



**Office of the Comptroller and Auditor General of India,
10 Bahadur Shah Zafar Marg, New Delhi - 110 - 124.**

(Government Accounting Standards Advisory Board)

Minutes of monthly meeting for May 2022 on progresses made by the States on preparation of Asset Accounts on Mineral and Non-Renewable Energy Resources

Background: As per the action plans envisaged in the Concept Paper on Natural Resource Accounting in India released in July 2020, GASAB Secretariat has brought out a book containing the templates of Asset Accounts on Mineral and Non-Renewable Energy Resources in the States. The books containing the templates were circulated to the State Governments and the State Accountants General Offices in October 2021. The first short term action plan was to prepare the first draft of Asset Accounts in the States for the year 2020-21 by March 2022.

Additionally, draft guidelines/ Standard Operating Procedures (SoPs) on quarterly data collection methodologies from the district units from April 2022 was prepared and circulated to the State Accountants General Offices for discussion with the State Governments and implementation from April 2022. After detailed deliberation and consultation with the States and the members of the Consultative Committee, the final Guidelines/SoPs have been issued to the States for implementation.

Consequent upon the national declaration at CoP 26 at Glasgow and in view of the importance of monitoring the carbon emissions and generation of renewable energy resources, specific references have been included in the Guidelines/SoPs. A reliable and credible system to capture the information at the State level regularly on these items would immensely help the GoI in consolidating the information and monitor/manage the targets over the years more effectively to meet the international commitments.

To ensure that the State reports capture and present the information uniformly, a structure of report has been prepared by the GASAB Secretariat and circulated on 12 April 2022 to the State Accountants General Offices.

In order to handhold the States in this ambitious exercise besides resolving issues and challenges and addressing the constraints being faced while preparing the first draft of the Asset Accounts, GASAB headquarters has been holding monthly meetings with all 30 States at the end of each month from October 2021 onwards. This was the eighth meeting for the month of May 2022.

Date and time: (Eighth meeting for May 2022): 23 – 24 June 2022 (10.30 AM to 1.30 PM)

Participating State: All 28 States and 2 UTs with Legislature.

Mode: Virtually through MS Teams arranged by RTI, Prayagraj.

Chair: Addl Deputy CAG, GASAB (ADAI, GASAB).

Proceedings: At the outset, ADAI GASAB while conveying thanks to the State Accountant Generals and their teams for completing the first draft of the Asset Accounts on Mineral and

Energy Resources urged that the **validation of Reports is the need of the hour** and may be completed urgently. He also advised that if required, dedicated teams may be deployed for completing the work expeditiously. ADAI made special reference to the States where the work is not yet complete and **urged the HoDs to personally get involved and deploy more resources to ensure timely completion of the work**. Special references were also made about the co-operation and contribution of the State Government Departments especially in the Departments of Mines, Petroleum, Environment & Forests, Finance etc without which completing the work within such short time would not have been possible. The value additions done at the stage of validation of data by the State Government departments as well as the Audit Offices was also acknowledged.

ADAI, GASAB re-iterated that the project, a nationally important one, is obligatory as India is a signatory to the SDGs. Importance of comprehensiveness, robustness and correctness of data along with the availability of documentation to support the data was repeatedly emphasized by the Chair.

This was followed by a presentation by Sr. AO, GASAB detailing, *inter-alia*, the stages and associated targets of work, status of work at the end of April 2022, actionable points for Asset Accounts 2020-21 and future years, news on meetings etc, issues pertaining to validations and preparation of reports in common formats shared by GASAB, targets and timelines. Copy of presentation is enclosed.

The unique model of collaboration of the Audit, A&E Offices with the State Government Departments and its success in handholding the State Governments in preparing the first draft of Asset Accounts in the States, was highlighted. Moreso, he added, because this was new and unchartered area.

It was informed that the minutes of the meeting of second meeting of the Consultative Committee on NRA constituted by GASAB (held on 3 June 2022) have been shared with all Offices and also uploaded on the website of GASAB.

The following were also informed/re-iterated, that:

- *Based on the inputs received from States and also during the 2nd meeting of the Consultative Committee, the guidelines/SOPs have been modified which had been circulated to all the Offices. Printed copies of the guidelines are being shared shortly.*
- *The periodicity of reporting is quarterly and the first quarterly report for QE June 2022 will be due by 31 July 2022.*
- *The carbon emission data may not need to be included in the Asset Accounts 2020-21 under preparation and the tables may be accordingly renumbered.*
- *Table No. 4 may be used only in cases where processing of mineral ore is involved at the mine-head to capture the production loss and the term 'finished products refers to the processed minerals at the mine head and not the 'final products'.*
- *The State AsG Offices may kindly follow up with the State Governments on opening of sub-heads/detailed heads to separately capture royalties, application fees, dead rents,*

penalties etc to enable analysis of revenues receivable from mineral extractions and the revenues actually realised. Most of the State AsG reported to have initiated a dialogue with the State Governments.

- The targeted date for submission of State NRA Reports in the prescribed format circulated from headquarters is 30 June 2022 with extensions on case-to-case basis.

Thereafter, the works done by the States during the month of May and till date and targets set for completion of the remaining work were presented by each of the 30 States/UT which were discussed in threadbare detail. A number of State Governments were also present and actively participated in the deliberations.

Based on the presentations and inputs received during the meeting, the status of work in the States is divided into three distinct categories as shown in the following table:

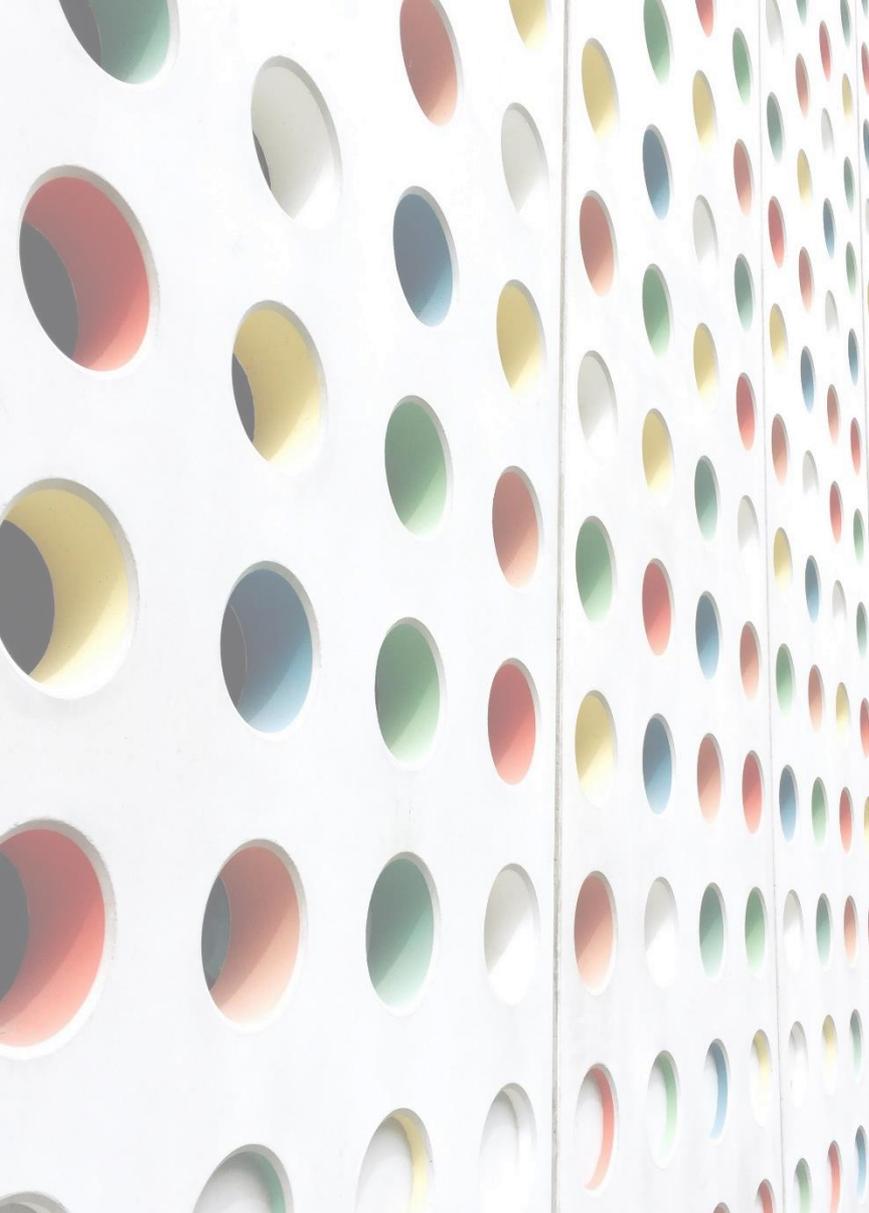
Status of preparation of Asset Accounts in States	Status of preparation of Asset Accounts in UTs	Remarks
Prepared in all 28 States	Prepared in 1 UT	Remaining 1 UT
Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telengana, Tripura, Uttar Pradesh, Uttarakhand, and West Bengal	Jammu and Kashmir	Delhi – as reported by the State Government Department, no mineral is endowed within the State jurisdiction. This is being cross-referenced and verified with records of Indian Bureau of Mines.

Following are the outcome/decisions based on the presentations/deliberations:

- High coverage of units for validation by Audit Offices, i.e. Goa, MP etc is appreciated.
- Departmental figures on balances, extractions/productions/dispatch – generated from the source units (districts) will be the basis of compilation and to be cross linked with the figures of Indian Bureau of Mines (IBM) figures and substantial variations pointed out. Further, the reasons for these variations may be examined in greater detail, atleast for a small sample, to identify the reasons and results included in the report.
- A disclaimer may be included that the Asset Accounts has been prepared on behalf of the State Governments as a handholding process and it is prepared based on data/information provided by the concerned Departments. The onus of preparing the Accounts is on the State Governments.
- Verification and validation of the draft Asset Accounts may be invariably conducted in view of the checklists circulated by GASAB headquarters. Clear disclaimer should be included that the validation by Audit Offices relates to ONLY verification of the figures included in the Asset Accounts vis-à-vis their supporting documents as provided by the State Government Departments and this is not an audit of the stock of minerals and mining activities in the States.

- Inclusion of minerals as per their grades is vital as the royalty rates differ based on the grades of minerals. Thus, proper classification and inclusion of gradation of minerals in the Asset Accounts is of utmost necessity. However, due to non-availability of data/information, this has not been stressed upon for Asset Accounts 2020-21. The States may kindly be impressed upon to mandatorily prepare the quarterly reports (from QE June 2022) based on grade-wise mineral as envisaged in the Guidelines/SOPs.
- Information received from the DGHC has been circulated to all field Offices by GASAB headquarters. These may be used suitably while compiling the Asset Accounts on fossil fuels – petroleum and natural gas. However, the figures maintained by the MoPNG are in calendar years while the Asset Accounts are being targeted on financial year. Suitably disclaimer as to the periodicity need to be included.
- Number of mines (both dormant and working mines) involved in the working out of stock and flows (addition and extraction) may be invariably collected and incorporated in the Accounts to enhance credibility of the report.
- GPS coordinates of mines collected from the State Government Departments may be used to prepare the mineral map of the State and these may NOT be included as an annexure or statement to the Report in the interest of safety and security of the mines and minerals in the States.
- A number of State Governments like Andhra Pradesh, Chhattisgarh, Gujarat, Maharashtra, Mizoram, Punjab, Sikkim, Telengana, Uttar Pradesh, West Bengal has agreed to implement the quarterly reporting framework as envisaged in the Guidelines/SOPs. As the first report on quarterly reporting framework is due by 31 July 2022, all State Governments may be pursued to impress upon the advantages of such mechanism to automatically build the datasets at the directorates as well as in the AsG Offices which will make them inclusive and robust while reducing the need for collection of all information at a time at the end of the year. States, where electronic-permit system are in place may embed the requirements as specific modules while other States may commence manually.
- Compilation of Asset Accounts 2021-22 may gradually be commenced after the Accounts for 2020-21 is fully prepared, validated and completed.
- Decisions taken and included in the minutes of earlier meetings shall continue to apply *mutatis mutandis* and may be scrupulously followed.

Meeting ended with vote of thanks to the Chair.



Natural Resource Accounting

***Goal 1 Preparation of Asset
Accounts on Mineral & Non-
Renewable Resources***

Eighth meeting – for May 2022

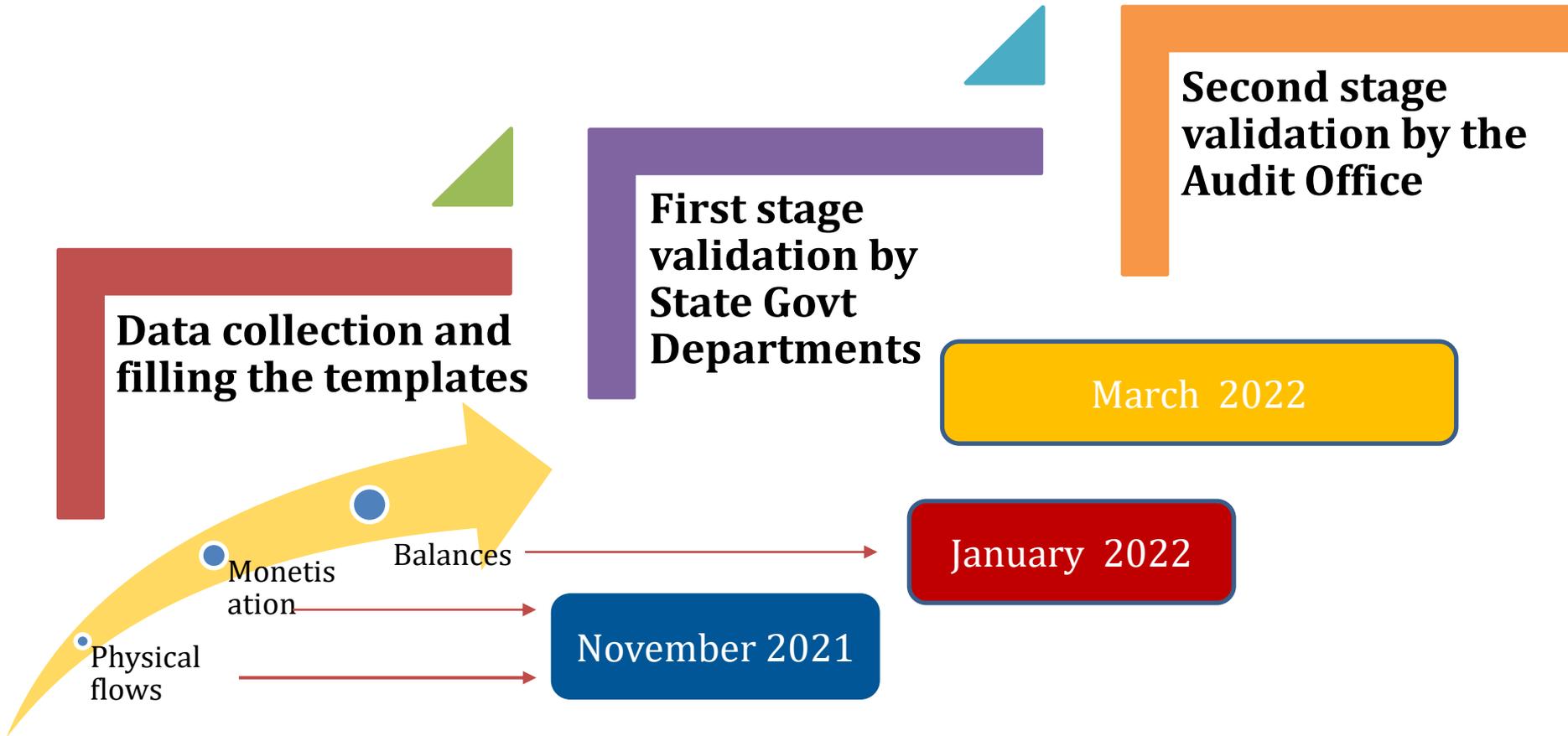
23 – 24 June 2022

Government Accounting Standards Advisory Board,

CAG of India



The stages and associated targets



Status – end of April 2022

Asset Accounts prepared and are under verification/validation	Asset Accounts partially prepared – remaining works underway
<i>27 States/1 UT</i>	<i>1 State</i>
<i>Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telengana, Tripura, Uttar Pradesh, Utarakhand and West Bengal</i>	<i>Jharkhand</i>

- We are thankful to the AsG and the team for achieving this in a span of just over six months
- Special gratitude to the State Government departments for support and active collaboration

Actionable points – Asset Accounts 20-21

- Major thrust on **comprehensiveness, correctness of data**
- Robustness of the **data capturing methodology** - to enable a **solid edifice** for continuous data extraction, collection and collation in the future years
- Resources against which **all required data** is received/obtained may **only be included in the first draft** (2020-21) – baring some cases where the resources are of high importance to the State and very limited info is pending
- Departmental figures generated from the **source units** (districts) will be the basis of compilation
- Figures of IBM may be separately included, and **variations** pointed out
- Verification and validation - in view of the **checklists**, certifications and corroborated with supporting documents

Actionable points – Asset Accounts 20-21

...contd

- Information on carbon emission is not required for Asset Accounts **2020-21**
- Accordingly, table 7 on renewable energy resources may be **renumbered** as Table 6
- **Table No. 4** may be used in case **processing of resources at the mine site**. For other resources which do not involve processing at mine head, only tables 1,2,3 may be used
- **Geo-tagged mineral map is a priority** - to be included in the report
- If geo-tagging data/info is not available – **GPS coordinates of the mines may be collected**, and mineral map of the State worked out and incorporated in the Report

2nd Consultative Committee meeting and other news

- Meeting held successfully
- All stakeholders participated
- Inputs of IBM, NRSC, ICAI, ICMAI, State Governments recorded
- Minutes issued and also placed on GASAB's website
- Six States quickly prepared and presented the Asset Accounts – much appreciated

- **NRA – to be presented to CAG, Senior Management and other Officers on 5 July 2022**
- **Need to complete the works as fast as possible**

Actionable points – Validations

Validation:

- The overall project is being run as a unique collaboration of Audit, A&E and the State Government Departments
- Fielding of joint teams from Audit and A&E Offices have been stressed upon since the beginning of the exercise - envisaged to ease the process of validation by the Audit Office
- Reports being received from State Audit Offices not validating the report
- Audit Offices to be part of the project and assist in reconciling the data/figures/asset accounts through examination and test check of records – which has been done in many of the States
- **Sample of test check – PA guidelines (representative sample) (our email dated June 8, 2022) – process to be documented**
- **Detailed verification (a small sample) to identify the reasons for variations between departmental and IBM figures**
- **Reports to mention NUMBER OF MINES covered**

Actionable points – Reporting

- Structure circulated – as a common format
- **Report to be prepared and finalised jointly**
- Paragraphs/points not relevant may be excluded
- Necessary edits, as felt, may also kindly be made
- Findings of the overall Asset Accounting process are important – and needed to be incorporated which differentiates our work from other reports
- **And recommendations on the basis of the findings may be included in the report**
- **State's participation may kindly be ensured – foreword by State Government**

Actionable points – road ahead (April'22 onwards)

- **Remaining resources** to be brought under the ambit of Asset Accounting system
- Process for preparing the **Asset Account 2021-22** may begin – UTs not yet covered may be covered now
- **Data flow** through the reporting mechanism envisaged in the Guidelines may be implemented - **QUARTERLY**
- AG, A&E, TN may please share the feeder tables generated for capturing quarterly data into the main tables
- First report due by 31 July 2022
- State AsG Offices to work in close coordination with State Governments for **implementation of the Guidelines, systems and processes for smooth flow of reports from the district level to the AsG Offices through the Directorates**
- **Opening of sub/detailed heads may be followed up with the States**

Actionable points – road ahead (April'22 onwards)

- **Recommendations on statutory, short and long-term approaches** for end-to-end mapping of supply and use of resources may be insisted upon
- Minerals and energy resources to be included – grade-wise in the quarterly reports for uniform reporting
- Quarterly reports to be supported by checklists, certifications and supporting documents as envisaged in the Guidelines/SOPs

Targets and timelines

- **State NRA Reports – in prescribed formats to be completed by 30 June 2022**
- Need to consult the final report with State Government – copy of report to be sent simultaneously to State Govt
- Views/comments to be incorporated subsequently at the stage of finalisation
- May need support from States – during compilation
- **National compilation – targeted by August 2022**

A hand holding a small globe with a solar panel and wind turbines on it, symbolizing sustainable energy. The background is a bright, sunny sky with a large sun and a blue sky with light clouds. The hand is positioned at the bottom, holding the globe. The solar panel is blue and mounted on a black stand. The wind turbines are white and positioned around the globe. The globe is green and brown, representing land and water.

THANK YOU!

**@ S N Biswas,
SAO, GASAB**
