expenditure of Surda mine could not be met, etc. Now, Plan outlays (BE) of Rs. 350 crore has been made for the year 2021-22. The Committee have been informed that keeping in view the present financial condition of the company, HCL has planned to focus on such CAPEX which will give immediate production and will help in revenue generation and to continue those development works which are required in order to sustain production in the coming years. Appreciating the initiatives being taken by HCL for the growth of the Company, the Committee desire that HCL should earnestly strive towards

optimal utilization of the Plan outlays of Rs. 350 crore during 2021-22.

NATIONAL ALUMINIUM COMPANY LTD.(NALCO)

11. The Committee express satisfaction over the performance of NALCO during 2020-21 as against the plan outlay of Rs. 1012.21 crore, the company has achieved CAPEX of Rs. 856 crore (84.57%) till January, 2021 and assured to achieve 100% of approved capital plan outlay target by March, 2021 and thus, no projects / schemes will be affected for less utilization of funds during 2020-21. The Committee have been informed that funds of Rs. 1500 crore projected for 2021-22 are based on requirement of various ongoing projects keeping in view the progress of each projects and hence would be sufficient. As submitted, NALCO has taken slew of measures for proper utilization of funds and timely completion of various ongoing schemes during 2021-22 which include formation of dedicated teams to steer head the tendering and execution of different ongoing projects, preponement of tenders, squeezing of time schedule for tendering, undertaking evaluation and award of contracts, etc. The Committee are hopeful that NALCO would pursue the current measures more diligently and optimally achieve the targeted CAPEX during 2021-22.

BHARAT GOLD MINES LIMITED (BGML)

12. The Committee note that BGML is closed since 1st March, 2001. Later, though the Cabinet took a decision in 2006 to dispose-of the assets and liabilities of the Company through an open tender, it could not be implemented due to litigation and amendments to MMDR Act in 2015. It was then decided to explore the possibilities of revival of BGML after Techno-Economic Feasibility Study (TEFS). The Committee have been informed that the Ministry of Mines is getting the exploration of

Kolar Gold Field(KGF) mining lease area and processing of tailing dumps through Mineral Exploration Corporation Ltd. (MECL) and Non-Ferrous Technology Development Centre (NFTDC), respectively. MECL has started the exploration in Betraswamy Block of BGML. NFTDC has done preliminary processing of the tailing dumps of BGML and found gold and wolframite with associated rare earth elements. Pilot plant processing of BGML tailings started operations on 6th November 2020 and first result of 10 tons sample processing is expected very soon. Any future course of action in respect to BGML, however, can be decided only based on the results of exploration/ beneficiation results of mine tailings report and subsequent techno-commercial feasibility report. Further, the field activities entailing the mapping of Betraswamy Block of BGML lease areas and exploratory drilling activities by MECL has already been completed. Also, the geological report preparation is underway and scheduled to be submitted by the end of March, 2021. The Committee feel that since MECL is entrusted with the responsibility of Programme Manager for engagement of a management consultant for BGML, the Ministry of Mines should ensure that all exploratory drilling activities for which geological reports are submitted be brought to mineral exploitation stage. The Committee would like to be apprised of the monitory mechanism available with the Ministry of Mines in this regard. They would like to be kept informed of the developments in the matter from time to time.

Finally, the committee express their satisfaction over various steps taken by the Ministry of Mines, such as National Mineral Policy 2019, measures taken to control illegal mining, Mining Monitoring System (MSS), Mineral Concession System, Mineral Laws (Amendment) Act, 2020, minerals auction etc. and expect that these steps would make the country self-reliant in mineral production.

NEW DELHI;
15 March,2021
24 Phalgun, 1942(Saka)

RAKESH SINGH
Chairperson
Standing Committee on Coal and Steel

ANNEXURE-I

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL (2020-2021) HELD ON THURSDAY, THE 25TH FEBRUARY, 2021 IN COMMITTEE ROOM No. '2', BLOCK-A, FIRST FLOOR, PARLIAMENT HOUSE ANNEXE EXTENSION, NEW DELHI.

The Committee sat from 1330 hrs. to 1530 hrs.

PRESENT

Shri Rakesh Singh- Chairperson

Lok Sabha

2. Shri Vijay Kumar Hansdak
3. Shri Kunar Hembram
4. Shri Chandra Prakash Joshi
5. Shri Ajay Nishad
6. Dr. Lorho S. Pfoze
7. Shri Komati Reddy Venkat Reddy
8. Shri Chunni Lal Sahu
9. Shri Arun Sao
10. Shri Sunil Kumar Singh
11. Shri Sushil Kumar Singh
12. Dr. Beesetti Venkata Satyavathi

Rajya Sabha

13. Shri Anil Desai
14. Dr. Vikas Mahatme
15. Shri Venkataramana Rao Mopidevi
16. Shri Prashanta Nanda
17. Shri Ram Vichar Netam
18. Shri Samir Oraon
19. Shri Dhiraj Prasad Sahu
20. Shri B. Lingaiah Yadav

SECRETARIAT

1. Shri Arvind Sharma - Director
2. Smt. Geeta Parmar - Additional Director

WITNESSES

MINISTRY OF MINES

- 1 Shri Alok Tandon Secretary
- 2 Smt. Yatinder Prasad Joint Secretary & Financial Advisor
- 3 Shri Sanjay Lohiya Joint Secretary & CG, IBM (Addl. Charge)
- 4 Shri Satendra Singh Joint Secretary
- 5 Shri Upendra Chandra Joshi Joint Secretary
- 6 Dr. Veena Kumari. D Joint Secretary
- 7 Shri Alok Chandra Economic Advisor
- 8 Shri Sakesh Prasad Singh CCA (Mines)
- 9 Shri Pradeep Singh Director (Technical)

10	Shri Amit Saran	Director (NMET)
11	Dr. Ranjit Rath	CMD, MECL & DG, GSI (Addl. Charge)
12	Shri Pankaj Kulshreshtha	Chief Controller of Mines (MES) in charge & Controller of Mines

MINES PSUs

13	Shri Sridhar Patra	CMD, NALCO
14	Shri Arun Kumar Shukla	CMD, HCL
15	Dr. Anupam Agnihotri	Director, JNARDDC
16	Dr. H.S. Venkatesh	Director, NIRM

2. At the outset, the Chairperson welcomed the 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 (2021-22). The Chairperson 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 their financial Outlays *vis-a-vis* actual utilization and physical targets *vis-à-vis* achievements by the Ministry and PSUs under its administrative control during 2020-21. The Committee were also apprised about the financial and physical targets set and achieved by the Ministry of Mines and its PSUs during 2020-21 and the major thrust areas envisaged for the development of Mines Sector during 2021-22.

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; The Minerals Law Amendment Act, 2020; Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)/District Mineral Foundation(DMF) launched in 2015; Star rating introduced for sustainable mining; 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 Surda Mining lease filed by Hindustan Copper Ltd. (HCL); and reasons for under-utilization of funds during 2020-21, 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.

ANNEXURE-II

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE
ON COAL AND STEEL (2020-2021) HELD ON MONDAY, THE 15TH MARCH, 2021
FROM 1500 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 Chandra Prakash Joshi
4. Smt. Riti Pathak
5. Dr. Lorho S. Pfoze
6. Shri Chunni Lal Sahu
7. Shri Arun Sao
8. Shri Pashupati Nath Singh
9. Shri Sunil Kumar Singh
10. Shri Sushil Kumar Singh
11. Dr. Beesetti Venkata Satyavathi

Rajya Sabha

12. Shri Anil Desai
13. Dr. Vikas Mahatme
14. Shri Prashanta Nanda
15. Shri Samir Oraon
16. Shri B. Lingaiah Yadav

SECRETARIAT

1. Shri Pawan Kumar - Joint Secretary
2. Shri Arvind Sharma - Director
3. Shri Uttam Chand Bhardwaj - Additional Director
4. Smt. Geeta Parmar - Additional Director

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 on Demands for Grants (2021-22) relating to the Ministry of Mines;
- (iii) ** ** **
- (iv) ** ** **
- (v) ** ** **

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.

