

By E-mail/Speed Post

F.No. NA-110/6/2017-NA  
Government of India/भारत सरकार  
Ministry of Coal/कोयला मंत्रालय  
O/o Nominated Authority / नामनिर्दिष्ट प्राधिकारी का कार्यालय  
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Room No.120, 'F-Wing', Shastri Bhawan,  
New Delhi, Dated: the 12<sup>th</sup> October, 2022

OFFICE MEMORANDUM

Subject: - Minutes of 18<sup>th</sup> meeting of Scrutiny Committee held on 23.08.2022 to consider/examine the submissions/replies made by Successful Bidders / Allottees against Show Cause Notices for deviation from milestones mentioned in Coal Mines Development and Production Agreement. – Circulation reg.  
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The undersigned is directed to refer to subject mentioned above and to forward herewith minutes of 18<sup>th</sup> meeting of Scrutiny Committee held on 23<sup>rd</sup> August 2022 in order to examine the replies to the Show Cause Notices (for deviation from various milestones prescribed in Efficiency Parameter).

2 . This is for your information and further necessary actions to be taken, if any.



(Manish Uniyal)

Under Secretary to the Government of India  
Tel: 011-23384106

Encl: As above.

To,

1. The Chief Secretaries of the State Government of Chhattisgarh / West Bengal/ Jharkhand/ Odisha/Maharashtra/ Madhya Pradesh/Telangana
2. Shri Partha S. Bhattacharyya, Ex Chairman, Coal India Limited and Chairman, Scrutiny Committee.
3. Shri N.C.Jha, Ex- Director /acting Chairman, CIL
4. Shri Chiranjib Patra, GM (UMD), CMPDIL
5. Shri Sujoy Majumder, OSD (Mining), CCO
6. The participants/ participating Allocattees of coal mines.

Copy for information to :-

1. US (P&S Division)

**Minutes of 18<sup>th</sup> meeting of Scrutiny Committee held on 23.08.2022 to consider/examine the submissions/replies of allottees against Show Cause Notices for deviation from the milestones mentioned in Coal Mines Development and Production Agreement.**

The Chairman of the Committee welcomed all the members of the committee and participants. Mine wise discussions on Show Cause Notices and corresponding replies were held and Allottees were given opportunity to share their point of views.

**1. Radhikapur West- M/s Vedanta Limited**

Show Cause Notice (SCN) dated 08.02.2022 for failure in submitting application for Mining Lease within scheduled timeline and corresponding reply of Allottee was considered by the Scrutiny Committee.

Show Cause	Deliberation
Date- 03.09.2021 Mining Lease Application	<p>The Allottee informed that there was overlapping of a part of area of this coal block with Radhikapur East coal block due to ambiguity in the boundary coordinates. There have been several rounds of discussion among MoC, CMPDIL, Odisha Government and the Project Proponents for resolving the boundary coordinates issue. During the periods of April-August, 2021, there was sudden surge in Covid-19 pandemic cases and it stalled majority of the operations. The collection/arrangement of necessary documents required for application of Mining Lease and their examination got delayed due to pandemic.</p> <p>The office of NA agreed with the issue raised by the Allottee regarding overlapping in part of area of this mine with neighboring Radhikapur East mine and the efforts made by Allottee for resolving it.</p>

**Observation & Recommendation: -**

The committee observed that there was delay of only 3 months in achievement of given milestone and sincere efforts were made by the Allottee for completion of milestone within given timeline. The committee also agreed with the explanation given by the Allottee and concluded that the delay cannot be attributed to them. The committee recommended that penalty should not be imposed through appropriation of PBG and Show Cause notice be waived off.

**2. Radhikapur East- M/s EMIL Mines and Mineral Resources Limited (EMMRL)**

Show Cause Notice (SCN) dated 08.02.2022 for failure in timely submission of Mining Plan and for timely approval of Mining Plan and corresponding reply of Allottee was considered by the Scrutiny Committee.

Show Cause	Deliberation
Date: 03-12-2021	The Allottee stated that there was overlapping of a part of area of this



Submission of Mining Plan including Mine closure plan	coal block with Radhikapur West coal block due to ambiguity in the boundary coordinates. There have been several rounds of discussion among MoC, CMPDIL, Odisha Government and the Project Proponents for resolving the boundary coordinates issue. The latitude and longitude corresponding to 295 cardinal points along the mine boundary were given in vested Mine Plan. It differed with the latitude and longitude of the 4 extreme points of the vested bounding coordinates. Boundary issue was resolved in February 2022 and corrigendum in vesting order related to bounding coordinates was issued on 10.02.2022. Due to change in bounding coordinates, coal reserve amount also changed. They submitted revised Mine Plan & Mine Closure Plan on 26.05.2022, only 3 months after revision of bounding coordinates.
<b>Date:</b> 03-12-2021 Mining Plan Approval including mine closure plan	The office of NA agreed with the issue raised by Allottee regarding overlapping in part of area of this mine with neighboring Radhikapur West mine and the efforts made by Allottee for resolving it. O/o NA also informed that the application for revised Mine Plan was considered in the internal committee and decision for approval has almost been taken. Meanwhile, the Allottee has applied for surrendering the mine and it is under examination of ministry.

#### **Observation & Recommendation: -**

The committee is of the opinion that the failure in timely submission of Mine Plan application and in timely grant of Mine Plan is due to overlapping of block boundary with that of another mine and due to change in coal block boundary. The Allottee is not responsible for the delay and therefore recommended that penalty in form of BG appropriation should not be imposed.

### **3. Gare Palma IV/5 -M/s Hindalco Industries Limited**

Show Cause Notice (SCN) dated 06.07.2018 for delay in getting Mine opening Permission, SCN dated 03.12.2019 for not achieving scheduled coal production in FY 2017-18 & 2018-19 and SCN dated 09.09.2020 for not achieving scheduled coal production in FY 2019-20 and corresponding replies of Allottee were considered by the Scrutiny Committee.

Show Cause	Deliberation
<b>Date:</b> 01.07.2015 Mine Opening Permission	The Allottee informed that the application for Mine Opening Permission (MOP) was submitted in time on 08.04.2015. After more than 2 months, CCO vide its letter dated 18.06.2015 directed HIL to reapply in separate format and sought additional documents including ML and DGMS permission. HIL could not respond immediately since DGMS permission and ML were not available with them at that time. The Allottee further informed that they had applied for transfer of all the statutory clearances within given timeline. However, actual transfer of such clearances was dependent upon various departments of the Central and State Government agencies. There was procedural delay by various government departments which caused substantial delay in grant and/or transfer of such permissions. After grant of ML and DGMS permission. HIL reapplied for MOP in new format and subsequently, permission was granted on 23.11.2015.
Schedule Production for FY 2017-18	
Schedule Production for FY 2018-19	



Schedule Production for FY 2019-20	<p>Regarding coal production, Allottee stated that the PRC for GP IV/5 coal mine was achieved in FY 2016-17 and HIL requested O/o NA for return of PBG in accordance with provision of CMDPA. With little delay, PBG was returned to them.</p> <p>Allottee stated that issuance of Show Cause Notice is illegal since as per clause 6.1.5 of the CMDPA, the PBG should remain valid until such time when the Coal Mine achieves the PRC. They had achieved the PRC and so PBG was returned to them.</p>
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#### **Observation & Recommendation: -**

The committee observed that there was only about 4 months delay from the scheduled time in getting Mine Opening Permission (MOP). The application was submitted in time by the Allottee. However, CCO took more than 2 months in informing Allottee about the new format of application in which application was to be submitted and other additional details to be submitted. The committee recommended for not imposing penalty for this milestone as the delay cannot be attributed to the Allottee.

Regarding milestone for shortage in coal production from target for the year 2018-19 and 2019-20:- Ccommittee observed that that PRC was achieved in year 2016-17 and PBG was returned to Allottee as per provision of CMDPA. Committee also took cognizance of the statement of Allottee that Show Cause notice should not have been issued to them after the return of PBG. Committee observed lack of clarity in policy/CMDPA regarding whether Show Cause notice should be given or not when PBG has been returned and no live PBG is there with NA office. Committee sought guidance/clarity from coal ministry on this issue and deferred the decision on this milestone.

#### **4. Dumri:- M/s HIL**

Show Cause Notices dated 21.03.2017, 19.02.2018, 24.07.2019, 24.08.2021 and 23.05.2022 related to FC, EC, mining lease, land acquisition, Opening of Escrow account, Mine Opening Permission Scheduled coal production and corresponding replies of the Allottee were deliberated in the meeting.

Show Cause	Deliberation
Date- 21.03.2017 Grant of Forest Clearances	O/o NA stated that these issues were earlier deliberated in 10 <sup>th</sup> , 13 <sup>th</sup> , 16 <sup>th</sup> and 17 <sup>th</sup> meeting of the Scrutiny committee. The Committee had recommended to seek comment of Jharkhand Govt and accordingly NA office sought comments from Jharkhand State several times. Unfortunately, written comments of State have not been received. The mine has not started mainly due to absence of FC stage-II. During several review meetings taken by coal ministry and Jharkhand Govt., Project Proponent was advised for arrangement of 40-acre fresh CA land and for making payment of about Rs.10 Cr. against WLMP. Secretary (coal) and Chief Secretary (Jharkhand) has also directed the Allottee during review meeting for compliance related to CA land
Date- 19.02.2018 Grant of Mining Lease	
Date- 24.07.2019	
i.Land Acquisition	
ii.Opening of Escrow Account	
iii.Application of Mine	



Opening Permission	and WLMP.
iv. Grant of Mine Opening Permission	M/s HIL informed that the entire 164 ha vested CA land was rejected by the State Govt., and they had to arrange fresh CA land. Allottee further stated that they have given undertaking that payment for WLMP will be made immediately after grant of FC stage-II and said that they have not received direction from the State for arrangement for new 40-acre CA land.
Date- 24.08.2021	
i. Mining Plan Approval	Regarding EC, Allottee informed that previously approved EC was put in abeyance owing to ambiguous nature of the 19ha of land that was ultimately surrendered. Due to this change in area of the mine, revised Mine Plan was required to be prepared and this delayed the other activities.
ii. Grant of Environment Clearance	
iii. Schedule of production/ Reaching Rated Capacity FY 2018-19	
iv. EUPSynchronisation	GoJ informed that the State Forest Department has given in writing to Allottee for arrangement of additional CA land and for payment for WLMP. GoJ further stated that relevant documents along with the correspondences made with the M/s. HIL on the said issue has been submitted to NA office. The Allottee is not making any effort for the compliances of the observation of State Forest department and it seems that they are not at all serious in starting the mine. It is the responsibility of the Allottee to submit application with all requisite details and incomplete application cannot be treated as pending at end of approving authority.
Date- 23.05.2022	
Schedule of production/ Reaching Rated Capacity FY 2019-20; FY 2020-21 & FY 2021-22.	

#### **Observation & Recommendation: -**

The committee observed that arrangement of 40 acres land is the main bottleneck for the mine. The progress in mine should not have been stalled on account of such small hurdle. Allottee should have completed the compliances in line with the observation made by the State government.

The committee is of the opinion that the delay in the grant of FC-II is attributable to the Allottee and therefore recommended for appropriation of PBG for grant of FC stage-II and other efficiency parameters linked with the grant of FC-II.

The Committee is of the opinion that the Project Proponent is not solely responsible for delay in approval of Mine Plan & Environmental Clearance. Therefore, the committee advised O/o NA to examine issues related with revised Mine Plan & environmental clearance to gain clarity and thereafter the issues of these two efficiency parameters will be taken up in the next meeting.

#### **5. Bicharpur Coal mine M/s Ultratech Cements Ltd**

Show Cause Notices dated 22.07.2016, 18.07.2018, 09.09.2020 and 03.09.2021 for CTO ML, MOP and scheduled yearly coal production and their corresponding replies were considered.

Show Cause	Deliberation
Date 22.07.2016	O/o of NA informed that these Show Cause notices were considered



Application for CTO	<p>in the 17<sup>th</sup> meeting of the Scrutiny Committee and the committee had recommended for imposition of penalty for CTO, for shortage in coal production in 2018-19, 2019-20 and 2020-21. The Allottee filed an appeal before Secretary (Coal) for re-examination of the recommendation of committee regarding appropriation of PBG. Secretary (Coal) advised O/o Nominated Authority for putting the representation of Allottee before Scrutiny committee for reconsideration.</p> <p>Regarding CTO, the Allottee stated that 'Application of CTO' and 'Grant of CTO' are not mentioned as statutory clearances in the CMDPA and CTO was not vested to them. However, it was stated by official of O/o NA that Ministry has decided that the Mining Lease (ML), Environment Clearance (EC), Forest Clearance (FC), Mine Opening Permission (MoP) and Consent to Operate (CTO) will be treated as statutory clearances for purpose of Schedule-II mine.</p> <p>The Allottee further stated that the Bicharpur Mine was declared schedule-II mine, however, it was non-operational at the time of allocation. Prior Allottee had not obtained CTO, hence question of making application for transfer of CTO and its approval does not arise.</p> <p>For shortage in coal production in FY 2018-19, 2019-20, 2020-21, the Allottee informed that State Govt had imposed embargo on work at Bicharpur due to issue of Stamp Duty till march 2018 and FC was obtained in July 2018. Mutation of 15 ha land was delayed due to a case filed by the previous Allottee and this resulted in delay in commissioning of coal handling plants and other infrastructure. Only after lifting of embargo, they mobilized resources to start shaft shinking work. Shaft shinking was completed by August 2020. Being underground mine, approved Mining Plan provides first 2.5 years for drivages, 3<sup>rd</sup> year 1/3 production of PRC, 4<sup>th</sup> year 2/3<sup>rd</sup> production of PRC and 5th year Peak rated production. Despite Covid-19 pandemic, incline drirage of the seam was completed in September 2021 within 2 years of Mining Leaase execution. CTO was obtained in October 2021. Production and dispatch of coal started in November 2021. Allottee informed that the coal production has been ramped up and the annual target production will be achieved from current year.</p>
<p>Date 09.09.2020</p> <p>Schedule</p> <p>Production/Reaching Peak Rated Capacity in FY18-19 &amp;FY19-20</p>	
<p>Date 03.09.2021</p> <p>Schedule</p> <p>Production/Reaching Peak Rated Capacity in FY 2020-21</p>	

#### **Observation &Recommendation: -**

Regarding CTO, Committee agreed with the contention of the Allottee that the milestone for application of CTO and grant of CTO is not explicitly prescribed in the CMDPA. Committee is also of the opinion that the mine is not a Schedule –II mine in practical sense as it was not operational at the time of allocation. Hence, committee decided to take lenient view and recommended that penalty should not be imposed for application/grant of CTO.

Regarding shortage in coal production, Committee observed that coal production has commenced from underground coal mine in Nov 2021 which is just one month after grant of



CTO in October 2021. Committee also took note of the issue of embargo on working by State Govt. for some time and the time taken in completion of drivage work for underground mine to reach coal seam. Therefore, committee recommended for not imposing any penalty for shortage in coal production in 2018-19 and in 2019-20.

However, with regards to the issue of shortfall in production for year 2020-2021, the committee is of the view that the reason given by Allottee for shortage in coal production is not justified and the Allottee is responsible for this shortfall in coal production. Therefore, committee recommended to impose penalty in form of appropriation of PBG as per provision of CMDA for shortfall in coal production in 2020-21.

#### **6. Kotre Basantpur & Pachmo:- M/s CCL**

Show Cause Notices dated 17.12.2021 and 28.03.2022 and corresponding replies of the Allottee were deliberated in the meeting.

<b>Show Cause</b>	<b>Deliberation</b>
<p>Date- 17.12.2021</p> <p>i. Grant of Forest Clearances</p> <p>ii. Grant of Environment Clearance</p> <p>iii. Grant of ML or notification under section 11 of the CBA Act, 1957, as applicable</p>	<p>It was informed by NA office that these issues were discussed in the 17<sup>th</sup> meeting of the Scrutiny Committee on 2-3 March 2022. M/s. CCL was directed to submit the chronological details of the efforts made by them to O/o NA. It was also informed to the committee that EC proposal was considered in EAC on 25.07.2022, however, EAC deferred it.</p>
<p>Date- 28.03.2022</p> <p>i. Opening of Escrow Account</p> <p>ii. Application for opening permission</p> <p>iii. Grant of opening permission</p>	<p>M/s. CCL stated that the coal block falls in two districts namely Bokaro &amp; Ramgarh. Application for NOC for GM land and JJ land was submitted on 21.11.2018, and it was followed up with multiple reminders. CA land was changed twice by the state government. There was delay in arrangement of Gram Sabha and NOC under FRA from State. The attainment of the milestone within the stipulated time frame was delayed due to delay on part of the district administration of 2 different districts and on part of forest department of state and thus Allottee cannot be made responsible for the delay. M/s. CCL further stated that EAC has deferred its proposal for EC and advised to review the mine plan prepared by CMPDIL by an institution of international repute.</p> <p>Representative of GoJ stated that it was the responsibility of user agency to prepare the land schedule with the certified copies of khatiyaan. The entire land schedule was not prepared by the user agency and therefore, delay is attributable to the Allottee. The GoJ representative further asked the user agency to submit all the pertinent correspondences with DC as well as with forest department and submit a detailed land schedule and certified copies of the khatiyaan. He assured to seek comment of forest department of State on the representation of the Allottee and then these comments would be put up before the committee for consideration.</p>



## Observation & Recommendation: -

Based on the replies given by the Allottee and GoJ representative, Committee finds it difficult to understand where the delay has happened and decided to seek further clarity on the matter.

The Committee recommended that M/s CCL should submit to mines department of Jharkhand with a copy to O/o NA the details of application made to state government with complete land schedule and details of other correspondences with different agencies of state govt. GoJ was advised to furnish its comment to O/o NA within a month from the date of the receipt of such details from the Allottee. Thereafter, decision will be taken up in the next scrutiny committee meeting.

The Allottee was also advised to flag the issue with Nominated Authority regarding the observation of MoEF&CC on EC direction about vetting of Mining Plan by an agency of international repute other than CMPDIL.

## 7. Moitra:- M/s JSW Steel Limited

Show Cause Notices dated 21.03.2017, 19.02.2018, 24.07.2019, 23.08.2021 and 26.05.2022 and corresponding replies of the Allottee were deliberated in the meeting.

Show Cause	Deliberation
Date- 21.03.2017 Grant of Forest Clearance	It was informed by NA office that the show cause notices, and corresponding replies related to forest clearance (FC), mining lease (ML), land acquisition (LA) and mine opening permission (MOP) were deliberated upon in previous meetings of the committee. The committee had recommended to seek comment of Jharkhand Govt and accordingly NA office sought comments from Jharkhand State several times. Unfortunately, written comments of State have not been received. Regarding <b>FC</b> , Allottee informed that there was ambiguity in Jharkhand on issue of transfer of CA land especially related to additional payment on present value. Due to delay in Gazette notification related to registration fee and stamp duty by the state, there was abnormal delay in transfer and mutation of CA land by State. Jharkhand govt has also rejected some part of CA land which were earlier accepted suitable for CA purpose. FC-II was finally granted on 12.09.2019.
Date- 19.02.2018 Grant of Mining Lease	Regarding <b>Mining Lease</b> , it was informed that ML was granted on 30.10.2019, however, execution of ML could not be done within stipulated time of 6 months of grant. It is still pending. M/s JSW stated that they approached State government on several time to find the nominee in whose name an E-stamp should have been acquired, however, it was not communicated to them. They are ready for ML execution once the stamp duty issue is clarified by the State Govt. The Allottee further stated that the factors of delay for FC-II and ML execution are beyond their control and the State Govt is responsible for this.
Date- 24.07.2019 i. Land Acquisition ii. Opening of Escrow Account iii. Application for Mine Opening permission iv. Grant of Mine Opening permission	
Date- 23.08.2021 Schedule of production/ Reaching Rated Capacity (FY: 2019-20)	
Date- 26.05.2022	The Jharkhand Govt (GoJ) official didn't agree with the



Schedule of production/ Reaching Rated Capacity FY 2020-21& FY 2021-22	<p>statement of M/s JSW. However, he acknowledged that there was ambiguity in suitability of some CA land that was transferred to M/s. JSW. State Govt facilitated in arrangement of CA land. MoEF&amp;CC awarded stage-II forest clearance on 12.09.2019 subject to fulfilment of payment of requisite amount for Wildlife Management Plan (WLMP) and pillaring. DFO (Hazaribag) raised a demand note on 28.01.2020 for WLMP, however, the Allottee has not complied it and it shows that they are not serious.</p> <p>Regarding ML execution, official of GoJ stated that the mining department proactively facilitated in getting cabinet approval for ML and immediately afterwards shared details related to stamp duty and modal lease deed with the Allottee. However, lease deed on stamp paper has not been submitted till date. State government has constituted a committee to examine the reason for delay in ML execution. It was also assured that ML will be executed within 7days of submission of all related documents by the Allottee.</p>
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#### **Observation & Recommendation: -**

The committee observed that there was abnormal delay of more than three years in resolving the small issue of E-stamp amount and nomination. The Allottee and the State Govt should have resolved it in coordinated manner. It decided to keep the decision in abeyance and recommended that the Allottee should submit all documents relating to mining lease, including stamp paper to GoJ, immediately. Committee is hopeful that mining lease will be executed shortly and decided to consider all these issues holistically in the next meeting once the ML is executed.

#### **8. Sugia Closed :- M/s JSMDC**

Show Cause Notice dated 29.06.2022 related to FC stage-I and corresponding reply of the Allottee was deliberated in the meeting.

Show Cause	Deliberation
Date- 29.06.2022 Forest Clearance Stage-I	<p>It was informed by NA office that the delay was mainly due to variance in the bounding coordinates in the Allotment Order and in approved Mining Plan. To resolve the issue, the Allottee was advised to conduct DGPS survey. The survey report was shared with CMPDIL. The DGPS survey has been done for leasehold area and not for the allocated geological area of the mine.</p> <p>M/s JSMDC stated that there was variation in the coordinates mentioned in the allotment order &amp; approved mining plan of the coal block. In this regard, several representations to MoC were made for rectifications. On the advice of O/o NA, DGPS survey was conducted. Ministry sought comment of CMPDIL on the DGPS survey report. The Allottee stated that the delay in FC-I is due to delay in resolving the issue of variance in bounding coordinates and therefore they should not be penalized for this.</p>



	GoJ agreed on all the facts submitted by the JSMD C and submitted that in the view of the variation in coordinates of the coal block, timelines for the efficiency parameters may be revised. Further, JSMD C was advised to complete DGPS survey by CMPDIL within 2 months.
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### **Observation & Recommendation: -**

The committee is of the opinion that the difference in bounding coordinates in allotment order and in approved mining plan delayed the whole process. The issue should have been resolved by the ministry of coal. The Allottee cannot be made responsible for the delay in FC stage-I. The committee recommended that penalty should not be imposed on Allottee for delay in FC stage-I milestone.

### **9. Nerad Malegaon (M/s Indrajee t Power Pvt Ltd. (IPPL)**

Show cause Notices dated 03.09.2021 and 01.06.2022 for deviation from scheduled coal production for FYs 2020-21 & 2021-22 respectively and corresponding replies were considered by the scrutiny committee.

<b>Show Cause</b>	<b>Deliberation</b>
03.09.2021 Schedule Production/Reaching Peak Rated Capacity for FY 2020-21	O/o NA informed that the mine was scheduled to be operational in the year 2018-19 but it has not started till date. The delay is due to failure in acquisition of land. In the last meeting of Scrutiny Committee, held on 02/03.03.2022, the Allottee informed about the financial distress situation of the company and mentioned that it is facing Insolvency Resolution Process initiated by lenders. On request of the Allottee, Committee deferred decision and recommended that the issue would be reviewed after two months.  The Allottee informed that the delay in land acquisition was due to demand of exorbitant prices by landowners. Lots of efforts were made in consultation with the State government to fix land rate issue but it could not be resolved. Meanwhile, due to financial distress, company went into NCLT process. The company was taken over by the Nithya capital. The new owner has agreed to fund this capital-intensive project through Yes Bank. There is meeting with Yes Bank on 05.09.2022 and it is expected that the fund issue will be resolved. Once the fund issue is resolved, Allottee assured that they will sit with landowners and will resolve land price issue. Allottee further stated that they are hopeful to have fund as well as minimum area of land in 2 months and requested committee to defer the decision for at least 2 more months.
01.06.2022 Schedule Production/Reaching Peak Rated Capacity for FY 2021-22	

### **Observation & Recommendation: -**

The Committee observed some fruitful progress in arrangement of fund by Allottee from the time of last meeting of the Committee and advised the Allottee to submit the details regarding fund arrangement and land acquisition along with their future road map, in writing, to O/o



NA immediately. The committee decided that it will go through the written submission of the Allottee and will give its recommendation in the next meeting. Till that time, the decision is deferred with the proviso that ~~decision~~ that no further opportunity will be given to the Allottee

#### **10. Tadicherla-I [M/s TSGENCO]**

Show Cause Notices (SCN) dated 17.07.2017 and 03.11.2020 for failure in timely completion of FC and target coal production in year 2019-20 respectively and corresponding replies were discussed in the meeting.

<b>Show Cause</b>	<b>Deliberation</b>
17.07.2017 Forest Clearance	O/o NA office informed that the issues related to FC and scheduled coal production was earlier considered in the 13 <sup>th</sup> meeting of the Scrutiny Committee. The committee had recommended to seek comments of Telengana Govt and accordingly NA office sought comments of Telengana State. Chief Secretary (Telangana) vide letter dated 17.04.2021 informed that the delay in getting the forest clearance is only 5 months and it happened due to delay in mutation process arising because of reorganization of districts in the state. Further, it was mentioned that the reasons given by TSGENCO are reasonable and justifiable and the State Government is of the view that their request may be considered positively and SCN dated 17.07.2017 may be dropped.
03.11.2020 Schedule Production/Reaching Peak Rated Capacity in FY19-20	
	<b>In respect of deviation in production in FY 2019-20</b> , the Allottee stated that they missed the production target by a small margin and it was mainly due to very heavy rain in the state. They assured that they will achieve the peak rated capacity (PRC) in current Financial year (FY 2022-23). Further, they informed that in FY year 2021-22, the company produced 2.3 MT coal against target of 2 MT.

#### **Observation & Recommendation: -**

Based on the letter of Chief Secretary of Telengana State and the reply of Allottee, the Committee is of the view that M/s TSGENCO is not responsible for failure in obtaining FC within the given timeline and for failure in achievement of scheduled coal production in 2019-20. The committee recommended for dropping of the Show Cause notices dated 17.07.2017 and 03.11.2020 and also recommended for not imposing any penalty.

#### **11. Kerandari:- M/s NTPC**

Show Cause Notices dated 17.07.2017, 19.12.2019 and 27.05.2022 and corresponding replies of the Allottee were deliberated in the meeting.

<b>Show Cause</b>	<b>Deliberation</b>
Date- 17.07.2017 Grant of Forest Clearance	It was informed by NA office that the issues related to FC and mine opening permission were earlier considered in the 10 <sup>th</sup> and 12 <sup>th</sup> meetings of the Scrutiny committee. The committee had recommended to seek comments of Jharkhand Govt and accordingly NA office sought comments from Jharkhand State
Date- 19.12.2019 i.Application for Mine Opening Permission	



ii. Grant of Mine Opening Permission	several times. Unfortunately, written comments of the State have not been received.
Date- 27.05.2022 Schedule of production/ Reaching Rated Capacity FY 2019-20; FY 2020-21 & FY 2021-22	<p>It was also informed that NTPC was also the Prior Allottee and FC-I was granted long back but they took lots of time in completion of compliances for FC-II. MDO appointment is still pending and due to this coal production has not started even after getting mine opening permission on 13.01.2020.</p> <p>M/s. NTPC informed that FC-II was granted in August 2019, however, forest land was transferred in January 2022 by the State Forest department. There was also delay in grant of permission for tree cutting, and they got permission for it in March 2022. Further, amount for NPV &amp; integrated WLMP was revised twice. It was informed by DFO that earlier estimated amount for integrated WLMP was based on forest area &amp; not on mining lease. Consequently, an additional demand note for Rupees fifteen crores for WLMP, based on ML area, was issued and it was deposited by NTPC in short span of time.</p> <p>GoJ emphasized that NTPC were not able to comply with all the necessities for grant of FC-II. Furthermore, it was informed that required amount for WLMP was not deposited. As a result, FC-II was granted on 28.08.2019 subject to fulfillment of several conditions. Delay of 10 years for grant of FC-II should be totally attributable to NTPC. However, GoJ asked Allottee to submit details of the efforts made by them for FC-II in chronological order to NA office with a copy to his office and he will collect comments of Forest department and will share that with the committee.</p>

**Observation & Recommendation: -**

Based on the replies given by the Allottee and GoJ, the Committee finds it difficult to fix responsibility for the delay in FC-II and mine opening permission. It decided to seek further clarity on the matter. However, Committee is of the view that the appointment of MDO is sole responsibility of the Allottee and it should have been done long back.

The committee directed the Allottee to submit details of the efforts made by them for FC-II and for mine opening permission in chronological order to NA office with a copy to Director (Mines), GoJ. The committee further advised representative of GoJ to collect comments of State Forest department on the representation of the Allottee and share that with NA office. Committee decided to take a holistic view on all the issues after receiving the comment of the state forest department in next meeting.

**12. Chatti Bariatu & Chati Bariatu South:- M/s NTPC**

Show Cause Notice dated 26.05.2022 for slippage in annual coal production and corresponding reply of the Allottee was deliberated in the meeting.



Show Cause	Deliberation
Date- 26.05.2022 Schedule of production/ Reaching Rated Capacity FY 2019-20; FY 2020-21 & FY 2021-22.	<p>It was informed by NA office that the mine opening permission (MOP) was granted on 14.11.2017 within the scheduled timeline. Coal production has not yet started due to delay in appointment of MDO. Secretary (coal) during one review meeting had advised the Allottee to go for coal production through departmental route as they were not able to appoint MDO due to one or another issue.</p> <p>M/s. NTPC informed that they have followed the proper procedure for appointment of MDO through tender route. They appointed M/s BGR Mining &amp; Infra Ltd on 13.11.2017 as MDO for the development/operation of the mine. However, the MDO contract become sub-judice due to some issue. Later on, they tried several times for appointment of MDO through fresh NIT but failed. Only a few months back, MDO has been appointed and mining operation has started.</p> <p>GoJ informed that the appointment of MDO is the sole responsibility of the project proponent and therefore they are responsible for not achieving the scheduled coal production target.</p>

**Observation & Recommendation: -**

The committee is of the opinion that the appointment of MDO is the responsibility of the Allottee and in case of failure in appointment of MDO, they should have gone for other route for coal production.

The committee recommended for appropriation of performance bank guarantee (PBG) for failure in achievement of coal production target for the FYs 2019-20, 2020-21 and 2021-22 as per the provisions of the coal mine development and production agreement (CMDPA).

**13. Badam:- M/s NTPC**

Show Cause Notice dated 26.05.2022 for slippage in annual coal production and corresponding reply of the allottee was deliberated in the meeting.

Show Cause	Deliberation
Date- 26.05.2022 Schedule of production/ Reaching Rated Capacity FY 2019-20; FY 2020-21 & FY 2021-22.	<p>It was informed by NA office that mine operationalization was delayed due to absence of FC stage-II and Mining Lease. Furthermore, it was informed that the coal mine along with end-use-plant were transferred by Bihar State Power Generation Co. Ltd (BSPGCL) to NTPC through a Deed of Adherence, i.e., tripartite agreement between NTPC, BSPGCL and Nominated Authority. This was followed by Deed of Assignment, a bi-partite agreement between NTPC &amp; BSPGCL. Through the Deed of Assignment, all the assets &amp; liabilities of the prior allottee related to this mine will be borne by new Allottee. The request of NTPC for revision of the timelines had already been refused in the previous scrutiny committee meetings.</p> <p>M/s. NTPC stated that they should not be penalized for the delay made by BSPGCL. The mine could not be started due to delay in grant of FC-II. NTPC got the FC-I in its name on 02.09.2019 and they submitted the</p>



	<p>compliances for FC-II to GoJ in January 2020. The State government delayed in processing the proposal and they forwarded it to MoEF&amp;CC after about 2 years. The Allottee further stated that the show cause notices related to mine opening permission and Escrow account milestones were considered in 11<sup>th</sup> and 12<sup>th</sup> meetings of Scrutiny committee and they were not made responsible for the delay and relaxations were given to them.</p> <p>GoJ informed that the Banhardih coal block was transferred through similar deed of adherence from Jharkhand Urja Utpadan Nigam Ltd (JUUNL) to Patratu Vidyut Utpadan Nigam Ltd (PVUNL) and penalty was imposed on PVUNL by the Scrutiny Committee in one of their previous meetings for non-compliance of the efficiency parameters by JUUNL. Though, the non-compliance was by JUUNL, no waiver was granted to PVUNL. The allottee approached court of law against decision of the committee and the matter is sub-judice. GoJ stated that as similar type of issue is under consideration of court of law, decision regarding changes in timeline for milestones should not be taken.</p>
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#### **Observation & Recommendation: -**

The committee is of the opinion that the delay in start of coal production is due to delay in grant of FC-II and mining lease. Based on the deliberations/replies, committee finds it difficult to fix responsibility for delay in starting coal production on one party. It decided to consider the issue of milestone of lapses in coal production in a holistic manner after grant of Mine Opening permission.

#### **14. Pachwara North:- M/s WBPDCCL**

Show Cause Notice (SCN) dated 06.11.2017 for delay in transfer of statutory clearances, SCN dated 31.01.2020 and 07.06.2022 for failure in achievement of target coal production and corresponding replies of the Allottee were considered in the meeting.

<b>Show Cause</b>	<b>Deliberation</b>
<p>Date- 06.11.2017</p> <p>i.Completion of transfer of Statutory permission obtained by the Prior Allottee (ML, EC, FC, CTO &amp; MOP)</p> <p>ii.Schedule of production/ Reaching Rated Capacity FY 2015-16 &amp; FY 2016-17.</p>	<p>O/o NA informed that SCN dated 06.11.2017 was earlier considered in the 5<sup>th</sup> meeting of the Scrutiny committee. There was no clarity in recommendation of the committee. Further, it was informed that though Pachwara North is a Schedule-II coal mine FC-II was not vested to the Allottee. State government rejected the previously approved CA land. As a result, Allottee had to arrange afresh CA land which delayed the entire process. To facilitate early start of coal production, they were advised to proceed on non-forest area. Mine Plan was revised for non-forest area and Mining lease was also granted for non-forest area and coal production commenced. FC-II is still pending.</p>
<p>Date- 31.01.2020</p> <p>Schedule of production/ Reaching Rated Capacity FY 2017-18 &amp; FY 2018-19.</p>	<p>M/s. WBPDCCL stated that after the submission of application for Mining lease, GoJ informed that ML couldn't be granted for whole area due to absence of FC-II. Therefore, revised mine plan was prepared for non-forest area. Furthermore,</p>
<p>Date- 07.06.2022</p>	



Schedule of production/ Reaching Rated Capacity FY 2019-20 & FY 2020-21.	<p>discrepancies in the boundary coordinates were observed which were then conveyed to MoC &amp; CMPDIL for certification. This also delayed the mining operation. Due to outstanding payments of the land losers and transporters by the previous Allottee, they had to face unrest of villagers and transporters. Several meetings with DC (Pakur) were held to resolve the issue. It was eventually resolved, but lots of time were consumed in the process.</p> <p>GoJ stated that since FC-I was vested, compliance for the FC-I should have been completed concurrently with mining on the non-forest area. In absence of FC-II, ML for forest area cannot be granted. GoJ representative acknowledged that the land identified by the Allottee for CA land was considered Damin-i-Koh land by the forest department and was thus deemed unsuitable for CA purpose. Due to difficulty in arrangement of CA land, the Allottee decided to go for working in non-forest area. Therefore, separate Mine plan and EC were required for non-forest area. DC (Pakur) formed a committee to resolve outstanding payment issues. Advertisements were given in local newspaper for raising any claim in relation to this mine. DC (Pakur) is facilitator and primarily it is responsibility of the allottee to resolve outstanding payment issue.</p>
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#### **Observation & Recommendation: -**

The committee noted that the Allottee was not vested with FC-II and they had to arrange fresh CA land. Due to this, they decided to revise the mining plan for non-forest area and the Mining Plan was approved in FY 2017-18. Issues of payment of outstanding dues of prior Allottee was resolved in 2018-19. Allottee cannot be held responsible for failure in achievement of coal production till 2018-19.

Regarding delay in timely transfer of statutory clearances, committee is of the view that the Allottee cannot be made solely responsible for that. Therefore, committee recommended that penalty should not be imposed for delay in transfer of statutory clearances and for failure in achievement of scheduled coal production till 2018-19.

However, as regards the show cause notice issued on 07-06-2022 in respect of shortfall in coal production for the years 2019-20 & 2020-21, the committee is of the view that all the major issues were resolved by year 2018-19 and hence achieving the target coal production in year 2019-20 and in 2020-21 was well within the reach of WBPDCCL. The committee, therefore recommended for imposition of penalty in form of PBG appropriation as per CMDPA for shortage in coal production in the FYs 2019-20 and 2020-21.

#### **15. Tubed:- M/s DVC**

Show Cause Notices dated 22.03.2017, 19.03.2018, 13.09.2018, 01.02.2022 and 26.05.2022 and corresponding replies of the Allottee were deliberated in the meeting.



Show Cause	Deliberation
Date- 22.03.2017 Mining Lease Application	It was informed by NA office that the issues related to ML application, EC and FC were earlier considered in the 13 <sup>th</sup> and 16 <sup>th</sup> meetings of the Scrutiny committee. The committee had recommended to seek comment of Jharkhand Govt and accordingly NA office sought comments from Jharkhand State several times. Unfortunately, written comments of State have not been received.
Date- 19.03.2018 Forest Clearance Application	
Date- 13.09.2018 i. Grant of Forest Clearance ii. Grant of Environment Clearance	M/s. DVC informed that they applied for ML under CBA Act. Due to delay in preparation of land schedule, composite revenue plan and delay by CMPDIL in certifying composite revenue plan, there was delay in obtaining section 7 notification under CBA Act. Allottee further informed that State government delayed in deciding land compensation amount and R&R package.
Date- 01.02.2022 i. Land Acquisition ii. Opening of Escrow Account iii. Application for Mine Opening Permission iv. Grant of Mine Opening Permission v. Schedule of production/ Reaching Rated Capacity (FY: 2020-21)	Regarding EC/FC, Allottee gave chronological details of the efforts made by them and emphasized that forest department of Jharkhand took considerable time in scrutinizing and processing the proposal at various level. There was delay in scheduling of public hearing and Gram Sabha which was beyond the control of allottee.
Date- 26.05.2022 Schedule of production/ Reaching Rated Capacity. FY: 2021-22	GoJ official asked Allottee to submit details of all correspondences made with DC, Latehar. He further asked the Allottee to provide the details of all EDS raised by various officials of forest department of the State and their corresponding responses and he would then send these details to forest department and seek their comments. The comments of the forest department and of the district authority would be submitted to O/o NA for further submission to committee.

**Observation & Recommendation: -**

The committee recommended that the Allottee should submit details as required by official of GoJ to O/o Director (Mines), GoJ with a copy to O/o NA referring to observation of the Scrutiny Committee. Subsequently, the details will be forwarded by the Mines department of GoJ to the district authority & forest department of GoJ for their comments. The committee decided to go through the comments of state forest department officials and of district officials before arriving at conclusion on the issue of slippage in timelines of milestones in next meeting.

Meeting ended with vote of thanks to all participants.

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**Annexure:- I****List of participants:****Members of Scrutiny Committee:**

S.N.	Name	Designation
1	Sri P.S.Bhattacharya	Chairman of Committee, Former Chairman, CIL
2	Sri N.C.Jha	Member, Former Director(Tech) and Chairman (Addl Charge), CIL
3	Sri Arun Kumar	Member, Deputy Director (Mines & Geology Department ) , Govt. of Jharkhand
4	Sri Anurag Diwan	Member, Joint Director (Mineral Resources Department) , Govt. of Chhattisgarh
5	Sri P.P.Rai	Member, Sr Mining Officer ,Govt. of Madhya Pradesh
6	Sri C. Patra	General Manager, CMPDIL
7	Sri Sujoy Majumdar	OSD, CCO

**Ministry of Coal:-**

S.N.	Name	Designation
1	Sri Ajitesh Kumar	Director (NA)
2	Sri Jitendra Kumar	Chief Manager
3	Sri Manish Uniyal	Under Secretary(NA)
4	Sri Harish Chand	Manager
5	Sri Abhisek Kumar	ASO
6	Sri Prince Kumar	Deputy Executive Engineer
7	Young Professionals	
8	PMU team	

**Allottees:**

S.N.	Name	Designation
1	Sri Himanshu Singh	G.M., Vedanta Ltd
2	Sri Satya Prakash	Advisor (Mining), EMIL
3	Sri Vivek Mishra	Sr. V.P. Hindalco Industries Ltd



4	Dr Vinod Verma	Sr. V.P. Hindalco Industries Ltd
5	Sri Ajit Ostwal	Joint president, Mines, Ultratech Cements Ltd
6	Sri Atul Daga	CFO, Ultratech Cements Ltd
7	Sri Syed Khadry	Sr V.P.Ultratech Cements Ltd
8	Sri Rajiv	Chief Manager,CCL
9	Sri Sanjay Singh	V.P. JSW Steels Ltd
10.	Sri Rajiv Munjal	Director, Indrajeet Power Ltd
11	Sri Dharnipati	Adviser, Indrajeet Power Ltd
12	Sri T.R.K.Rao	Director, TSGENCO
13	Sri B. V. Kumar	SE,TSGENCO
14	Sri Chanchal Goswami	Director(Tech),WBPDC
15	Sri Debal Gangopadhyay	Adviser(Mining) , WBPDC
16	Representatives of NTPC	
17	Representative of JSMDCL	
18	Representative of DVC	