



**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 first regional seminar on Natural Resource Accounting of four States held at iCED, Jaipur on 10 – 11 January 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 first meeting was held in Jaipur on 10 – 11 January 2023 in which four States namely Gujarat, Rajasthan, Uttar Pradesh and Uttarakhand participated. The list of Officers attending the meeting is at Annexure – A.

At the outset, the Additional Deputy CAG (ADAI) & Director General, iCED, Jaipur while extending warm welcome to the ADAI, GASAB, Principal Accountants General/Accountants General, Group Officers and all participants congratulated GASAB for preparing and releasing the path-breaking document on Compendium of Asset Accounts. DG, iCED highlighted the importance of sustainability of resources, need for its continuous monitoring linking it with the efforts of iCED to continuously hold national and international trainings on the subject.

In his inaugural address, the ADAI GASAB underpinned the international commitment of the country towards the Sustainable Development Goals of which Natural Resource Accounting is an integral part. The ADAI, GASAB impressed upon 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. He also highlighted the need for building an electronic dashboard for real-time data compilation and consolidation for evidence based decision making. A pilot project has been successfully test run by GASAB and projected during the release of the Compendium on 20

October 2022, the Officer added. 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 gratitude to the ADAI & DG, iCED for hosting the seminar.

All four States made presentations on issues and challenges faced during preparation of Asset Accounts 2020-21, 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 Audit Offices also made separate presentations on 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.

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

- *All State AsG to co-ordinate with the respective State Governments 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 which will effectively aid in capturing the (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.*
- *The State Government Departments may be urged to build 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.*
- *The State of Uttarakhand has developed an SOP on quarterly reporting framework which will be shared through GASAB and attempted to be implemented mutatis mutandis in all the participating States.*
- *As some of the minerals are still out of the first Asset Accounts prepared for 2020-21, State Government Departments will be urged to plan their gradual inclusion in the Asset Accounts for the year 2021-22 onwards.*
- *Closer monitoring is needed on collection of district mineral foundation amounts and their usage especially in view of the GoI circular of July 2021 which barred the State Governments to use these funds without express approval of the GoI.*
- *A checklist showing the statutory requirements to be followed by the Mining Departments in each State to be prepared by GASAB and circulated so as to enable the AsG Offices to coordinate with the State Government in ensuring better monitoring and management of resources.*

- *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 Rules 45 (1-11) 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 as well as the IBM. During preparation of Asset Accounts for 2020-21, it was experienced that almost all the States were yet to implement the above amendments while a handful of States have only implement it partially. The supply and use aimed by the amendment had the potential of ensuring sustainable management of resources and optimization of resources from their exploitations. All AsG may continuously urge the State Government Departments to ensure its strict compliance in letter and spirit in the interest of effective mapping of supply and use of resources, optimization of revenues for the State exchequers and for better management and sustainability of resources.*

The meeting ended with vote of thanks by Ms Archana Gurjar, Accountant General (Audit) – II, Rajasthan.

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

Annexure – A
List of Participants in the Regional Seminar

S.No.	Name	Designation	Name of the Office
1.	Shri Ram Mohan Johri	ADAI, GASAB	O/o the C&AG, New Delhi
2.	Shri Ashutosh Joshi	PAG	O/o the PAG (A&E), Rajasthan, Jaipur
3.	Shri Ram Hit	PAG	O/o the PAG (A&E-I), Uttar Pradesh, Prayagraj
4.	Ms. Archana Gurjar	AG	O/O the AG (Audit-II), Rajasthan, Jaipur
5.	Shri Rajiv Kumar	AG	O/o the AG (A&E), Uttarakhand, Dehradun
6.	Shri P. S. Kanawat	Sr. DAG	O/o the PAG (A&E), Rajasthan, Jaipur
7.	Shri Jay Prakash	Sr. DAG	O/o the AG (Audit-II), Uttar Pradesh, Lucknow
8.	Shri Sanjeev Kumar Surana	Sr. DAG	O/o the AG (Audit-II), Rajasthan, Jaipur
9.	Shri Yogesh Agarwal	Sr. DAG	O/o the PAG (Audit), Uttarakhand, Dehradun
10.	Shri Aditya Pant	DAG	O/o the AG (Audit-II), Gujarat, Ahmedabad
11.	Shri Yashwant kumar	DAG	O/o the PAG (A&E-I), Uttar Pradesh, Prayagraj
12.	Shri Tushar Kain	DAG	O/o the AG (A&E), Uttarakhand, Dehradun
13.	Ms. V. M. Baliga	DAG	O/o the AG (A&E), Gujarat, Rajkot
14.	Shri Sudipta N Biswas	Sr. AO	O/o the C&AG, New Delhi
15.	Shri T.N.D. Dwivedi	Sr. AO	O/o the PAG (A&E-I), Uttar Pradesh, Prayagraj
16.	Shri Deepak Kapoor	Sr. AO	O/o the AG (Audit-II), Uttar Pradesh, Lucknow
17.	Shri D.D. Pandey	Sr. AO	O/o the AG (A&E), Uttarakhand, Dehradun
18.	Shri Phool Chand Kalyaniya	Sr. AO	O/o the AG (Audit-II), Rajasthan, Jaipur
19.	Ms. Annie Jeejo	Sr. AO	O/o the AG (A&E), Gujarat, Rajkot
20.	Shri P. B. Chougule	Sr. AO	O/o the AG (Audit-II), Gujarat, Ahmedabad
21.	Ms. Krishna Chaki	AAO	O/o the C&AG, New Delhi
22.	Shri Ram Charan Gupta	AAO	O/o the PAG (A&E), Rajasthan, Jaipur
23.	Shri Ashok Kumar	AAO	O/o the PAG (A&E), Rajasthan, Jaipur
24.	Shri Pawan Kumar	AAO	O/o the PAG (A&E), Rajasthan, Jaipur
25.	Shri Moti Lal Meena	AAO	O/o the AG (Audit-II), Rajasthan, Jaipur
26.	Shri Vikash Choudhary	AAO	O/o the AG (Audit-II), Rajasthan, Jaipur

27.	Shri Pawan Kumar Rai	AAO	O/o the PAG (A&E-I), Uttar Pradesh, Prayagraj
28.	Shri Shree Nath	AAO	O/o the AG (Audit-II), Uttar Pradesh, Lucknow
29.	Shri Kumar Abhay	AAO	O/o the AG (A&E), Uttarakhand, Dehradun
30.	Shri Kalwant Singh	AAO	O/o the PAG (Audit), Uttarakhand, Dehradun