

Minutes of the 7th meeting of the Scrutiny Committee held on 25.06.2018 at Shastri Bhawan, New Delhi

The Chairman of the Committee welcomed the participants and the Successful Bidders/Allottee were asked to present their cases and submissions against the Show Cause Notices issued to them mine-wise. The mine-wise deliberation and recommendation thereon are as under:-

1. Parbatpur Central - Allottee- M/s SAIL

Allotment Date- 23rd March, 2016.

Deviation from the Efficiency Parameters	Reply of Allottee to Show Cause Notice	Observation of the Committee
1. Transfer of all the Statutory permissions.	<p>1. The said coal block was allocated to SAIL for an area of 880 Hectares and SAIL was entitled to have a mining lease over the entire block of 880 Hectares. In terms of the allocation the approved mining plan was also transferred to SAIL and SAIL was entitled to develop the mine in terms of the same. The prior allottee had already started development of the mine and had made developments in both parts of the lease i.e., eastern and western.</p> <p>2. However, pursuant to the allocation order when SAIL took steps for execution of the mining lease complications arose on account of Petroleum Mining Lease having been granted to the consortium of CIL and M/s. ONGC Ltd on 30.07.2015 over total area of 6760 Hectares out of which 797 Hectares directly overlapped with Parbatpur Central coal block of 880 Hectares. CIL-ONGC started developing the mine for the purpose of extraction of CBM and has already inserted steel castings for the purpose of extraction of CBM in parts of the lease area.</p> <p>3. Therefore, when SAIL requesting the State of Jharkhand to execute the lease deed for mining coal, due to the aforesaid fact situation of having given lease to CIL-ONGC, the State vide letter dated 4.1.2017 raised a query to the Ministry of Coal as to whether mining lease for coal can be granted over the very same area over which Petroleum Mining Lease already stands executed in favour of consortium of ONGC-CIL. The said letter dated 04.01.2017 issued by the Secretary Department of Mines and Geology Jharkhand was not answered by the Ministry of Coal ever after the period over one year.</p>	<p>The Allottee informed that the applications for all the Statutory Clearances was submitted timely by them.</p> <p>On the issue of delay in grant of Mining Lease, the representative from Government of Jharkhand stated that the application submitted by M/s SAIL was not having all the required documents/information . Also, Previous approval of Central Government for grant of ML has been granted on 12.01.2018. However, the query raised by Government of Jharkhand on the issue of simultaneous grant of lease for coal mad CBM has not been addressed by MoC. As such, ML could not be granted. It was decided that Government</p>
2. Ratification of Deviations/Approval of Revised Mining Plan including Mine Closure Plan.		
3. Opening of Escrow Account		
4. Schedule of Production/Reaching Peak Rated Capacity		

	<p>MoC has issued Prior Approval for ML on 12.01.2018. However, the queries raised by the Jharkhand State Govt. vide letter dt. 04.01.2017 have not been addressed. The issuance of the prior approval at this late stage, without which the lease could not be executed, is purely attributable to the Ministry of Coal and therefore, in any event there can be no allegations of SAIL having not met the efficiency parameters. Moreover, the conditions that are now being sought to be imposed while granting the prior approval amount to unilaterally changing the terms of the grant of lease. Firstly the grant of the lease has been made subject to a co-development agreement being executed between ONGC and SAIL. However, there can be no co-development of the mine. Therefore, in effect there can be no grant of lease at all to SAIL, in the absence of which the grant of block is rendered futile and unenforceable and SAIL is entitled to receive back to the amounts it has paid to the Government towards the said.</p> <p>5. Director General of Mines Safety in the minutes of meeting dated 18.1.2017 has already expressed his view that the said mine cannot be simultaneously operated for the extraction of CBM and coal. Even otherwise due to various factors there cannot be any co-development of the mine and any such endeavor, would be at a massive risk to the life of miners/workers and as such would be impermissible in law.</p> <p>6. Further as you aware that no mining operations could have been taken by SAIL in the absence of a mining lease and therefore, no delay can be attributed to SAIL with regard to the alleged non-compliance of efficiency parameters. More importantly the contract stands frustrated and is impossible to perform due to the grant of a Petroleum Mining Lease over 90% of the coal block area.</p>	<p>of Jharkhand will send a chronology along-with supporting documents of various correspondences of GoJ with M/s SAIL with regard to grant of ML. (GoJ has been requested by O/o NA to furnish the same)</p> <p>Here it is pertinent to mention that as per the Allotment Agreement, the timeline for transfer of statutory clearance is 3 months. As such, it is not a case of transfer of clearance. In absence of previous approval, ML could not be granted and rectification of deviation of parameters including approval of revised mining plan and mine closure plan could have been proceeded concurrently.</p> <p>Other clearances are not linked with grant of previous approval. Now, it has been decided by them to surrender the coal mine.</p>
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Recommendation:

The committee observed that there was delay in obtaining mining lease which further led to delay in grant/transfer of other clearances. Government of Jharkhand observed that ML has not been granted till date due to pending information/documents from M/s SAIL and late grant of previous approval of the Central Government for ML (Granted on 12.01.2018). It was decided that upon receipt of information with regard to correspondences of GoJ with Allottee , a suitable decision may be taken.

2. Sitanala - Allottee- M/s SAIL

Allotment Date- 31st August, 2015.

Deviation from the Efficiency Parameters	Reply of Allottee to Show Cause Notice	Weightage assigned for appropriation (In %)	Observation of the Committee
<p>1. Delay in Previous Approval Application(Due Date- 31.08.2016)</p>	<p>1. As per Schedule 'E' (Efficiency Parameter), the due date for submission of application was 30.11.2015 against which SAIL had submitted the application for grant of Mining Lease on 08.09.2015 to the DMO, Bokaro.</p> <p>2. District Mining Officer (DMO), Bokaro vide letter dated 19.11.2015 desired Geo-referenced Cadastral Plan which was prepared by ISM, Dhanbad and submitted to DMO, Bokaro on 18.01.2016 and lease application was forwarded by District Collector (DC), Bokaro to Director (Mines), Ranchi on 23.02.2016.</p> <p>3. Further, Director (Mines), GoJ vide letter dated 08.04.2016 advised SAIL to obtain recommendation of DC, Dhanbad also for the riverbed area falling in Dhanbad district. Also, DMO, Bokaro vide letter dated 28.04.2016 advised SAIL to submit separate application to DMO, Dhanbad to obtain recommendation of DC, Dhanbad wrt lease area falling in Dhanbad district. Accordingly, SAIL submitted application to DMO, Dhanbad on 29.04.2016 for recommendation of the said area of the coal block. Recommendation of DC, Dhanbad for</p>	<p>6</p>	<p>Application for ML was submitted timely by Allottee i.e. on 08.09.2015. Government State Government of Jharkhand (GoJ) forwarded their recommendation to the Ministry of Coal (MoC) vide letter dated 09.09.2016.</p> <p>The representative from Government of Jharkhand stated that the application submitted by M/s SAIL was not having all the required documents/information. As such, previous approval application could not be sent by GoJ to MoC on time. It was</p>

	<p>exclusion of Riverbed are from proposed area of Mining Lease was forwarded to Director (Mines), Ranchi on 25.07.2016.</p> <p>4. Recommendation of DMO, Bokaro for 255 ha of area of Sitanala block falling under Bokaro district was submitted to Director (Mines), Ranchi on 22.08.2016 and the Draft Model Lease Deed (in Form-K under Rule 31 of Mineral Concession Rules, 1960) for Sitanala was submitted on 29.08.2016.</p> <p>5. After processing the said application for Previous Approval of Central Government State Government of Jharkhand (GoJ) forwarded their recommendation to the Ministry of Coal (MoC) vide letter dated 09.09.2016.</p>		<p>decided that Government of Jharkhand will send a chronology along-with supporting documents of various correspondences of GoJ with M/s SAIL with regard to grant of ML. (GoJ has been requested by O/o NA to furnish the same)</p>
<p>2.. Grant of Previous Approval not done(Due Date- 31.09.2016)</p>	<p>1. The application for grant of previous approval was forwarded to MoC by State Government on 09.09.2016. In the meantime, during DGPS survey conducted by Indian School of Mines (ISM) Dhanbad to prepare Geo-reference Cadastral map of the block, some differences were observed in the block coordinate value derived by DGPS survey and those provided in the allotment order.</p> <p>2. Corrigendum no. 1 to the Allotment Order was issued on 25.11.2016 modifying the co-ordinates of Sitanala coal mine. MoC vide the Corrigendum intimated that 41 hectares area of the block overlaps with Jharia CBM block which affects 10% of the reserve and SAIL was advised to either get the Mining Plan revised excluding the overlap area or to enter into a Co-development Agreement with ONGC for the overlap area.</p> <p>3. Meanwhile, MoC vide its letter dated 27.10.2016 had desired from GoJ to submit leased deed (Form-K). Subsequently, in response to above mentioned letter of MoC, Mine Commissioner, Ranchi vide letter dated 08.12.2016 asked DC, Bokaro to obtain Cadastral Map, Land Schedule, CMPDI approved boundary plan, approved Mining Plan, Environmental Clearance letter and NOC from DFO, Bokaro, along with Leased Deed (Form-K) from SAIL. After receiving the above</p>	<p>5</p>	<p>1. The application for grant of previous approval was forwarded to MoC by State Government on 09.09.2016 i.e. after delay of almost 11 months for reasons explained above.</p> <p>2. Subsequently MoC vide its letter dated 27.10.2016 had desired from GoJ to submit leased deed (Form-K).</p> <p>3. Meanwhile, Corrigendum to the Allotment Order was issued on 25.11.2016 modifying the co-ordinates of Sitanala coal mine which necessities revision of Mining Plan to exclude the overlap area of CBM with coal or to enter into a Co-development</p>

	<p>letter through DMO, Bokaro, SAIL submitted all the documents to DMO, Bokaro on 26.12.2016 and desired Certified Cadastral map by CO, Chandankiyari was submitted on 24.01.2017. The recommendation of DC, Bokaro with all the desired documents was submitted to Mines Commissioner, Ranchi vide letter dated 01.02.2017.</p> <p>4. Again Director (Mines), Ranchi, vide letter dated 13.02.2017 desired to incorporate CMPDA in draft lease deed and to mention coordinates along the boundary between Dhanbad and Bokaro district falling within block along with other information. Subsequent to discussion with State Govt. officials on 17.03.2017 for guidance ,the desired documents have been submitted to DMO, Bokaro on 29.03.2017 and recommendation of DC, Bokaro for grant of Mining Lease for 214 Ha only excluding the area falling in Dhanbad district under Damodar River bed and the area overlapping with CBM Block of ONGC has been sent to Director (Mines), GoJ on 01.04.2017.</p> <p>5. On perusal of the aforesaid facts, you may appreciate that out of total 321 ha Coal block area, State Government forwarded the recommendation for 214 ha for grant of Mining Lease excluding 66 ha on account of Damodar River area and 41 ha overlapping with CBM Block of ONGC. This necessitated a revision boundary plan/mouza plan quite a number of times for which the requisite documents were to be provided by the State Government. As seen from above facts, the delay/non-adherence to the Milestones schedule is not at all attributable to SAIL as it has taken all measure to comply with the Milestone as per stipulated time lines.</p>		<p>Agreement with ONGC for the overlap area.</p> <p>4. Previous Approval granted on 12.01.2018.</p>
<p>3. Grant of ML or Notification under Sec 11 of the CBA Act, 1957 not done (Due Date- 31.08.2017)</p>	<p>1. As per Schedule E of the Efficiency Parameter, due date for submission of application was 30.11.2015 against which SAIL had submitted the application for grant of Mining Lease on 08.09.2015 to the DMO, Bokaro. After processing the said application for Previous Approval of Central Government State Government of Jharkhand (GoJ) forwarded their recommendation to the Ministry of Coal (MoC)</p>	<p>5</p>	<p>Application for ML was submitted timely by Allottee. As explained in foregoing , Grant of ML got delayed due to delay in grant of Previous Approval of Central Government for ML. In</p>

vide letter dated 09.09.2016. Previous Approval granted on 12.01.2018. The reasons for the delay in application for previous approval and its grant are as explained above.

2. In this regard, as evident from the fact stated above, the Steel Authority of India Limited had applied for the lease within the requisite time and also undertook all steps expeditiously. It was the State Government that initially took seven months to even consider the application, and recommendation was sent only after one full year on 09.09.2016 that too for a reduced area. Thereafter the State once again changed its recommendation on 05.05.2017 and further reduced area by 41 hectares. Accordingly, no fault can be found with the steps taken by SAIL and for the said reason the Performance Guarantee cannot be invoked.

3. The grant of mining lease could not have preceded the grant of prior approval which took place only on 12th January 2018 by Ministry of Coal, GoI without due regard to the recommendation of the Jharkhand State Government. Therefore, if there was no delay which could be attributable to SAIL for the grant of the prior approval, the same reasons hold good for the present show cause notice as well.

Request for return of coal mine by M/s SAIL *The total area allocated to SAIL in this Block (321 Ha) gets reduced by about one third (33%) due to a part being under the Damodar river bed (66 Ha) and another part (41 Ha) having an overlap with the CBM Block of ONGC. Due to this reduction in area available for mining the extractable reserves are likely to be reduced from 20 million tonnes to 12 million tonnes approx. Further, due to old abandoned waterlogged workings along the seams, out crop region and difficult geo-mining conditions, the planned capacity of the Sitanala coking coal block is kept at 0.3 MTPA, phased to reach the rated capacity over a period of 10 years. Keeping*

the meantime, the Alottee decided to surrender the coal mine.

	<p><i>in the view above issues related to Sitanala block, M/s MECON Ltd. has been engaged for undertaking techno-commercial viability study for operationalisation of the mine.</i></p> <p><i>MECON had submitted its report in which it has specifically stated that firstly due to the exclusion of areas, which were unilateral decisions, a large portion of the mineable as well as extractable reserves, stands reduced. Further no underground mining is possible which has resulted in a further reduction of the extractable reserves. In total only around 3.7 million tonnes would be available out of the represented quantity of close to 20 million tonnes. The aforesaid 3.7 million tonnes is also not viable keeping in view that underground mining is not permissible and open cast mining would not be feasible owing to the high stripping ration as well as causing huge environmental and ecological issues. It was in this background that SAIL has requested for surrender of the block.</i></p>		
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Recommendation:

The committee observed that there was delay previous approval application, grant of previous approval and in grant of mining lease. Government of Jharkhand observed that ML has not been granted till date due to pending information/documents from M/s SAIL and late grant of previous approval of the Central Government for ML (Granted on 12.01.2018). It was decided that upon receipt of information with regard to correspondences of GoJ with Allottee, a suitable decision may be taken.

3. Badam (Allottee –M/s Bihar State Power Generation Company Limited)

Allotment Date – 31st Aug, 2015

Deviation from the Efficiency Parameters	Reply of Allottee to Show Cause Notice	Weightage assigned for appropriation (In %)	Observation of the Committee
<p>1 Delay in grant of FC(Due date- 31.05.17??)</p>	<p>1. FC Stage-I which was granted to Prior Allottee has been vested vide Allotment order dated 31.08.2015.</p> <p>2. BSPGCL had to comply all conditions imposed by MOEF&CC, GoI for grant of FC Stage-II. Arrangement of 150.49 Ha CA land is also one of the conditions to be complied with for grant of FC-II.</p> <p>3. DFO, Hazaribagh (west) in its letter dated 15.09.2016 had raised a demand of Rs. 1.23 Crs. towards balance amount for CA and the same was deposited in CAMPA account by BSPGCL. Again a revised demand for amount against NPV & CA was raised by DFO, Hazaribagh (west) vide letter dated 29.11.2016 with information that the amount paid by the earlier allottee M/s TVNL under these heads have been reimbursed them and in effect, BSPGCL shall have to pay the reimbursed amount. This revised demand appeared inappropriate to BSPGCL, as a Fixed Amount of Rs. 14.85 Crs. towards cost for Geological Report & Cost of Consent was already paid to Ministry of Coal during the issuance of allotment order for disbursement to the single prior allottee. Therefore, intervention of MoEFCC&MoC in this matter was requested vide letter dated 26.12.2016. Only after kind intervention of MoC vide Office Memorandum dated 07.02.2017, the matter could be resolved and DFO, Hazaribagh withdrew his demand vide letter dated 24.04.2017.</p>	<p>5</p>	<p>FC Stage-I which was granted to Prior Allottee has been vested vide Allotment order dated 31.08.2015.</p> <p>As a part of compliance for grant of FC-II, CA land is necessarily required. CA land allotted to previous allottee was rejected by Forest Deptt. of Jharkhand, hence, this had to be arranged afresh which is still pending. Hence FC-II is still pending.</p> <p>. The representative of Jharkhand state informed the committee that allottee never took interest in coordination with the officials of GoJ regarding CA land. Hence the delay is totally on the part of allottee.</p>

	<p>4. Further, vide allotment order, a total of 176.58 Ha land was vested in BSPGCL as CA land, out of which 133.50 Ha land is Govt. Land & 43.08 Ha is Pvt. Land. In due course of arrangement of CA land, DFO, Hazaribagh (West) vide letter dated 15.09.2016 had informed that 133.50 Ha (329.89 acres) non-forest land has already been made available by earlier allottee in Pakur district of Jharkhand and has also been notified in District Gazette Extra-Ordinary No. 3 of year 2013 on 03.04.2013. However, after 9 months time, DFO Pakur vide letter dated 12.06.2017 informed that out of above 133.50 Ha. land, 121 Ha. land is already forest land from year 1946, hence not acceptable as CA land.</p> <p>5. In reference to above, it is mention that about 5 months of time lapsed in withdrawing the above inappropriate demand and 9 months of time in getting the suitability of vested CA land which ultimately results in non-achievement of milestone</p>		
<p>2. Delay in Grant of ML or Notification under Sec 11 of the CBA Act (Due Date- 31-Aug-17)</p>	<p>1. Badam Coal Block was earlier allotted to M/s TenughatVidyut Nigam Limited ("TVNL"). Prior to the allocation of the Badam Coal Block to BSPGCL, 221 Ha area of land as per approved mining plan was to be transferred to BSPGCL as the same area of land was granted earlier to TVNL.</p> <p>2. Application for transfer of the grant order for 97.32 Ha land for Mining Lease in favor of BSPGCL was submitted on 30.11.2015 i.e. within the timelines.</p> <p>3. However, during follow up of transfer of Mining Lease, it was gathered that BSPGCL will have to apply afresh for grant of Mining Lease for which clarification was sought from your office vide letter dated 15.02.2016 , which was replied vide letter dated 02.03.2016 clarifying that BSPGCL may apply afresh to the State Government of Jharkhand for grant of Mining Lease.</p>	<p>5</p>	<p>Application for transfer of Mining Lease in favor of BSPGCL was submitted on 30.11.2015 i.e. within the timelines. The Allottee was later clarified by O/o NA vide letter dated 02.03.2016 that ML has to be obtained afresh on application to be submitted to the State Government. Further, necessary documents/information like approved boundary plan was not available to Allottee. Subsequent to receipt of the same from prior allottee, ML application was submitted with delay by the allottee on 25.05.2016. As responsibility of collection of documents from the prior</p>

4. Subsequent to the said clarification, the prior allottee and M/s CMPDI were requested vide letters dated 27.04.2016 and dt. 09.05.2016 respectively to provide all documents/information/approved boundary plan relevant to the Badam Coal Block, as the same was not made available to BSPGCL till then. The Allottee has submitted that BSPGCL was made to run from one office to other for getting the information/documents, which in any case should have been made available to them as soon as the Allotment Order was issued.

5. Meanwhile, on 25.05.2016 with the available information/ documents collected by BSPGCL, the Mining Lease application for 221 Ha area as per approved Mining Plan (vested) with required supporting documents was submitted to the office of DMO, Hazaribagh.

6. After lapse of almost 2 months from the submission of the Mining Lease Application, DMO, Hazaribagh vide letter dated 05.07.2016 requested for some additional documents i.e. Survey Cadastral Map, map on tracing cloth including mauza-wise land schedule of applied area duly verified by Circle Officer . Pertinently, photocopy of duly verified land schedule, which was submitted by prior allottee for obtaining the Mining Lease was submitted to DMO office with the ML application, was rejected by DMO, Hazaribagh and thus, BSPGCL was compelled to submit the already verified the verified land schedule to Circle Officer, Barkagaon, Hazaribagh vide letter dated 27.07.2016 for re-verification. As the complete land details/documents as processed/executed by the prior allottee were essentially required to move ahead for obtaining grant of Mining Lease, BSPGCL officials regularly visited the offices of concerned authorities in Jharkhand in order to obtain the requisite documents. It is important to

allottee for filing application of lease deed lies on the successful bidder, hence responsibility of delay lies on the allottee. Subsequently, after lapse of almost 2 months from the submission of the Mining Lease Application, DMO, Hazaribagh vide letter dated 05.07.2016 requested for some additional documents i.e. Survey Cadastral Map, map on tracing cloth including mauza-wise land schedule of applied area duly verified by Circle Officer. M/s CMPDI, which was requested for providing approved boundary plan vide letter dated 09.05.2016, provided the plan vide letter dated 22.09.2016 after lapse of 4.5 months and rigorous follow-up. The same was submitted to DMO, Hazaribagh vide letter dated 04.10.2016.

Further, land schedule was provided by M/s TVNL on 29.05.2017 after intervention of MoC. However, it is to be noted that the land schedule of 70.23 Ha. private land was still not provided, However obtaining land schedule from M/s TVNL was not a pre-requisite for filing ML application.

Now, GoJ vide letter dated 07.08.2017 has requested for submission of Mining Plan for 168.49 Ha land only as vested vide the Allotment Order (Lease is to be

mention that M/s CMPDI, which was requested for providing approved boundary plan vide letter dated 09.05.2016, provided the plan vide letter dated 22.09.2016 after lapse of 4.5 months and rigorous follow-up . The same was submitted to DMO, Hazaribagh vide letter dated 04.10.2016.

7. During follow-up for the Mining Lease, Allottee was orally informed by the concerned authorities that the applied area for Mining Lease (221 Ha, out of which 118.45 Ha forest land, 45.92 Ha Government land and 56.63 Ha private land, Mining Lease granted to earlier allottee for same area) is not the same area which has been vested to BSPGCL through the Allotment Order(168.49 Ha out of which 78.91 Ha Government Land, 89.58 Ha Private Land and Nil Forest Land).Thereafter O/o NA vide letter dated 10.04.2017 informed the Allottee that the Mining Lease area and geological block boundary may or may not be co-terminus and thus, there may not be any requirement for amendment to the Allotment Order.

8. Further, land schedule was provided by M/s TVNL on 29.05.2017 after intervention of MoC. However, it is to be noted that the land schedule of 70.23 Ha. private land was still not provided. It is also to mention that with great efforts, the requisite land schedule was verified by the Circle Officer, Barkagaon, Hazaribagh and the same was sent to AC, Hazaribagh vide letter dated 29.06.2017.

9. Subsequently, DMO, Hazaribagh vide letter dated 07.08.2017 requested for submission of Mining Plan for 168.49 Ha land only as vested vide the Allotment Order.

10. Further, on 11.01.2018, BSPGCL raised the aforesaid issue(s) in the first meeting of the Monitoring Committee. In the meeting, Jharkhand authorities were directed to grant Mining Lease in accordance with the Geological block boundary area and the approved Mining Plan. In response

granted as per the geological block boundary and not as per vested land).

In the first meeting of the Monitoring Committee chaired by Secy(Coal), Jharkhand authorities were directed to grant Mining Lease in accordance with the Geological block boundary area and the approved Mining Plan. In response thereto, State Government of Jharkhand stated that the proposal for Previous Approval of the Central Government for grant of Mining Lease shall be sent to MoC within two weeks.

Hence, delay on this count may not be attributed solely to the Allottee.

	<p>thereto, State Government of Jharkhand stated that the proposal for Previous Approval of the Central Government for grant of Mining Lease shall be sent to MoC within two weeks as well as the State Government of Jharkhand was directed to arrange for the CA land which shall enable BSPGCL to obtain FC Stage II. However, the issue is still pending with the State Government of Jharkhand.</p> <p>11. Further, in compliance of directions issued during the above-mentioned meeting of Monitoring Committee, BSPGCL attended the meeting chaired by Commissioner, Mines wherein BSPGCL has been directed to submit the Mining Plan afresh for 327 Ha land and Mining Lease for same area.</p> <p>12. In view of the foregoing factual narration, it can be gleaned that BSPGCL has been placed in a situation where neither the complete information has been provided to BSPGCL nor any corrective measure has been taken by the relevant authorities to resolve the difficulties being faced by BSPGCL in obtaining the FC Stage-II as well as the Mining Lease inspite of continuous efforts of BSPGCL.</p> <p><i>Surrender of Badam Coal Mine:</i></p> <p><i>Government of Bihar vide its letter dated 24.05.2018 and Allottee vide letter dated 30.05.2018 has intimated the decision to surrender the Badam coal block. A Show Cause Notice dated 20.06.2018 has been issued to M/s BSPGCL in this regard.</i></p>		
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Recommendation:

1. It was observed that delay in grant of FC-II may be attributed to unresolved issue of CA land since the CA land(earlier accepted when prior allottee i.e. M/s TVNL submitted) has now been rejected and new CA land has also not been arranged by Allottee yet. As such, delay may not be attributed solely to Allottee.

2. With regard to delay in grant of ML, the Allottee was not aware that ML has to be obtained afresh on application, which delayed the application. Further, important document required for grant of ML were not available with the Allottee. Hence, the delay may not be attributed to M/s BSPGCL.

4. Ardhamgram (Successful Bidder –M/sOCL Iron & Steel Private Limited)

Vesting Date – 14.07.2016

The reasons leading to inordinate delay in operationalization of the coal mine was examined at meeting of Scrutiny Committee held on 22.09.2018 wherein the committee was of opinion that the delay in clearance of Mining lease application is causing the delay in development of the coal mine and State Government of West Bengal must expedite the same. The Committee also recommended that proceeding may be initiated in terms of Clause 10 read with Clause 6 of the CMDPA. For this purpose, the committee had recommended that a show cause notice may be issued to SB reply of which may be placed before the Scrutiny Committee for final decision. Accordingly, a Show Cause Notice was issued to SB on 20.10.2017. The reply to said Show Cause Notice submitted by OCL Iron and Steel Limited was placed before the members of Scrutiny Committee on meeting held on 01.01.2018 wherein the committee recommended that Nominated Authority may initiate action as decided in the 2nd Scrutiny Committee meeting. However, members expressed that representative of West Bengal Government did not attend any of the meetings of the scrutiny committee, as such, it was opined that before taking final action against Successful bidder, relevant confirmation/information from the State of West Bengal should be obtained.

Deviation from the Efficiency Parameters	Reply of Allottee to Show Cause Notice	Weightage assigned for appropriation (In %)	Observation of the Committee
A show Cause notice dated 21.05.2018 was issue to Successful Bidder for delay in Operationalization	1.Delay in Grant of Forest Clearance:-		1.It has been observed by the committee that only NOC for Open cast Mining project and no for Forest

as well as non - compliance with the following Efficiency parameter .

Date of Transfer of statutory permissions in favour of SB. Due date of Completion was 14.10.2016.	
EC	22.06.2017
FC Stage-I	11.01.2017
FC Stage-II	21.08.2017
Explosive License	Still pending
Land Mutation	Still Pending

The SB has stated that letter issued by Divisional Forest Officer, dist -Bankura (memo no 1925/28 dated 16.08.2011), which was vested to M/s OCL Iron & steel Limited, states only that "they may be considered for the NOC for their Open cast Mining project" (copy enclosed)and Stage I was not granted to the prior allottee. The SB has further stated that that they were advised to pay an amount Rs 100000/- as charges for transfer of the lease before considering their application of the approval of Stage -1. The prior allottee had operated the mine without FC.

2.Delay in Grant of Environment Clearance:-

SB has submitted that their application for transfer of EC was considered by the MOEF only after the grant of FC stage -I, which was granted to them on 11.01.2017. SB has stated that as per the letter dated 21.03.2011 issued by the MoEF , if a project involves forest as well as non-forest land, work should not be started on non-forest land till approval of the Central Government for release of forest land under the Act has been given (copy enclosed). Further, the EC was kept on hold by MoEF on the grounds of clarification sought form the Forest Department on the difference of 2 Ha between EC granted to Prior allottee and Stage -I .

3.Explosives Licence :-

Letter no A/E /EC/WB/22/476/(E54268) dated 26.04.2016 which was vested to them, was not an Explosives Licence issued to the Prior Allottee. The

Clearance was granted to prior allottee. The Vesting Order also mentions NOC for Open Cast Mining. As such Question of transfer of Forest Clearance does not arise. Successful Bidder had to obtained FC afresh . Hence the delay in FC is not attributable to Successful Bidder.

2. It has been observed that the application for transfer of EC was made on time by the Successful Bidder. However the same could not be transferred on time due to delay in grant of FC stage I as the former is dependent on later as per guidelines dated 21.03.2017, issued by MoEF&CC. further there was a delay in transfer of EC due to mismatch in the area mentioned in EC earlier granted to Prior allottee and FC stage I granted to Successful Bidder . As such delay in EC is not attributable to Successful Bidder.

3. As the Explosive License is not vested to the Successful Bidder, the question of transfer of Explosives License does not arise.

4. In respect of delay in land mutation the Successful Bidder had submitted that for the land mutation, the approval of 14Y was necessary from the State

	<p>said letter is approval for the construction of Magazine not the approval of explosives licence . The SB has also stated that even the Magazine was not constructed by the prior allottee. SB has stated that their initial mining operation is limited to open cast only for next couple of years and use of explosives shall be outsource.</p> <p>4.Land Mutation</p> <p>The SB has submitted that land Mutation is not transferable and does not falls under the Efficiency parameter and it is a matter of State Government.</p>		<p>Government. However, no representative form State Government was present at the meeting to confirm the same.</p>
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Recommendation:-

1. The Committee recommends that as the Forest clearance was not obtained the Prior allottee , hence the question of transfer of Forest Clearance in favour of Successful Bidder does not arise. Accordingly, show cause notices for the said deviation may be considered infructuous.
2. As the grant of Environment Clearance is not attributable to Successful Bidder , the show cause notices for the said deviation may be considered infructuous.
3. As the Explosives Licence was vested to Successful Bidder, hence the question of transfer of Forest Clearance in favour of Successful Bidder does not arise. Accordingly, show cause notices for the said deviation may be considered infructuous.
4. There is a delay in land Mutation. Hence , the Committee recommends that Nominated Authority may take appropriate decision including the appropriation of Performance Security for the said delay as per the weightage assigned,

5. MarkiMangli I (Successful Bidder –M/sTopworthurja& Metals Limited)

Vesting Date – 30.09.2015.

Deviation from the Efficiency Parameters	Reply of Allottee to Show Cause Notice	Weightage assigned for appropriation (In %)	Observation of the Committee												
Deviation from Coal Production Schedule (SCN dated 03.07.2017) <table border="1" data-bbox="134 548 583 813"> <thead> <tr> <th colspan="2">Scheduled Production as per Mine Plan (MT)</th> <th colspan="2">Actual Production (MT)</th> </tr> <tr> <th>2015-16</th> <th>2016-17</th> <th>2015-16</th> <th>2016-17</th> </tr> </thead> <tbody> <tr> <td>0.33</td> <td>0.33</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Scheduled Production as per Mine Plan (MT)		Actual Production (MT)		2015-16	2016-17	2015-16	2016-17	0.33	0.33	0	0	<p>Submissions of Successful Bidder via reply to show cause.</p> <ol style="list-style-type: none"> Clearances, permissions, approvals to be accorded by various State/ Central agencies were delayed leading to slippage of milestones and further the coal production started from 19.04.2017. Order for mining lease execution was awaited, post which field surveys were conducted to find deviations from Mining Plan. The grant of NOC for Forest Land took more than 8 months from Govt of Maharashtra and another 12 months were spent on NoC from Gram Panchayat. There were further delays in grant of mining lease, grant of CtO from SPCB, and opening permissions. q Ground water clearance from CGWA took more than 15 months. NOC of ground water was transferred in name of TUML by CGWA on 27.11.2015 which was valid upto 31.03.2016. Scheduled Production as per Mine Plan (MT) Actual Production (MT) 2015-16 2016-17 2015-16 2016-17 0.33 0.33 0 0 STRICTLY CONFIDENTIAL STRICTLY CONFIDENTIAL 26 MarkiMangli-I. Renewal application was filed on 14.03.2016 which was rejected by CGWB on account of a non-compliance on the part of Prior Allottee. Fresh online application could only be made on 24.12.2016 and NoC was accorded on 05.04.2017. 		<p>1. No representative from the State Government of Maharashtra had attended the meeting to confirm the administrative delay in Clearances, on which the commencement of production of production/Mine opening permission is dependent upon. Hence, the Committee is of the opinion that the Successful Bidder must have</p>
Scheduled Production as per Mine Plan (MT)		Actual Production (MT)													
2015-16	2016-17	2015-16	2016-17												
0.33	0.33	0	0												

	<p>The Successful Bidder Vide letter 05.01.2018 has submitted the following reasons for delay in clearance:-</p> <ul style="list-style-type: none"> • 1 months Delay in Grant of EC- SB applied on 05.10.2015. Granted on 09.02.2016. • 8 months Delay in NOC of Forest- SB applied on 8th October 2015(copy enclosed) . Reminders were given on 17.11.2015, 24.12.2015 (copies enclosed) . Mr ratnaparki, RFO inspected the coal mine on 19.04.2016. SB further requested on 4.5.2016 &11.7.2016 for expediting the NOC. Dy. Conservator of Forest, Pandharkawada inspected the mine site on 20.7.2016 and subsequently directed the SB for "Wild life mitigation Protection plan" on 27.7.2016. SB objected the same on 01.08.2016. Finally NOC granted on 01.09.2016. • 12 months delays in NOC from Gram Panchyat and Mutation of Gaothan plots. SB applied for NOC from Gram Panchayat, Pandharkawada on 08.10.2015. Parllelly, SB applied for mutation of vested land to collector Yavatmal on 30.11.2015. Only Agriculture land was mutated on 31.12.2015 and on follow up, the SB came to know that 36 plots vested to them are under jurisdiction of gram panchyat ,pandharkawada. Accordingly, SB applied for mutation of same to Gram panchayat ,pandharkawada on 05.03.2016. Further requests made by SB on 30th April, 30th June, 11th July 2016. Gram Panchayat, on 07.10.2016, initiated a resolution for recovery of outstanding taxes of prior allottee. Several communication between SB and State Government on the said issue. On 27.12.2016, Gram Panchayat issued a letter wherein it was mentioned that neither mutation nor NOC will be granted until the outstanding taxes of prior allottee were cleared and amount of taxes to be paid by prior alottee and SB were fixed in that resolution. Finally NOC and mutation were done on 01.01.2017. • Mining Lease was granted on - 28.03.2016 • Delay in Execution of Mining Lease- Subsequent to Grant of Mining Lease , SB applied for execution of ML on 05.04.2016. Form K was submitted by SB on 25th April. Further a revised form k was submitted by SB on 03.05.2016. On 25.05.2016, DMO Yavatmal directed SB for survey & demark each Khasra 	<p>gone through the its own calculation to meet the timelines before entering into the agreement with the Nominated Authority. No relaxation should be given to the Bidder.</p>
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	<p>falling within ML boundry. However the SB objected the same on 08.06.2016 as the survey was already done by prior allottee and the same was already submitted by SB 03.05.2016 to State Government. Matter was resolved on 23.06.2016. SB applied for Adjudication & stamp Duty on 08.07.2016. On 12.09.2016, SB applied for extension for execution of Mining Lease as the various clearance were still pending and it was difficult for them to commence mining. SB got 3 months extension upto 27.12.2016. SB received adjudication order on 27.10.2016 but with some error in calculation of figures. Revised adjudication order received on 29.11.2016. Payment was made on 1.12.2016. On 15.12.2016, SB got extension for further 3 months for execution of Mining Lease. Finally the ML was executed on 09.02.2017.</p> <ul style="list-style-type: none"> • More than 15 months Delay in Ground water Clearence- NOC of ground water was transferred in name of TUMML by CGWA on 27.11.2015 which was valid upto 20.01.2016 and due for renewal. Renewal application was filed on 14.03.2016 which was rejected by CGWB on account of a non-compliance on the part of Prior Allottee. Fresh online application could only be made on 15.11.2016/24.12.2016 and NoC was accorded on 05.04.2017. • Mine Opening Permission was granted on 04.04.2017.-Applied on 10.02.2017. However, the same was rejected for want of Escrow Account. SB again requested for granting the MOP with a condition to open Escrow account within 6 months. Considering the request of SB, CCO had fixed the day for execution of Escrow Agreement & opening of Escrow A/c i.e on 20.03.2017. Finally MOP was granted 04.04.2016. 		
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Recommendation :-

The Committee recommends that Nominated Authority may take appropriate decision including the appropriation of Performance Security for the for deviation from the scheduled production for the Financial Year 2015-16 & 2016-17. However, members expressed that representative of

Maharashtra Government did not attend any of the meetings of the scrutiny committee, as such, it was opined that NA may obtain relevant information/comments from the State Govt. within a stipulated timeframe before taking final action against S.B.

List of Participants

Sl. No.	Name	Designation	Organization
1	Shri Om Prakash	Prof. IIT (ISM), Dhanbad	IIT (ISM), Dhanbad
2	Shri A.K. Rana	GM (OMD), CMPDI	CMPDIL
3	Dr. Sujoy Majumder	OSD (Mining & QM)	CCO, Kolkata
4	Shri Anurag Diwan	Jt. Director	MRD, Government of Chhattishgarh
5	Shri Arun Kumar	ADG, I/C Coal & CDM	DMG, Government of Jharkhand
6	Shri Fating Rahul Haridas, IAS	DS, MRD	Government of Madhya Pradesh
7	Shri Atul Sharma	Chief General Manager	MPSMCL
8	Shri B.P. Mishra	MD	OCL IRON & STEEL LTD.
9	Shri I J Talwar	Consultant	OCL IRON & STEEL LTD.
10	Shri H.S. Khare	Chief Mining	Topworth Urja & Metal Ltd.
11	Shri Sanjay Dak	Sr. Manager (Mining)	Topworth Urja & Metal Ltd.
12	Shri K.N. Jha	Chief Engineer	BSPGCL
13	Shri Rajeev K. Singh	EEE	BSPGCL
14	Shri Mukesh Saxena	GM (CRMG)	SAIL
15	Shri Naveen Vava	DGM (CRMG)	SAIL