



**Office of the Comptroller and Auditor General of India,
10, Bahadur Shah Zafar Marg, New Delhi – 110-124
Government Accounting Standards Advisory Board**



Subject: Outcome of third regional seminar on Natural Resource Accounting of four States/UT held at Chandigarh on 23 – 24 February 2023.

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 of the compilation of 107 minerals in 28 States and UT of J&K. 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 discuss the lessons learnt during preparation of Asset Accounts 2020-21 and discuss the issues and challenges for Asset Accounts 2021-22 and subsequent years, regional seminars were planned by GASAB at different locations between January and March 2023. The third meeting was held in Chandigarh on 23 – 24 February 2023 in which four States/UT namely Haryana, Himachal Pradesh, Jammu & Kashmir and Punjab participated. The list of Officers attending the meeting is at Annexure. Representatives nominated from the Mining Department of Government of Punjab and Haryana also attended the relevant sessions as special invitees.

At the outset, the Accountant General (A&E), Punjab extended warm welcome to the ADAI, GASAB, Principal Accountants General/Accountants General, Group Officers and all participants. He congratulated GASAB for following up the Concept Paper prepared in July 2020 vigorously, bringing out separate Papers on final templates, Guidelines/SoPs and handholding/guiding the States to compile their Asset Accounts of Mineral and Energy Resources within a short span of time and releasing the Compendium of Asset Accounts in October 2022.

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 highlighted the need for building an electronic dashboard for real-time data compilation and consolidation for evidence based decision making. In this regard, a pilot project has been successfully test run by GASAB and projected during the release of the Compendium on 20 October 2022. 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 the outcome, it would be rolled out to all States for including it as a statement for Asset Accounts 2021-22 which is being prepared in the States/UT of J&K.

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. He conveyed thanks to the Principal Accountants General, Punjab for hosting the seminar.

Thereafter, the participating States/UT made presentations on issues and challenges faced during preparation of Asset Accounts 2020-21, innovations/good practices, status and challenges on preparing Asset Accounts 2021-22 and issues being faced in implementing the quarterly reporting framework for data generation and compilation for the continuing the process for the year 2022-23 onwards. The status of Asset Accounts 2021-22 and 2022-23 as reported, 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
Haryana	No	No	No
Himachal Pradesh	Yes (partial data received)	No	No
J&K	Yes	Yes	Yes
Punjab	Yes	Yes	Yes

The Audit Offices also discussed the issues and challenges faced during limited verification of the Asset Accounts. There were specific discussions on the ways forward dividing them into three distinct categories, i.e. fine-tuning the existing systems and processes, quarterly reporting framework – ease of data collection and mapping the supply and use of resources. There was invaluable exchange of thoughts with the representatives of the Mining Departments of Haryana and Punjab Governments. GASAB has organized State-specific presentations for many States, of

which, Himachal Pradesh and Punjab and UT of J&K participating in this seminar were covered. The States and UT Governments have ensured wholehearted support for the project.

After threadbare discussions for two consecutive days, the following were the outcome:

- *The pending validations/limited verifications may be completed on priority basis.*
- *The ambit of asset accounting process may be expanded for the Asset Account 2021-22 to include remaining resources to gradually present a comprehensive coverage of State-wise resources.*
- *Separate Asset Accounts of UT of Chandigarh and Ladakh from the year 2021-22 may be attempted by the AsG Offices of Punjab and UT of J&K in consultation with the UT administration.*
- *Resources which are not extracted at present may also be listed and prioritized as enumeration of the stock available is important for policy decisions on their possible extraction in future years.*
- *The opening stock of 2021-22 derived from closing stock of 2020-21 may be firmed up through further scrutiny/examination of available records/data to solidify the enumeration which will be the foundation for all future Asset Accounts.*
- *All State AsG to co-ordinate with the respective State Governments/UT authorities to impress upon them the need for replicating the reporting formats as prescribed in the Mineral Concession Development Rules (amendment) 2011 for the State specific reporting by the lessees/DMOs to capture (a) entire gamut of mining activities commencing from extraction of run of mines, production – production loss, dispatch and closing stock showing separately the run of mines and the processed minerals and (b) grades of minerals produced – thereby helping in better analysis of the revenue realizable vis-à-vis those realized.*
- *Closer monitoring is needed on collection of amounts under district mineral foundation and their usage especially in view of the GoI circular of July 2021 which barred the State Governments/UT authorities to use these funds without express approval of the GoI. In view of the fact that the GOI circular on DMF requires it to be kept in public accounts and by virtue of Section 13 (B) of the CAG's (DPC) Act, the realisation and expenditure may be closely watched.*
- *As the NRA is gradually being prepared in States through quarterly data generation and compilation, the NRA Cells may focus on value additions as prescribed in the Guidelines/SOPs circulated by GASAB like listing evasion prone minerals (State specific) and picking up one mineral each year for further verification of the extractions based on satellite driven data-sets generated with the assistance of National Remote Sensing Center. Towards this, good practices implemented by the Audit Office of Karnataka in roping in IISc, Bengaluru to analyse actual mining activities and incorporated in Para 4.4 (Performance Audit of Systematic and*

Scientific Mining and Protection of Environment in respect of quarry leases) of Audit Report on Revenue Sector for the year ended 2018¹ is suggested to be consulted as the starting point.

- In view of the requirements of Rule 45 (1-12) of MCDR 2011 (as amended), all miners, transporters, stockists, exporters, end-users etc are required to get registered and submit returns to the State Government/UT authorities as well as the IBM. During preparation of Asset Accounts for 2020-21, it was experienced that most of the States were yet to implement the above amendments while some have implemented it partially. The mapping of supply and use aimed by the amendment had the potential of ensuring sustainable management of resources. All AsG may continuously urge the State Government Departments/UT authorities to ensure strict compliance of Rule 45 (1-12) of MCDR in letter and spirit. States/UTs where electronic systems are in place/under design, these requirements may be impressed upon to be suitably incorporated therein.*
- 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.*
- As some of the northern States/UT have major riverine resources, State Governments/UT authorities may be coordinated with to ensure that the mining plans are regularly prepared, got approved from the GoI before allowing extractions as per the extant statutory provisions. The estimated stock of resources as available in the mining plans may be suitably adopted while preparing the Asset Accounts on riverine resources.*
- Receipt of Asset Accounts 2021-22 in Himachal Pradesh, J&K and Punjab and quarterly reports for 2022-23 in J&K and Punjab is appreciated. These may be continuously scrutinized/verified for their correctness and compilation.*
- For data collection and compilation of Asset Accounts for 2022-23, either of the methodologies introduced by Tamil Nadu (excel sheets) or Telangana (VLC screens) could be adopted/adapted.*
- The State Government Departments may be urged to first compile the Asset Accounts in the Directorate of Geology and Mining through the quarterly reports being generated from the DMOs and updated by the DGMs and parallel database may be prepared at the AsG Offices.*
- Dedicated NRA Cells to be set up in AsG offices (both Audit and A&E) and efforts would be made to earmark sanctioned strength. GASAB has already initiated steps towards this by initiating a request to the committee constituted by headquarters working on the sanctioned strength of each of the offices for listing NRA as one of the areas requiring manpower allocation.*

¹https://cag.gov.in/uploads/download_audit_report/2019/Chapter_4_Mineral_Receipts_of_Report_No_1_of_2019_Revenue_Sector_Government_of_Karnataka.pdf

- *As the State of Haryana has not yet completed the full set of Asset Accounts 2020-21, all efforts should be made to compile the Asset Accounts for 2021-22 as per the guidelines of GASAB and in collaboration with the State Government and if required, assistance of the Offices of the PAG/AG, Audit and A&E, Punjab may be sought.*
- *States may include manpower requirements for NRA works in their annual plans for 2023-24.*

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 by Shri Teg Singh, Accountant General (Audit), Punjab.

Sr. No	Name of the officer	Name of the office
1	Sh. Ram Mohan Johri, ADAI	Headquarters Office
2	Sh. Sudipta N. Biswas, Sr. AO	Headquarters Office
3	Ms. Krishana Chaki, AAO	Headquarters Office
4	Sh. Shailendra Vikram Singh, PAG	Pr. Accountant General (A&E) Haryana, Chandigarh
5	Sh. Ranjeet Singh, Sr. DAG	Pr. Accountant General (A&E) Haryana, Chandigarh
6	Sh. Hans Raj, Sr. AO	Pr. Accountant General (A&E) Haryana, Chandigarh
7	Ms. Veena Rani, Sr. AO	Pr. Accountant General (A&E) Haryana, Chandigarh
8	Sh. Sushil Kumar Vashist, Supervisor	Pr. Accountant General (A&E) Haryana, Chandigarh
9	Sh. Virender Kulharia, Sr. DAG	Pr. Accountant General (Audit) Haryana, Chandigarh
10	Sh. Jaswant Kumar, Sr. AO	Pr. Accountant General (Audit) Haryana, Chandigarh
11	Ms. Chanda Pandit, PAG	Pr. Accountant General (Audit) Himachal Pradesh, Shimla
12	Sh. Pratik Patil, DAG	Pr. Accountant General (Audit) Himachal Pradesh, Shimla
13	Sh. Manohar Grewal, Sr. AO	Pr. Accountant General (Audit) Himachal Pradesh, Shimla
14	Sh. Raj Kumar, AAO	Pr. Accountant General (Audit) Himachal Pradesh, Shimla
15	Sh. Sushil Kumar, PAG	Pr. Accountant General (A&E) Himachal Pradesh, Shimla

16	Sh. Abhishek Kumar, DAG	Pr. Accountant General (A&E) Himachal Pradesh, Shimla
17	Sh. Pawan Kumar, Sr. AO	Pr. Accountant General (A&E) Himachal Pradesh, Shimla
18	Sh. Shailesh Soni, AAO	Pr. Accountant General (A&E) Himachal Pradesh, Shimla
19	Sh. Prakash Chandra Singh Negi, Sr. DAG	Pr. Accountant General (Audit) Jammu & Kashmir
20	Sh. Sandesh Kumar Talwar, AAO	Pr. Accountant General (Audit) Jammu & Kashmir
21	Sh. Akash Bhushan, AAO	Pr. Accountant General (A&E) Punjab, Chandigarh
22	Sh. Teg Singh	Accountant General (A&E) Punjab, Chandigarh
23	Sh. Harshit Todi, DAG	Pr. Accountant General (Audit) Punjab, Chandigarh
24	Sh. Ankush Kumar, DAG	Pr. Accountant General (Audit) Punjab, Chandigarh
25	Sh. Lokesh Datal, DAG	Pr. Accountant General (Audit) Punjab, Chandigarh
26	Sh. Deepak Dhingra, Sr. AO	Pr. Accountant General (Audit) Punjab, Chandigarh
27	Sh. Narinder Khattar, Sr. AO	Pr. Accountant General (Audit) Punjab, Chandigarh
28	Sh. Ravinder Singh, Sr. DAG	Pr. Accountant General (A&E) Jammu & Kashmir
29	Sh. Ramesh Khunda, Sr. AO	Pr. Accountant General (A&E) Jammu & Kashmir
30	Sh. Ashok Kumar Kaul, Sr. AO	Pr. Accountant General (A&E) Jammu & Kashmir
31	Sh. Arvind Sinha, AAO	Pr. Accountant General (A&E) Jammu & Kashmir
32	Sh. N.K Jain	Chief Engineer (Mining Department, Punjab)
33	Sh. Navneet Kumar	SDE (Mining Department, Punjab)
34	Ms. Madhavi Gupta	Mining Engineer (Mining Department, Haryana)

