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Authenticated

(Satish Chandra Dubey)
Minister of State for Coal and Mines, Govt. of India

(सतीश चंद्र दुबे)
(Satish Chandra Dubey)
कोयला एवं खान राज्यमंत्री
Minister of State for Coal and Mines
भारत सरकार
Government of India

53rd Annual Report of Bharat Gold Mines Limited for 2024-25 – Review by Government

1. BACKGROUND

The Bharat Gold Mines Limited (BGML) having registered office at Kolar Gold Fields (KGF), Karnataka was incorporated as a Public Sector Undertaking under Companies Act, 1956 under administrative control of the then Ministry of Steel & Mines, Department of Mines on 1st April, 1972 to acquire and take over the assets and liabilities and rights, mining leases, if any, etc. of the Kolar Gold Mining Undertakings owned and departmentally managed by the Government of India (GoI). It was engaged in mining for production of gold from captive mines at Kolar Gold Fields, Karnataka and on leased lands in Andhra Pradesh. Subsequently, the company diversified into Mine construction and equipping jobs for other PSUs and Private Mining Companies, manufacturing of mining and engineering equipments.

2. INVESTMENT

The authorized and paid-up capital of the company as on 31.03.2025 were Rs. 60 crores and Rs. 51.06 crore respectively. The entire share capital is in favour of The President of India. Government of India loans and interest liabilities of the company outstanding as on 31.03.2025 stood at Rs. 219.29 crore and interest accrued on Government loans amounts to Rs. 1848.89 crore respectively. The total liabilities of BGML as on 31.03.2025 was Rs. 2,210.61 crore, excluding paid-up-capital.

3. CLOSURE OF THE COMPANY

BGML had been incurring losses since its inception in 1972 and was declared "sick" in 1992 under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA 1985) and referred to the Board for Industrial and Financial Reconstruction (BIFR). The BIFR after long deliberations opined on 12th June, 2000 for winding up of the company under section 20(1) of SICA, 1985 in public interest. The verdict of BIFR was upheld by Appellate Authority for Industrial and Financial Reconstruction (AAIFR) in November 2000. The BIFR forwarded its opinion to the Registrar General, Karnataka High Court on 30.06.2000

for necessary action and the same was registered as C.P. No. 180/2000.

i. Meanwhile, the Ministry of Labour, GoI granted permission under Sec. 25(O) of the Industrial Disputes Act, 1947 for closure of the company w.e.f. 01.03.2001. The operations of BGML were closed with effect from 01.03.2001.

ii. The Hon'ble Division Bench of High Court of Karnataka, while disposing various Writ Petitions filed by the Employees' Unions and others, by its order dated 26.09.2003 upheld the opinion of the BIFR and permission granted by the Ministry of Labour, GOI and recommended certain relief measures to the employees.

iii. The Union Cabinet in July 2006 has approved – (i) a Special Terminal Benefit Package (STBP) proposal for ex-employees of BGML who were on the roll at the time of closure of the company, (ii) sale of houses/quarters at the concessional rates as recommended by the High Court and (iii) calling of Global Tender for sale of assets of BGML.

iv. The BGML had total four mining leases. The mining lease of BGML at KGF, Karnataka expired in August, 2023, whereas Govt. of Andhra Pradesh has terminated all three mining leases of BGML during 2005-07.

v. M/o Mines constituted a Monitoring Committee on 18.04.2019 to suggest a way forward for BGML. Task of the Committee was to get legal review, asset valuation and hiring of Technical Consultant for doing Techno-Economical Feasibility Report (TEFR).

vi. The issue of BGML was discussed at higher level on 28.08.2020 and it was decided that before taking any decision for BGML, Mineral Exploration Corporation Limited (MECL) will do first exploration of the entire unexplored area of BGML. Accordingly, the task of exploration was assigned to MECL. The MECL submitted its geological report in March, 2021.

vii. Meanwhile, M/o Mines, under Science & Technology Scheme of the Ministry, has awarded a Research Project to Non Ferrous Materials Technology Development Centre (NFTDC) for extraction of Gold from tailing dumps. NFTDC submitted Techno-Economical Feasibility Report (TEFR) in January, 2021.

viii. The Monitoring Committee hired a Management Consultant in February, 2021 to do legal status review, valuation of assets, financial diligence based on the TEFR, examination of various options including Special Purpose Vehicle (SPV) route, auction of dumps and to recommend a way forward and action plan. TEFR of NFTDC and Geological report submitted by MECL were given to the Management Consultant hired for suggesting a way forward w.r.t. BGML. Management Consultant submitted its report in July, 2021 to the Monitoring Committee. On the basis of Management Consultant's report, the Monitoring Committee has also submitted its recommendations to the Ministry. The Monitoring Committee has suggested for monetization of the assets of BGML.

ix. Ministry is taking necessary steps for monetization of tailing dumps of BGML. The Central Government (M/o Mines) after consultation with the Govt. of Karnataka vide gazette notification dated 31.07.2024 (under Section 17 of the MMDR Act) has reserved 1003.4 acres of land (as coordinated in the

notification) in favour of Central Government to undertake mining operations. Central Government is actively considering monetization of tailing dumps by appointing a Mine Developer and Operator (MDO) on global tender basis.

x. SBICAPS has been appointed as Transaction Advisor on 13.08.2024 and the EIL was engaged on 06.11.2024 to prepare Techno-Economic Feasibility Report in respect of tailing dumps of BGML. EIL has submitted its report on 03.10.2025.

xi. Presently, Ministry is processing for appointing a CPSE as Project Manager for monetization of tailing dumps of BGML through an MDO (on global tender basis).

4. MANPOWER

All the 3580 employees who were on the roll of the company as on 28.02.2001 were terminated from service w.e.f. 01.03.2001 and their terminal benefits have been settled. To look after the day-to-day administration and technical affairs of the Company, four officers are deployed at BGML. Three are from Geological Survey of India (GSI) and one from Central Reserve Police Force (CRPF). These officers look after the work of the Company i.e. administration, financial matters and security & estate matters. The security services have been outsourced (220 Persons, which includes 24 Security Supervisors and 196 Security Guards). The Chief Security Officer cum Estate Officer monitors the functions of the security agency and estate matters.

These officers are being assisted by the 7 clerical staff and 2 house-keeping staff engaged through outsourcing.

5. CONSTITUTION OF THE BOARD

The affairs of the company are being managed by the Board of Directors who are appointed by the Government of India as follows:

i. Shri Vivek Kumar Bajpai, Joint Secretary, Ministry of Mines, GoI is holding additional charge of the post of Managing Director, BGML.

ii. Shri Sukhdeep Singh, Director, Ministry of Mines, GoI is holding additional charge of the post of Director (Finance), BGML.

iii. Shri Vivek Kumar Sharma, Director, Ministry of Mines, GoI appointed as part time Official Director.

iv. Smt. Geetika Sharma, Deputy Secretary, Ministry of Mines, GoI appointed as part time Official Director.

v. Smt. Sushma Batra, Deputy Secretary, Ministry of Mines, GoI appointed as part time Official Director.

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