Papers to be laid on the Table of Lok Sabha / Rajya Sabha.

New Delhi, Dated

Authenticated

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51st Annual Report of Bharat Gold Mines Limited for 2022-23 – Review by Government.

1.0 BACK GROUND

The Bharat Gold Mines Limited (BGML) having registered office at Kolar Gold Fields, Karnataka was incorporated as a Private Limited Company under Companies Act, 1956 under the then administrative 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. 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 in to Mine construction and equipping jobs for other PSUs and Private Mining Companies, manufacturing of mining and engineering equipment.

2.0 INVESTMENT:

The authorized capital and paid up capital of the company as on 31.03.2023 were Rs. 60 crore and Rs. 51.06 crore respectively. The entire share capital is in favour of President of India. Government of India loans and interest liabilities of the company outstanding as on 31.03.2023 stood at Rs. 219.29 crore and interest accrued on Government loans amounts to Rs. 1706.21 crore. The Net Worth of the Company as on 31.03.2023 is negative at Rs. (-) 2095.07 crore.

3.0 CLOSURE OF THE COMPANY:

3.1 BGML had been incurring losses since its inception and the net worth became negative in the year 1992 and declared "sick" 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 considering that no viable revival package was

presented with means of finance fully tied up for consideration of the Board. 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.

3.2 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 stood closed with effect from 01.03.2001.

3.3 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.

3.4 The Union Cabinet has approved in July 2006 – (i) a Special Terminal Benefit Package (STBP) proposal for ex-employees of BGML who were on the rolls 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.

3.5 The mining lease of BGML at Kolar Gold Field has expired whereas Govt. of Andhra Pradesh has determined/terminated all three mining leases and auctioned it in the new auction regime.

3.6 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**).

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

3.8 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.

3.9 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, Monitoring Committee has also submitted its recommendations to the Ministry which is under consideration.

4. CONSTITUTION OF THE BOARD:

4.1 The affairs of the company are being managed by the Board of Directors who are nominated by the GOI on additional charge as follows:

1. Smt. Farida M Naik, Joint Secretary, Ministry of Mines, GOI is holding additional charge of the post of Managing Director in BGML.

2. Dr. Veena Kumari D, Joint Secretary, Ministry of Mines, GOI as Government Nominee Director on the Board.

3. Shri A. R. Sengupta, Director, Ministry of Mines, GoI is holding additional charge of Director (Finance), BGML.

5.0 MAN- POWER:

All the 3580 employees who were on the rolls of the company as on 28.02.2001 had been 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, two senior officers, one retired officer from Indian Bureau of Mines (IBM) as Officer on Special Duty and one Director level officer from Geological Survey of India (GSI) are working at BGML. One Manager (Finance) from GSI is also working in BGML. The security services have been outsourced (185 Persons). One Chief Security Officer cum Estate Officer is on deputation basis from Central Reserve Police Force to monitor 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.

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