



**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 April 2023 on progresses made by the States 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. In addition, efforts are also being made to assist the States 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 30 States 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 extractions permitted vis-à-vis the actual extractions on which information are also being gathered from the States. The monthly meeting was restarted from May 2023 for discussing the status of work as of 30 April 2023.

Date and time: 22 and 23 May, 2023 (10.30 am to 1.30 pm)

Participating States/UTs: 15 States¹ and 2 UTs with Legislature, i.e. Delhi and J&K (13 other States attended regional seminar on 17 – 18 May 2023 and were exempted from this monthly meeting)

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

Chair: ADAI, GASAB.

In order to discuss the status on Asset Accounts 2021-22, quarterly reporting framework 2022-23, status of information/data on water resources, collection of data on extraction of major minerals

¹ Arunachal Pradesh, Assam, UT of Delhi, Gujarat, Haryana, Himachal Pradesh, UT of J&K, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tripura, Uttar Pradesh and Uttarakhand. Manipur didn't attend the meeting due to law and order situation in the State.

for three years ending March 2022 – for the month ended 30 April 2023 monthly meetings were held on 22 and 23 May 2023.

In his inaugural address, ADAI GASAB underpinned the international commitment of the country towards the Sustainable Development Goals of which Natural Resource Accounting is an integral part. He highlighted the works of GASAB commencing with the Concept Paper till the Compendium of Asset Accounts in October 2022, importance of the continuous handholding through Guidelines/SoPs/advisories and regular monthly meetings since October 2021. GASAB has constituted a Consultative Committee consisting of stakeholder ministries, agencies, subject experts who were continuously consulted in the overall processes and implementation of NRA on mineral and energy resources, he added. The need for a complete mineral map of the country and the States showing the geo-tagged mines and then link the same with the stock and flow of minerals of each such mines to help towards further strengthening the management of resources was stressed upon. He informed that GASAB has taken cognizance of all suggestions/inputs of senior management in refining the overall processes after the presentation to the CAG of India and the Senior Management in July 2022. ADAI, GASAB also mentioned about GASAB’s plan to compile the receipts from exploitation of natural resources and expenditure on their management and mitigation of environmental degradation and that pilots were underway in five States of Assam, Gujarat, Odisha, Tamil Nadu and Telangana. Based on the outcome, it would be rolled out to all States for including it as a statement for Asset Accounts.

Welcoming all senior Officers and participants, ADAI GASAB requested all to freely exchange thoughts on issues, challenges and good practices for mutual benefit and further strengthening the systems and processes of preparation of the Asset Accounts on Mineral and Energy Resources in the country.

Thereafter, the participating States made presentations on the **four major topics**. **The status of Asset Accounts 2021-22 and quarterly reporting framework 2022-23** as reported by the States, are tabulated below.

Name of State	Whether draft Asset Accounts for 2021-22 received from State Government	Work related to 2022-23	
		Whether State agreed to quarterly reporting framework	Whether quarterly reports have started coming in
Arunachal Pradesh	Yes	Agreed	Yet to be received
Assam	Yes (Tables 2A and 2B awaited)	Agreed	Yes
Delhi	No minerals	--	--
Gujarat	Yes (Table 2A awaited)	Agreed	Yes
Haryana	Yes	Not yet	Yet to be received
Himachal Pradesh	Partially (except tables 3A and 6)	Not yet	Yet to be received

J&K	Yes	Agreed	Yes
Manipur			
Meghalaya	Partially	Not yet agreed	Partially (data in Table 6 received from Power Deptt)
Mizoram	No	Agreed	Data received from Directorate of Geology and Mining
Nagaland	Partially (riverine minor minerals data awaited)	Agreed	Yes
Punjab	Yes	Agreed	Yes
Rajasthan	Yes (except Table 6)	Agreed	Yes
Sikkim	Partially	Agreed	Yes
Tripura	Yes	Agreed	Data from E&F Deptt received, G&M awaited.
Uttar Pradesh	No	Agreed	No
Uttarakhand	No (only table 6 received)	Agreed and SOP issued	No

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

All the States/UTs confirmed to have called for the information/data required by GASAB for preparing the first sketch of accounting of water resources and firming up the templates. As per the action plan of GASAB, the information/data is targeted to be collected by June 2023. All States/UTs confirmed that they were optimistic of getting the information/data by the targeted due date and transmit to headquarters.

Extraction of major minerals for three years ending March 2022 (email of GASAB dated 25 March 2023)

There were no major mineral extractions in Haryana, Delhi, Manipur, Punjab, Sikkim, and Tripura. All the remaining States/UTs confirmed to have called for the information on pace of extractions of minerals for three years ended March 2022 from the working mines of major minerals in the State. While UT of J&K reported that data related to Kashmir Division had been received, those of Jammu was awaited. Other States reported that the data was awaited.

States of Uttar Pradesh and Uttarakhand reported good practices like development of google forms for quarterly reporting and preparation of SoPs respectively which are appreciated.

Some State Governments also participated. Water Resources Department of Tripura discussed various issues associated with preparation of the Water Accounts and confirmed that they are compiling the information and assured of providing it shortly. The detailed discussions in this regard by the State Government Department is highly appreciated.

After threadbare discussions for two consecutive days, the following are the way forward:

- *The opening stock of 2021-22 derived from closing stock of 2020-21 may be firmed up through further scrutiny/examination to solidify it which will be the foundation for all future Asset Accounts. In this regard, good practices in Odisha to examine the mining plans extensively to ascertain the veracity of the stock position provided by the State Government could be followed mutatis-mutandis.*
- *However, ascertaining and firming up the opening stock of minor minerals including the riverine resources remain a challenge. This needs to be continuously followed up with the State Government to find a way out for assessment and finalizing the stock of resources for inclusion in the Asset Accounts. Till such time, required disclaimer would continue to be added under the Asset Accounts.*
- *The ambit of asset accounting process may be expanded from the Asset Account 2021-22 to include remaining resources to gradually present a comprehensive coverage of State-wise resources. A number of States (Himachal Pradesh, Mizoram) reported to have incorporated some additional resources/information in 2021-22 Accounts which is a welcome development and appreciated.*
- *It has been decided to onboard the UTs in the Asset Accounting process. UT of J&K confirmed that they have initiated the process of onboarding Ladakh in Asset Accounts 2021-22 which is highly appreciated.*
- *As per Rule 45 (5) of Mineral Conservation Development Rules as amended from time to time and the clarification by the IBM under the Ministry of Mines, submission of the return formats F1 to F8 by the lessees of major minerals to the State Government along with the IBM is mandatory. Again, non-submission, incomplete/wrong submission of returns attract penal measures of ₹10,000 per day with effect from 3 November 2021 as per notification No. GSR 780€ dated 3 November 2021. As this is also in the revenue interest of the State Governments including collection of DMF, NMET, State cesses, all State AsG (including those not attending this seminar) having major minerals in the States to take up the matter with the concerned Departments of Geology & Mining of respective States, on priority, to impress upon them the mandatory requirement for the lessees to furnish the same return in F1 – F8 to the State Government; else, penalty of ₹10,000 per day stands leviable.*
- *The State Governments may also be requested to consider expanding the provisions of Rule 45 (5) to minor minerals including the ones re-classified from major minerals in 2015 as per the powers conferred upon them under Section 15 (1A) (m & o) of MMDR Act in the interest of better management of resources and optimizing revenues sources.*
- ***The above two items will be additional reporting items from next meeting.***
- *As discussed during the meeting, the esteemed offices of IBM may take up the matter with the Ministry of Mines for considering specific mention of the words ‘and also to the State*

Governments' in Rule 45 (5) similar to Rule 45 (6) for removing ambiguity, if any arising in future.

- States having offices/regional Offices of IBM in their States/cities may organize workshops/meetings between the State Governments, IBM authorities and the State AsG NRA Cell members to harness the benefits of the technical expertise of IBM Officers and also for doubt clarification.*
- While compiling the Asset Accounts 2020-21, the Odisha AsG Offices attempted to work out the revenue realizable based on the productions reported by the State Government. A preliminary view of the assessment indicated high variations between the revenue realizable and revenue realized as reported by the State Government during three/four year period. This initiative is appreciated and further detailed scrutiny on this is underway in the State. All the States may attempt similar exercise during Asset Accounts 2021-22.*
- Since the compilation of DMF during Asset Accounts 2020-21 and its inclusion in the Compendium along with the findings has resulted in a request for detailed audit from the Government of India, it is planned that similar exercise may be taken up for NMET during 2021-22 in addition to DMF. Accordingly, the State Governments may kindly be requested to provide details of NMET in the same format of table 5 in addition to those furnished/being furnished on DMF. Two separate tables may be the best way out.*
- States in which the State Governments have not yet agreed to implement the quarterly reporting framework, more concerted efforts are needed to impress upon the State Governments on the advantages of such reporting mechanism. In States which have commenced providing quarterly reports, the same may be concurrently checked, verified in limited manner and compiled for ease of final compilation of annual Asset Accounts.*
- The State Government Departments may be urged to first compile the Asset Accounts in the Directorate of Geology and Mining/Petroleum/Environment & Forest/Water Resources through the quarterly reports being generated from the DMOs/other district level offices. After such compilations, the same may be endorsed to the AsG offices for building parallel database.*
- As regards the geo-tagging and geo-fencing of mine areas/routes, the State Governments/UT authorities may be urged to get in touch with the Bhaskaracharya National Institute for Space Applications and Geo-informatics (BISAG-N) which is an accredited agency of the GoI, Ministry of Mines for such matters.*
- In addition to points noticed during test check of units during limited verification of Asset Accounts 2021-22, all States may follow up the findings which were reported during last year and included in the Compendium of Asset Accounts 2020-21. This is intended to be included in the Compendium for 2021-22 under follow up of findings of earlier years.*
- Few States are yet to complete the peer review of the Asset Accounts of 2020-21 which need to be expedited.*

- *In respect of Water Resources, the information/data called for is purely tentative and as suggested in the email dated 28 March 2023, the State Governments may kindly be encouraged to provide their views/comments on the templates as to their sufficiency or need for modification, inclusion of further inputs. **Quarterly reporting framework for water resources is not being envisaged at this stage.***
- *As information/data for Asset Accounts 2021-22 is not forthcoming from States like Mizoram, Uttar Pradesh and Uttarakhand State Governments, highest echelons of the State Government machinery needs to be reached out. If needed, GASAB may be approached for taking up the matter at the highest level of the State hierarchy for expediting the process.*
- *The work-wise tentative targets as set vide various correspondences of GASAB are reproduced below.*

Asset Accounts 2021-22	Extraction of major minerals for 3 years ended March'22	Supply and use of resources	Water Resources Accounting
<ul style="list-style-type: none"> • First draft Mar'23 • To send to State/Audit Office – April'23 • Validation and verification – June'23 • Transmission to Hq – July'23 	<p>Information as requested in email dated April 26 may kindly be collected and provided – tentatively in two months time.</p>	<ul style="list-style-type: none"> • Gathering initial inputs/documents from State Government/cement industries • Analysis and limited verification • Transmission to headquarters 	<ul style="list-style-type: none"> • Gathering inputs/data etc – June'23 • Transmission to hq – July'23 • Preparation of tentative templates – Aug/Sept'23 • Pilot studies by Dec'23 • Booklet on Water Accounting and final templates – Feb'24 • Implementation pan-India – Aug'24 • Preparation and compilation of Compendium on Water Resources – October 2024

In the concluding remarks, ADAI GASAB reiterated the commitment of GASAB to continuously handhold the States helping them in fine tuning the systems and processes of generation of Asset Accounts to ensure that the data sets prepared aid in good governance, help in meeting international commitment and assist us in planning our audit processes.

The meeting ended with vote of thanks to the Chair.