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Government Accounting Standards Advisory Board**



Progress made during May 2023 by the States/UTs on preparation of Asset Accounts on Mineral and Energy Resources and other ongoing works

Background: The Government Accounting Standards Advisory Board (GASAB) has brought out a Compendium of Asset Accounts on Mineral & Energy Resources for the year 2020-21 in October 2022. The Compendium consists compilation of 107 minerals in 28 States and UT of J&K besides findings of the study and suggested way forward. Preparation of Asset Accounts for the year 2021-22 and handholding the State Government Departments for building the edifice for continuous data generation for preparation of the Asset Accounts for subsequent years are underway in the States/UT of J&K. In addition, efforts are also being made to assist the States/UTs to further improve the control and monitoring on mining activities for better management of resources and optimization of revenues for the States exchequer.

In order to handhold the States in this nationally important project, GASAB headquarters has been holding monthly meetings with all 28 States and 2 UTs, Delhi and J&K at the end of each month from October 2021 onwards till September 2022 when preparation of Asset Accounts for the year 2020-21 was completed. Meanwhile, GASAB has commenced some additional case studies on mapping the supply and use of resources, mapping of grade-wise productions, royalty payable vis-à-vis the royalty actually realized by the States on which information are being gathered from the States/UTs. The monthly meeting was restarted from May 2023 for discussing the status of work as of 30 April 2023. In view of the satisfactory levels of progresses reported by the States/UTs, it was decided to convert the monthly meeting system into monthly reporting mechanisms while retaining the system of online interactions at the end of every quarter.

The States/UTs were requested to report the progresses under six major heads of works, namely preparation of Asset Accounts on Mineral & Energy Resources for 2021-22, implementation of quarterly reporting framework on Mineral & Energy Resources from 2022 onwards, status of information/data on accounting of Water Resources, mine-wise production and revenues of major minerals for three years period ending March 2022, status of implementation of Rule 45 of Mineral Conservation Development Rules (MCDR) mandating submission of monthly reports to State Governments along with the IBM, and status of expanding the MCDR for control and monitoring of minor minerals exercising powers conferred under Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957. The progresses reported by the States/UTs are mentioned below.

Status of Asset Accounts 2021-22:

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| States/UTs in which information on all six tables have been received | 10 States and one UT Andhra Pradesh, Arunachal Pradesh, Assam, Goa, Gujarat, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Rajasthan, and Tripura. |
| States/UTs in which information on tables received partially | 14 States Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Meghalaya, Nagaland, Odisha, Punjab, Sikkim, Tamil Nadu, Telangana, Uttarakhand, Uttar Pradesh, West Bengal |
| States/UTs in which information/tables are yet to be received | Two States Madhya Pradesh and Mizoram, |
| No of States which reported increase in mineral coverage during 2021-22 vis-à-vis 2020-21 | Nine States Andhra Pradesh, Assam, Goa, Gujarat, Himachal Pradesh, Meghalaya, Nagaland, Rajasthan, and Tamil Nadu. |
| States/UTs in which first draft of Asset Accounts for 2021-22 completed | Eight States/UT completed and six States partially completed Arunachal Pradesh, Bihar (partially), Gujarat, Himachal Pradesh (partially), J&K, Karnataka, Kerala, Maharashtra, Meghalaya (partially), Punjab (partially), Rajasthan, Tamil Nadu (partially), Tripura, West Bengal (partially). |
| States/UTs which have communicated the compiled Asset Accounts to the State Governments for validation | Eight States/UT completed and six States partially completed Arunachal Pradesh, Bihar (partially), Gujarat, Himachal Pradesh (partially), J&K, Karnataka, Kerala, Maharashtra, Meghalaya (partially), Punjab (partially), Rajasthan, Tamil Nadu (partially), Tripura, West Bengal (partially). |
| States/UTs in which State Government validation of Asset Accounts completed | Six States/UT completed and two States partially completed Arunachal Pradesh, Gujarat, J&K, Karnataka, Punjab (partially), Rajasthan, Tamil Nadu (partially), Tripura. |
| States/UTs in which validated Asset Accounts sent to Audit Office for limited verification | Seven States/UT sent and three States sent partially Arunachal Pradesh, Bihar (partially), Gujarat, J&K, Karnataka, Maharashtra, Punjab (partially), Rajasthan, Tamil Nadu (partially), Tripura, |
| States/UTs in which limited verification completed and Asset Accounts finalised | Three States/UT completed and three States partially completed. Arunachal Pradesh, Bihar (partially), Karnataka, Punjab (partially), Tamil Nadu (partially), Tripura. |

Note: Delhi had reported to have no mineral repository.

Status of Quarterly Reporting Framework

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| States/UTs in which the State Governments agreed to the Quarterly Reporting Framework on information/data | 22 States/UT agreed and three States partially agreed |
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| to be generated at the district level from QE June 2022 onwards | Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, J&K, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Mizoram (partially), Nagaland (partially), Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura (partially), Uttarakhand and Uttar Pradesh. |
| States/UTs in which Quarterly Reporting system commenced and received | Nine States/UT provided QRs and seven States partially provided. Nine States yet to commence sending QRs though agreed in principle Arunachal Pradesh, Assam, Bihar, Goa, Gujarat (partially), J&K, Jharkhand (partially), Karnataka, Kerala, Mizoram (partially), Nagaland (partially), Punjab (partially), Rajasthan, Sikkim, Telangana (partially), Tripura (partially). |

Information/data on accounting of Water Resources (email of GASAB dated 28 March 2023)

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| Data/information called for | All States and UTs of Delhi and J&K |
| Data/information received (target date 31 July 2023) | None |
| Follow up done by States/UTs | Target date July 2023 |

Mine-wise production and revenues of major minerals for three years ending March 2022 (email of GASAB dated 25 March 2023)

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| Data/information called for | All States and UT of J&K |
| Data/information received (target date 31 July 2023) | Haryana (nil) and Gujarat |
| Follow up done by States/UTs | Target date July 2023 |

Status of implementation of Mineral Conservation Development Rules mandating submission of Monthly reports in forms F1 to F8 and annual reports in H1 to H8 by the lessees of major mineral (ADAI, GASAB's DO letter dated 25 May 2023, minutes of regional seminar and monthly meetings circulated vide email dated 24 and 31 May 2023)

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| Conveyed to the State Government | By all States (except Odisha and Uttarakhand) and UT of J&K Odisha reported that the lessees are submitting same forms to the State Government along with the IBM. This is a good practice. |
| No of States/UTs in which meetings were convened, details thereof | Nil (the matter was communicated during the month of May-June 2023) |
| State Government/UT authority of which response received | |
| State Government/UT authorities agreed | |
| Details of follow up | |

Status of expanding the above Rules for minor minerals exercising powers under Section 15 (1A) (m&o) of the Mines and Minerals (Development and Regulation) Act in the States – atleast for the specified minor minerals (ADAI, GASAB’s DO letter dated 25 May 2023, minutes of regional seminar and monthly meetings circulated vide email dated 24 and 31 May 2023)

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| Conveyed to the State Government | By all States (except Odisha and Uttarakhand) and UT of J&K Odisha reported that the lessees of specified minor minerals (minerals reclassified as minor from major in 2015) are submitting returns on offline. However, the State did not confirm whether the lessees are providing details of grade-wise production in the similar formats of returns as prescribed by the IBM for major minerals which is being attempted by GASAB. |
| No of States/UTs in which meetings were convened, details thereof | Nil (the matter was communicated during the month of May-June 2023) |
| State Government/UT authority of which response received | |
| State Government/UT authorities agreed | |
| Details of follow up | |

Note: Response from Haryana and Manipur (law and order situation isn’t in order) awaited. Reports compiled on 28 June 2023.

Based on the reported status, the following would be the action plans:

Asset Accounts 2021-22

- The AsG Offices in States wherein partial/no data have been received to make concerted efforts to impress upon the State Governments to provide the data so as to complete the Asset Accounts, its validations and limited verifications by the due date of July 2023.
- The AsG in States and UTs which have progressed well, obtained all data from the States/UT authorities and proceeded for validations and limited verifications are appreciated.

Quarterly Reporting Framework

- States which are yet to come on board for quarterly reporting mechanism (four States namely Haryana, Manipur, Meghalaya and West Bengal) may co-ordinate closely with the State Government departments for impressing upon them the need for the reporting framework to bring them on the same page as like other States/UTs. States which agreed to the framework may be impressed upon to ensure generation of quarterly reports from the district levels by the due dates and their compilations at the Directorates.

Accounting of Water Resources

- As regards the information/data on Water Resources targeted to be received in hq by the end of July 2023, the AsG Offices in States/UTs to start coordinating with the concerned departments to ensure that the inputs are received by the due date.

Inputs on production of major minerals for the three years ended 31 March 2022

- The efforts of AsG, Gujarat in getting the information from the State Government on production of major minerals for the three years ended 31 March 2022 is appreciated.
- The AsG Offices in remaining States/UTs may kindly coordinate with the State Governments/UT authorities for expediting the data and their transmission to the GASAB headquarters.

Implementation of provisions of Mineral Conservation Development Rules, 1988 (as amended from time to time) in States and Expansion of MCDR for management of minor minerals

- Since all States (except Odisha and Uttarakhand) and UT of JK have reported to have brought the matters (requirement of the lessees to submit grade wise production and other details as submitted to the IBM also to the State Governments as mandated in the MCDR and the suggestive mechanism of exercising powers conferred under Section 15 of the MMDR Act to expand the provisions of MCDR towards management of minor minerals especially specified minor minerals) to the notice of the State Governments/UT authority, we may wait for some time for the States/UT of J&K to respond, as it is a new area and watch the progress closely, month by month.
- As regards Odisha which had reported assurance on the compliance of Rule 45 of the MCDR in the State, the State AsG Offices may kindly provide samples of monthly reports submitted by the lessees of major minerals in compliance to the MCDR and also to show the mechanism of calculation of royalty based on grade-wise production of minerals.
- Similarly, in case of minor minerals, Odisha reported to have a system of manual reporting similar to those prescribed by the MCDR. In this case also, a case study may be prepared with samples of manual monthly reports submitted by the lessees to show how grade-wise mineral production is reported and royalty calculated.
- AsG Offices in Uttarakhand may kindly expedite conveying the above to the State Government for their appraisal and consideration.
