

**BY FAX/SPEED POST**

**F.No. 110/9/2015/NA (Part - I)**  
**Government of India**  
**Ministry of Coal**  
**Office of Nominated Authority**

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131, Ground Floor, World Trade Centre, Babar Road  
New Delhi, Dated: 20<sup>th</sup> March, 2017

To,

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

**Subject: Settlement of claim of M/s. Punjab National Bank (Lead Bank), Secured Creditor of prior allottee against proceeds arising out of Land and Mine Infrastructure/ compensation in respect of Gare Palma IV/4 coal mine under section 9 of the CM (SP) Act, 2015.**

**Sir/Madam,**

I am to convey the sanction of the President for transfer of a sum of **Rs. 13,49,84,371/-** (Rupees Thirteen crore Forty Nine lakh Eightly Four thousand Three hundred and Seventy One only) to M/s Punjab National Bank (Lead Bank), Secured Creditor of prior allottee towards settlement of claim against proceeds arising out of Land and Mine Infrastructure in respect of Gare Palma IV/4 coal mine under section 9 of the Coal Mines (Special Provisions) Act, 2015

("Act").

2. In accordance with the 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.
3. In pursuance of the aforesaid notices, M/s Punjab National Bank and M/s. State Bank of India had lodged its claims as Secured Creditor in respect of Gare Palma IV/4 coal mine. In this regard, a meeting was held by the Nominated Authority on 22.06.2016 for establishment of claims submitted by the Banks / Financial Institutions in response to Notice Inviting Claims. As directed in the said meeting, M/s. Punjab National Bank vide letter dated 07.07.2016 had submitted its claim for Rs. 76,22,15,989/- (including the claims of the consortium member banks who have given secured term debt for the development of above coal mine to the captioned company) under affidavit in the prescribed format. Further, M/s. SBI had also submitted its claim for Rs. 99.05 crore (outstanding amount as on 23.03.2015 including principal and interest).
4. The claims were forwarded to the prior allottee i.e. M/s. Jayaswal Neco Industries Limited (JNIL) vide

this office's letters No. 110/9/2015/NA each dated 29.07.2016. In pursuance, M/s. JNIL has confirmed the same.

5. However, it has been observed that M/s. SBI has submitted its claim for Rs. 99.05 crore in relation to the corporate loan financed by SBI for payment of additional duty on mined coal from Gare Palma IV/4 coal mine. It has further been observed from the copy of SBI's sanction letter that the security for the said corporate loan excludes the assets of Gare Palma IV/4 coal mine. As per Section 12(1) of the Act, only those secured creditors of the prior allottees which had any security interest in any part of the land or mine infrastructure of a Schedule I coal mine are eligible for recovery of their debt out of the compensation payable to such prior allottee, to the extent determined in accordance with such rules as may be prescribed and the outstanding debt shall be recoverable from the prior allottee. In addition, the affidavit submitted by M/s. SBI alongwith its claim is not in the prescribed format.

6. Therefore, since the security for corporate loan of Rs. 99.05 crore financed by SBI excluded the assets of Gare Palma IV/4 coal mine, such claim is not admissible and hence rejected.

7. Beside this, Principal Chief Conservator of Forests, Chhattisgarh had also submitted its claim

for Rs. 1,27,60,782/- against Gare Palma IV/4 coal mine. However, the aforesaid claim was not confirmed by PCCF as sought vide this office's letter no. 110/9/2015/NA (Part) dated 31.08.2016 within stipulated timeline and the same has been presumed to be withdrawn.

8. It may also be mentioned that Nominated Authority on 24.08.2016 had published mine wise provisional list of admissible compensation amount in respect of 31 coal mines, including Gare Palma IV/4 coal mine. The Successful Bidder of the mines, M/s Hindalco Industries Limited., was informed regarding the same vide an email dated 23.08.2016 and was requested to offer their observation, if any. However, no observation has been received from the Successful Bidder.

9. The amount of compensation for Land and Mine Infrastructure for Gare Palma IV/4 coal mine has been calculated as **Rs.1,05,22,644.00** and **12,44,61,727.00/-** respectively.

10. The accepted claim of M/s Punjab National Bank against the said coal mine is Rs. 76,22,15,989/- whereas amount of compensation for release is Rs. **13,49,84,371/-**. Accordingly, Rs. **13,49,84,371/-** has been decided for release in favour of M/s Punjab National Bank.

11. M/s. Punjab National Bank has lodged its

claim as leader of consortium of ten banks. The nine other banks are Union Bank of India, State Bank of Travancore, State Bank of Hyderabad, State Bank of Bikaner and Jaipur, Indian Overseas Bank, Oriental Bank of Commerce, Bank of India, Central Bank of India and Bank of Maharashtra.

12. The aforesaid amount of **Rs. 13,49,84,371/-** may be transferred through RTGS to the account of M/s Punjab National Bank details of which are as under:

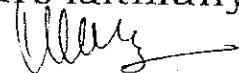
Name of the Account holder/ Punjab National Bank  
Bank/Branch: Sitabuldi Branch,  
Mahajan  
Market,  
Nagpur-  
440012

Account No.: 0499003171165A  
IFSC: PUNB0049900  
MICR: 440024004

13. The expenditure on this account is to be debited to the Head **8443.00.117.03.04.00**.

14. This issues with the approval of Integrated Finance Division, Ministry of Coal vide Note dated 10-03-2017.

Yours faithfully,



**(N. K. Singh)**

Deputy Secretary to the Govt. of India

**Copy to:**

1. The Coal Controller in the capacity as  
Commissioner of Payments – for information
2. US (IFD), Ministry of Coal.
3. US (CA-III), Ministry of Coal.
4. DDO, Nominated Authority.
5. M/s Punjab National Bank, Mahajan Market,  
Sitabuldi, Nagpur-440012.
6. M/s. Hindalco Industries Limited.
7. M/s. Jayaswal Neco Industries Limited,  
Santosham, Chote Atarmuda, Rajgarh,  
Chhattisgarh.
8. ✓ TD, NIC: for uploading on the Website of Ministry  
of Coal.