

BY E-mail/FAX/SPEED POST
F.No. 110/9/2015/NA (Part II)
Government of India
Ministry of Coal
Office of Nominated Authority

131, Ground Floor, World Trade Centre, Babar Road
New Delhi, Dated: the 1st August' 2017

To,
The Pay & Accounts Officer,
PAO, Ministry of Coal,
Trikoort II, Bhikaji Camma Place,
R.K. Puram,
New Delhi-110066.

Subject: Transfer of compensation towards cost for Land and Mine Infrastructure in respect of **Nerad Malegaon** coal mine to the Commissioner of Payment for further disbursal to the prior allottee i.e. **M/s. Wani Coalfields Private Limited.**

Sir/Madam,

I am to convey the sanction of the President to the transfer of a sum of **Rs. 2,35,62,199/-** (Rupees Two Crore Thirty Five Lakh Sixty Two Thousand One Hundred and Ninety Nine only) to the Coal Controller's Organisation for disbursement to **M/s. Wani Coalfields Private Limited**, the prior allottee of **Nerad Malegaon coal mine** (in terms of clarification issued vide letter no. 110/9/2015/NA (Part) dated 28.04.2017, copy enclosed) under the provisions of the Coal Mines (Special Provisions) Act, 2015 by the Coal Controller in his capacity as 'Commissioner of Payments' towards compensation for Land and Mine Infrastructure.

2. It is mentioned that the amount of compensation for Land and Mine Infrastructure for

Nerad Malegaon coal mine has been calculated as Rs. 11,68,50,588/- and "NIL" respectively out of which amount of Rs. 11,15,78,278/- had been deposited by the Successful Bidder, M/s. Indrajeet Power Private Limited (IPPL) with Nominated Authority and amount of Rs. 52,72,310.86/- on account of incremental interest towards compensation for land is yet to be received from M/s. IPPL.

3. Further, it is mentioned that in accordance with the Coal Mines (Special Provisions) Act, 2015 ("Act") and the Coal Mines (Special Provisions) Rules, 2014 ("Rules"), the Nominated Authority had issued notices dated March 12, 2015, April 22, 2015, September 17, 2015, December 15, 2015 and June 02/03, 2016 inviting claims from Secured Creditors/Government Authorities in respect of Schedule I coal mines.

4. In pursuance to the aforesaid notices, claim of Rs. 2,35,62,199/- had been lodged by the Directorate of Geology and Mining, Government of Maharashtra against the **Nerad Malegaon** coal mine.

5. The Directorate of Geology and Mining, Government of Maharashtra vide this office's letter dated 31.08.2016, was requested to confirm that the amount claimed has become due and payable within 12 months immediately before the relevant date (i.e. April 1, 2015 in case of Schedule II coal mines and September 24, 2014 for remaining Schedule I coal mines) as per Rule 15 (b) of the Coal Mines (Special

Provisions)Rules, 2014. It was also requested that, if the same is not, a revised claim for the amount which had become due and payable within 12 months immediately before the relevant date accompanied with an affidavit in the prescribed format may be submitted by 05.09.2016.

6. It was noticed from the letter dated 03.09.2016 submitted by DGM, Maharashtra in pursuance to aforesaid letter that they have submitted the claim of Rs. 2,35,62,199/- as per 2009-10 rates towards exploration cost for Nerad-Malegaon coal mine. It has been stated that the prior allottee has not paid exploration cost as mining lease was not granted to company.

7. Accordingly, it was decided to withhold the said amount till further order and disburse the remaining amount & hold a hearing of Prior Allottee, Claimant as well as Successful Bidder in order to establish the aforesaid claim of Rs. 2,35,62,199/-. Accordingly, the remaining amount after withholding the amount of Rs. 2,35,62,199/- from the amount deposited by the Successful Bidder (Rs. 11,15,78,278/-) i.e. Rs. 8,80,16,079/- was disbursed to the Prior Allottee through Commissioner of Payment vide Sanction Order of even no. dated 28.03.2017. The amount of Rs. 52,72,310.86/- is yet to be received from Successful Bidder on account of incremental interest for compensation for land.

8. In order to examine the matter, the Successful Bidder, the Claimant and the prior allottee of the said coal mine were called for a hearing on 11.07.2017 at the office of the Nominated Authority. The representatives of M/s. Indrajit Power Pvt. Ltd. (Successful Bidder), DGM, Maharashtra (Claimant) and M/s. Wani Coalfields Limited (Prior Allottee) were present at the hearing.

9. The submissions made by the representatives were heard by the Nominated Authority. It was observed that the cost of GR was not paid by prior allottee to DGM Maharashtra as the same was payable after execution of Mining Lease for the said coal mine which could not be completed. The cost of GR has been calculated by DGM Maharashtra as per 2009-10 rates. As per Rule 15 (b) of the Coal Mines (Special Provisions) Rules' 2014 revenues, taxes, cess, additional levy and rates due from the prior allottee to the Central Government or a State Government or to a local authority at the relevant date, and having become due and payable within the twelve months immediately before that date, with respect to the relevant Schedule I coal mine are only to be settled from the compensation prior to the disbursement of the same to the prior allottee.

10. Also, as per Clause 3.3.2 (g) (ii) of the Tender Document cost of preparation of Geological Report is part of fixed amount and is to be deposited by the Successful Bidder. The cost of Geological Report has

not been paid by the Successful Bidder as the same was not intimated to them. It may be mentioned that the claim by DGM, Maharashtra was made post the auction for the mine.

11. It has been submitted by the Successful Bidder in the hearing that they will make payment of the cost of GR to Nominated Authority after receipt of original GR with all annexures & plates, however a relaxation in the date of payment till the time of obtaining Mine Opening Permission was sought by the Successful Bidder which was agreed to by the representative of the Claimant, i.e. DGM, Maharashtra.

12. After hearing the submissions made by the representatives of Prior Allottee, Claimant and the Successful Bidder, Order dated 19.07.2017 (copy enclosed) has been passed in the matter. As per the said order, the DGM, Maharashtra will provide the original GR with all annexures & plates to the Successful Bidder, i.e. M/s. Indrajit Power Pvt. Ltd. and the Successful Bidder shall make payment of cost of GR i.e. Rs. 2,35,62,199/- to the Nominated Authority as per Clause 3.1 (d) of the Coal Mine Development and Production Agreement prior to grant of Mine Opening Permission which will be subsequently transferred to DGM, Maharashtra.

13. As regard incremental interest of Rs. 52,72,310.86/- for compensation for land , it was decided that the Successful Bidder shall make payment of the same immediately to the Nominated

Authority.

14. Further, with respect to the amount of **Rs. 2,35,62,199/-** withheld from the compensation for land and mine infrastructure payable to the Prior Allottee, it was decided that the same may be released to the Prior Allottee at the earliest.

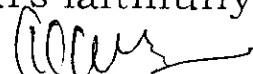
15. In view of the above, amount of **Rs. 2,35,62,199/-** (Rupees Two Crore Thirty Five Lakh Sixty Two Thousand One Hundred and Ninety Nine only) may be transferred through RTGS to the account of Coal Controller, Coal Controller's Organisation who has been appointed as 'Commissioner of Payments' under the provisions of Section 15 (1) of the Coal Mines (Special Provisions) Act, 2015 for the purpose of the said Act vide Ministry of Coal's Order No. 22/2/2014-ASO dated 15th July, 2015.

16. The expenditure on this account is debitable to the Head **8443.00.117.03.04.00**.

17. This issues with the approval of Integrated Finance Division, Ministry of Coal vide Note dated 18.10.2016.

Encl: as above.

Yours faithfully,


(**N.K. Singh**)

Deputy Secretary to the Government of India

Copy to:

1. **The Coal Controller in the capacity as Commissioner of Payments**, Coal Controller Organisation, No. 1 Council House Street, Kolkata-700001 - for further disbursement to the prior allottee under the provisions of the Coal Mines (Special Provisions) Act, 2015 within **ten days** of the transfer of above amount from PAO. It may be ensured that payment is made to the prior allottee as per the said Act. The prior allottees may be intimated of the sanction & requested to submit the required document(s) for receiving the amount. The claimant shall need to submit an NOC (**Annexure-I**) from the other allottees/partners. Further, an affidavit in the prescribed format (**Annexure-II**) may also be obtained from the claimant prior to disbursal.
2. DGM, State Government of Maharashtra.
3. US (IFD), Ministry of Coal.
4. US (CBA-II), Ministry of Coal.
5. DDO, Nominated Authority.
6. M/s. Wani Coalfields Private Limited
7. M/s. Gupta Metallics & Power Ltd.
8. M/s. Gupta Coalfields & Washeries Ltd.
9. M/s. Indrajit Power Pvt. Ltd.
10. TD, NIC: for uploading on the Website of Ministry of Coal.

(To be stamped in accordance with the relevant Stamp Act and duly sworn before Notary Public)

**NO OBJECTION CERTIFICATE BY THE ASSOCIATE PRIOR ALLOTTEE
FOR DISBURSAL OF THE AMOUNT TOWARDS COMPENSATION FOR
LAND AND MINE INFRASTRUCTURE FOR THE COAL MINE UNDER THE
PROVISIONS OF THE COAL MINES (SPECIAL PROVISIONS) ACT, 2015
TO LEADER PRIOR ALLOTTEE/JOINT VENTURE COMPANY**

I, _____ aged _____ years, resident of _____ working as _____ an authorized signatory on behalf of _____ (name of the 'Associate Prior Allottee') hereby states as under:

1. That I am the Authorised Signatory of the Associate Prior Allottee. I am conversant with facts and circumstances surrounding the subject of this No Objection Certificate and have been authorized to confirm the same.
2. That M/s. _____ (name of the 'Leader Prior Allottee') and M/s. _____ (name of the 'Associate Prior Allottee (s)') are the joint Prior Allottees of the _____ (the "Coal Mine") in terms of the Coal Mines (Special Provisions) Act, 2015 (the "Act")/successor-in-interest of the Prior Allottees of the Coal Mine.
3. That M/s. _____ (name of the 'Joint Venture Partners') are joint venture partners of M/s. _____ (name of the 'Joint Venture Company') in favour of which Mining Lease had been executed for the _____ (the "Coal Mine"). As such M/s. _____ (name of the 'Joint Venture Company') is the Prior Allottee in terms of the Coal Mines (Special Provisions) Act, 2015 (the "Act")/successor-in-interest of the Prior Allottees of the said Coal Mine. [Applicable in cases where Mining Lease had been executed in favour of third party. Delete the clause whichever is not applicable].
4. As per the terms and condition of letter of allocation dated _____ the Leader Prior Allottee/Joint Venture Company was mandated to make all the investment and undertake all mining operations to develop and extract coal from the Coal Mine. As such the Leader Prior Allottee/Joint Venture Company is entitled to receive compensation for Land and Mine Infrastructure in relation to the Coal Mine.
5. That M/s. _____ (name of the 'Associate Prior Allottee'/Joint Venture Partners) has no objection in disbursement of the amount towards compensation for Land and Mine Infrastructure in relation to the Coal Mine to Leader Prior Allottee/Joint Venture Company.

6. That nothing has been concealed in the information submitted as mentioned above.

Solemnly affirmed and verified on this _____day of (month) 2017 at (place).

(Signature)
Deponent-Authorised Signatory
(Name, Designation & Seal)

VERIFICATION

I, _____aged _____years, resident of _____ working as _____an authorized signatory on behalf of _____(name of Associate Prior Allottee) do hereby solemnly declare that what is stated in paragraphs 1 to 5 above is on the basis of the books and records of the Prior Allottee, and verify that the contents of the above affidavit are true and correct, no part of it is false and nothing material has been concealed therefrom.

Verified at _____day of (month) 2017 at (place).

(Signature)
Deponent-Authorised Signatory
(Name, Designation & Seal)

(To be stamped in accordance with the relevant Stamp Act and duly sworn before Notary Public)

**UNDERTAKING FOR RECEIVING THE AMOUNT
TOWARDS COMPENSATION FOR LAND AND MINE INFRASTRUCTURE
FOR THE COAL MINE UNDER THE PROVISIONS OF THE COAL MINES
(SPECIAL PROVISIONS) ACT, 2015 TO LEADER PRIOR
ALLOTTEE/JOINT VENTURE COMPANY**

I.....aged..... years, resident of..... working as an authorized signatory on behalf of(name of Prior Allottee) hereby states as under:

1. That I am the Authorised Signatory of the Prior Allottee. I am conversant with facts and circumstances surrounding the subject of this Undertaking and have been authorized to undertake the same.
2. That M/s. is/are the Prior Allottee (s) of the.....(the "Coal Mine") in terms of the Coal Mines (Special Provisions) Act, 2015 (the "Act")/successor-in-interest of the Prior Allottee of the Coal Mine. The Mining Lease has been executed in favour of M/ s. As such the Prior Allottee is entitled to receive compensation for Land and Mine Infrastructure under the provisions the said Act.
3. That the Mining Lease for the Coal Mine has been executed in favour of M/ s.and therefore by virtue of the provisions of the Coal Mines (Special Provisions) Act, 2015 (the "Act"), M/s.is/are deemed to be the Prior Allottee (s) of the (the "Coal Mine")/successor-in-interest of the Prior Allottee of the Coal Mine. As such the Prior Allottee is entitled to receive compensation on account of for Land and Mine Infrastructure under the provisions the said Act[Applicable where Mining Lease has been executed in favour of third party. Delete the clause whichever is not applicable
4. That M/s.has been authorised by the other Joint Prior Allottee (s)/Joint Venture Partners to receive the claim on its/their behalf. A "No Objection Certificate" in the prescribed format from the Joint Prior Allottee (s)/Joint Venture Partners in this regard is enclosed herewith for record.
5. That the Prior Allottee (s) has incurred the cost on Land and Mine Infrastructure for Coal Mine and is entitled to get compensation of the same. The details of account for this purpose is as under:

Name of the Account holder company (must be in the name of prior allottee)
Name of the Bank/Branch
Account No.
MICR
IFSC

6. That the Prior Allottee (s) indemnifies the Nominated Authority /or the Central Government against any liability, cost, damages or losses in relation to this disbursement.

7. That the Prior Allottee (s) also undertakes that it is liable to return the amount disbursed to it, in case the above cost (part or in full) is claimed and established by any other party.

8. That nothing has been concealed in the information submitted as mentioned above.

Solemnly affirmed and verified on this day of (month) 2017 at (place).

(Signature)

Deponent-Authorised Signatory
(Name, Designation & Seal)

VERIFICATION

I.....aged.....years,
resident of.....working as an authorized signatory on behalf of
..... (name of Prior Allottee) do hereby solemnly declare that what is
stated in paragraphs 1 to 8 above is on the basis of the books and records of
the Prior Allottee, and verify that the contents of the above affidavit are true
and correct, no part of it is false and nothing material has been concealed
therefrom.

Verified at day of (month) 2017 at (place).

(Signature)

Deponent-Authorised Signatory
(Name, Designation & Seal)