

Annexure I (refer Para 2.13)

Coal Mines put up for e-Auction during 1st and 2nd Tranche

S. No	Name of Coal mines	Tranche	Schedule	Sector	Remarks
1	Amelia North	1 st	Schedule II	Power	Vesting order issued
2	Ardhagram	1 st	Schedule II	Non- regulated	Vesting order not issued
3	Belgaon	1 st	Schedule II	Non- regulated	Vesting order issued
4	Bicharpur	1 st	Schedule II	Non- regulated	Vesting order issued
5	Chotia	1 st	Schedule II	Non- regulated	Vesting order issued
6	Gare Palma IV/1	1 st	Schedule II	Non- regulated	Cancelled by MOC
7	Gare Palma IV/2 & 3	1 st	Schedule II	Power	Cancelled By MOC
8	Gare Palma IV/4	1 st	Schedule II	Non- regulated	Vesting order issued
9	Gare Palma IV/5	1 st	Schedule II	Non- regulated	Vesting order issued
10	Gare Palma IV/7	1 st	Schedule II	Non- regulated	Vesting order issued
11	Kathautia	1 st	Schedule II	Non- regulated	Vesting order issued
12	Mandla North	1 st	Schedule II	Non- regulated	Vesting order issued
13	Marki Mangli -I	1 st	Schedule II	Non- regulated	Annulled as less than three qualified bidders
14	Marki Mangli -III	1 st	Schedule II	Non- regulated	Vesting order issued
15	Prabhatpur Central	1 st	Schedule II	Non- regulated	Annulled as less than three qualified bidders
16	Tokisud North	1 st	Schedule II	Power	Vesting order issued
17	Trans Damodar	1 st	Schedule II	Power	Vesting order issued
18	Sarisatolli	1 st	Schedule II	Power	Vesting order issued
19	Sial Ghoghri	1 st	Schedule II	Non- regulated	Vesting order issued
20	Talabira-I	1 st	Schedule II	Power	Vesting order issued
21-22	Brinda & Sasai	2 nd	Schedule III	Non- regulated	Vesting order issued
23	Dongri Tal-II	2 nd	Schedule III	Non- regulated	Annulled as less than three qualified bidders
24	Dumri	2 nd	Schedule III	Non- regulated	Vesting order issued
25	Ganeshpur	2 nd	Schedule III	Power	Vesting order issued
26	Gare Palma IV/8	2 nd	Schedule III	Non- regulated	Vesting order issued

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S. No	Name of Coal mines	Tranche	Schedule	Sector	Remarks
27	Jamkhani	2 nd	Schedule III	Non- regulated	Withdrawn by MOC due to court case
28	Jitpur	2 nd	Schedule III	Power	Vesting order issued
29	Kosar Dongergaon	2 nd	Schedule III	Non- regulated	Annulled as less than three qualified bidders
30	Lohari	2 nd	Schedule III	Non- regulated	Vesting order issued
31	Mandakini	2 nd	Schedule III	Power	Vesting order not issued
32	Mandla South	2 nd	Schedule III	Non- regulated	Vesting order issued
33	Meral	2 nd	Schedule III	Non- regulated	Vesting order issued
34	Moitra	2 nd	Schedule III	Non- regulated	Vesting order issued
35	Nerad Malegaon	2 nd	Schedule III	Non- regulated	Vesting order issued
36	Rohne	2 nd	Schedule III	Non- regulated	Withdrawn by MOC for Ministry of Steel
37	Tara	2 nd	Schedule III	Power	Cancelled by MOC
38	Utkal C	2 nd	Schedule III	Power	Vesting order not issued

Annexure II (refer Para 4.1)

Computation of Intrinsic Value by CMPDIL – Details of Audit Observations, Reply of MOC/CMPDIL and Audit Comments on the Replies

S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
1	Deficiencies in Consideration of Grade of Coal	A coal mine contains different grades of coal. In view of availability of different grades, it was assumed to work out weighted average grade (of different available extractable grades) of coal and average grade so determined was taken for valuation of coal mines. However, following discrepancies were noted in determination of grade:			
		Belgaon Mine Mine Plan stipulated average grade of coal as D, hence as per norm worked out by MOC for conversion of grade from UHV to GCV, the resultant GCV should have been 5089 (G8). However, CMPDIL considered GCV of 4597 (G10) for valuation as provided by the prior-allottee	Under Valuation of Mine	The grade considered in certain cases was for initial evaluation only to ascertain whether the NPV of the mine was positive.	Reply not acceptable as estimation of revenue should have been done on the basis of correct grade of coal regardless of positive or negative NPV of the mine.
		Mandla South Mine There was total reserve of coal of 80.400 MT consisting of A to E grade. Out of 80.400 MT, grade C consist of	Under valuation of Mine	The grade considered in certain cases was for initial evaluation only to ascertain whether the NPV of the mine was positive.	Reply not acceptable as estimation of revenue should have been done on the basis of correct grade of coal regardless of positive or

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S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
		30.260 MT (38 <i>per cent</i>) and grade D of 28.499 MT (35 <i>per cent</i>) and rest of other grades. Thus, grade C had more quantity than grade D, however, for valuation G8 grade was determined considering D as the average grade. The mine has extractable reserve of 13.35 MT of which grade-wise detail was not available in the Mine Plan. Thus, considering grade-wise percentage of total reserve (in absence of grade-wise extractable reserve) and taking into account moisture content of five per cent, the average grade should have been G7 instead of G8.			negative NPV of the mine.
		Ardhagram Mine As per Mine Plan, UG part had seam ¹ no. VI to IV which were extractable. Taking into account seam-wise extractable reserve, average grade should have been G7. However, CMPDIL had taken G8 grade for valuation without considering seam no. IV. Seam no. IV contained higher grade consisting of 44 <i>per cent</i> of the extractable reserve (8.6 MT out of 19.29 MT).	Under valuation of Mine	The grade considered in certain cases was for initial evaluation only to ascertain whether the NPV of the mine was positive.	Reply not acceptable as estimation of revenue should have been done on the basis of correct grade of coal regardless of positive or negative NPV of the mine.

¹ A bed of coal usually thick enough to be profitably mined.

S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
		<p>Brinda and Sasai Mine In grade determination of UG portion of the mine, 18.186 MT of mineable reserve was considered instead of 10.20 MT of extractable reserve. As a result, grade determined for valuation was G7 in place of G8</p>	Over Valuation of Mine	The grade considered in certain cases was for initial evaluation only to ascertain whether the NPV of the mine was positive.	Reply not acceptable as estimation of revenue should have been done on the basis of correct grade of coal regardless of positive or negative NPV of the mine.
2	Deficiencies in consideration of Mine Closure Cost	<p>The Guidelines issued (August 2009) by MOC for preparation of Mine Closure Plan and subsequent modification (January 2013) thereof stipulates computation of mine closure cost at the base rate (August 2009) of ₹6.00 lakh per hectare (Ha) for Opencast Project (OCP) and ₹ 1.00 lakh per Ha for Underground (UG) mine of the total project area, “which was increased to ₹ 9.00 lakh per hectare and ₹1.5 lakh per hectare based on WPI (January 2015)” and “compounded”. Further, to derive the annual mine closure cost, the mine closure cost so computed is divided by the entire life of the mine in case of a new project or balance life of the mine in case of an operating/existing mine. It was noted that:</p>			

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S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
		In contrary to the guideline, CMPDIL considered period of 25 years for computation of mine closure cost in respect of 19 ² mines where life of mines was more than 25 years. However, in case of Mandla South mine having life of 50 years, mine closure cost was computed considering the period of 30 years, which was in deviation of its own assumption of 25 year.	Under valuation of Mines	It has been a well set practice to consider a period of 25 years or mine life whichever is less for charging the mine closure cost for techno-economic evaluation of coal mining projects. The same approach has been used for valuation of coal mines for auctioning. Further, difference in annual mine closure cost due to above consideration would have marginal effect on valuation of coal mines.	The fact remained that consideration of 25 years of mine life for computation of mine closure cost was deviation of the provisions of guideline on mine closure cost.
		The mine summary of coal mines shows the mining lease area and the project area out of the mining lease area separately. CMPDIL considered the mining lease area instead of the project area for computing mine closure cost, which resulted in consideration of excess mine closure cost in six ³ coal mines.	Under valuation of Mines	In Jitpur, 541 Ha of land also included 241 Ha of land outside the geological mine. In Tokisud North and Kathautia, 237 Ha and 687.93 Ha of land had been earmarked for quarry excavation area and was not the project area. In Mandla South, the project area of coal mine, as envisaged by the mine planner with the available information	Reply is not convincing since as per the guidelines of January 2013, the mine closure cost was to be computed on the basis of the total project area. Accordingly, Audit considered project area of 237 Ha (Tokisud North), 560 Ha (Mandla South), 687.93 Ha (Kathautia), 294.86 Ha (Trans Damodar) and 300 Ha (Jitpur) as contained in the respective Mining

² Kathautia (33 years), Gare Palma IV/7 (52 years), Trans Damodar (48 years), Jitpur (27 years), Moitra (33 years), Dumri (49 years), Utkal C (41 years), Belgaon (39 years), Ardhamgram (48 years), Gare Palma IV/5 (45 years), Bicharpur (41 years), Brinda and Sasai (56 years), Meral (29 years), Nerad Malegaon (OC-28, UG-35 years), Mandla South (50 years), Lohari (45 years), Mandakini (40 years), Gare Palma IV/8 (OC-19, UG-50 years), Amelia North (27 years).

³ 541 Ha in place of 300 Ha (Jitpur), 585 Ha in place of 237 Ha (Tokisud North), 942.25 Ha in place of 687.93 Ha (Kathautia), 572 Ha in place of 560 Ha (Mandla South), 462 Ha in place of 279 Ha (Dumri) and 365.76 Ha in place of 294.86 (Trans Damodar).

S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
				<p>had been considered for determining the annual mine closure cost</p> <p>In reply, MOC stated that it had correctly considered the area of 585 Ha, 572 Ha, 541 Ha and 942 Ha respectively in respect of Tokisud North, Mandla South, Jitpur and Kathautia on the basis of mining plan/information submitted by the prior allottee.</p> <p>.</p>	Plan. Reply was silent about Dumri coal mine.
		Less land area was taken in three ⁴ mines for computing mine closure cost, which resulted in consideration of less mine closure cost.	Over valuation of Mines	In Utkal C mine, project area of 610 Ha included land area for washery, railway siding, rehabilitation & resettlement site and staff colony, hence not considered entirely for computation of mine closure cost. In Ardhagram, project area of the coal mine as envisaged by the mine planners with the available information had been considered for determining the mine closure cost.	The reply not acceptable as the approved Mine Plan of Utkal C and Ardhagram coal mines stipulated 610 Ha and 800 Ha of land as the project area. Reply was silent about Gare Palma IV/7.

⁴ 576.55 Ha in place of 610.86 Ha (Utkal C) and 296 Ha (172.44 Ha for UG and 123.56 Ha for OCP) in place of 800 Ha (90.5 Ha for OCP and 709.5 Ha for UG) in Ardhagram and 420 Ha in place of 335.75 Ha in Gare Palma IV/7.

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S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
		<p>Gare Palma IV/4 Mine Land of 730.65 Ha pertaining to UG (349.44 Ha) and OCP (381.21 Ha). However, mine closure cost was calculated at the uniform rate of ₹ 1.00 lakh/Ha for total 730.65 Ha of land instead of calculating for UG portion at the rate of ₹1.00 lakh per Ha and OCP at the rate of ₹6 lakh per Ha.</p>	Over valuation of Mine	While accepting the fact, it was stated that mine closure cost had been inadvertently taken on higher side.	The contention was not factually correct as the cost had been taken on lower side due to calculation of total mine closure cost at the uniform rate of ₹ 1.00 lakh/Ha instead of ₹1.00 lakh/Ha for UG and ₹6.00 lakh/Ha for OCP.
3	Consideration of lower rates of crushing charges	Crushing charges were considered ₹39 per tonne in place of ₹51 per tonne for coal size of 200 mm to 250 mm in Belgaon, Chotia and Gare Palma IV/4, ₹79 per tonne instead of ₹100 per tonne for less than 50 mm size in case of Sarisatolli, for valuation of the respective coal mines. Further, in case of Nerad Malegaon and Gare Palma IV/8 coal mine, recovery for beneficiation/crushing charge was not considered in the sale price.	Under valuation of Mines	While accepting the facts, it was stated that earlier prevailing crushing charges instead of current applicable charges were inadvertently considered and in case of Nerad Malegaon and Gare Palma IV/8, crushing charges were inadvertently not considered at all.	Accepted by CMPDIL.
4	Deficiencies in consideration of cost of land	<p>It was assumed to value (i) tenancy land at actual rate subject to a maximum of ₹25 lakh/Ha, and (ii) government land at actual rate. It was noted that:</p> <p>(i) In Utkal-C coal mine, tenancy land was valued at the rate of</p>	Under valuation	While accepting the facts in respect of Marki Mangli-III, it was stated that the cost of government land was inadvertently/erroneously not considered.	The reply was, however, silent about non-consideration of Government land of 11.88 Ha in case of Gare Palma IV/8 mine. In case of Utkal C, it was stated that actual cost incurred by the prior allottee had been taken. The reply

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		<p>₹36.45 lakh/Ha which was in excess of ₹25 lakh.</p> <p>(ii) In Trans-Damodar, tenancy land of 119.41 Ha acquired by the prior allottee was valued at the rate of ₹34.28 lakh/Ha which was in excess of ₹25 lakh.</p> <p>(iii) In Gare Palma IV/8 and Marki Mangli III mine, cost of area of government land was not considered.</p>	<p>of Mine</p> <p>Under valuation of Mine</p> <p>Over valuation of Mines</p>		<p>in respect of Utkal C not acceptable as it was in contrary to its own assumptions which stipulated that cost of tenancy land should not exceed ₹25 lakh per Ha.</p>
		<p>Brinda-Sasai Mine As per the approved Mine Plan, 1210.74 Ha of land was required for UG mine, however, cost of 606.07 Ha of land only was considered for valuation.</p>	Over valuation of Mine	<p>As per the Mine Plan, the proposed method of mining would give maximum extraction with no damage to the surface due to subsidence. Surface rights for 604.67 Ha of non-forest land was therefore not required. Hence, capital provision for 604.67 Ha of land had not been considered for valuation.</p>	<p>The reply not acceptable as the approved Mine Plan stipulated requirement of 1210.74 Ha of land for mining purpose.</p>
5	Consideration of cost of Heavy Earth Moving Machines (HEMM) in opencast mines	<p>Production of coal from OCP was assumed to be done through outsourcing mode. Thus, capital cost on HEMM should have been excluded for valuation of OCPs. However, in valuation of Talabira-1, Trans</p>	Under valuation of Mines	<p>While accepting the facts, it was stated that cost of HEMMs in respect of above mines had been inadvertently and erroneously taken into consideration for valuation.</p>	<p>Accepted by CMPDIL</p>

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		Damodar and Gare Palma IV/4 OCP coal mines, capital cost of HEMMs of ₹6.19 crore, ₹16.36 crore and ₹2.35 crore respectively was considered.			
6	Non-consideration of indirect taxes applicable on coal as revenue (cash inflow).	<p>Mining and removal of coal attract payment of indirect taxes such as royalty, stowing excise duty (SED), clean energy cess, excise duty (ED). These are collected from the customers in addition to the notified/sale price of coal and paid to the Government. The collection of these taxes results in cash inflow while its payment to the Government results in cash outflow. Thus, for computation of present value of a coal mine, both cash inflow as well as cash outflow as a result of mining of coal should be considered.</p> <p>It was noted that indirect taxes i.e. royalty, stowing excise duty, excise duty payable on coal were taken as component of cost i.e. cash outflows. These taxes were, however, not considered as cash inflow for working out NPV. In addition, clean energy cess was neither considered as outflow nor inflow of cash.</p>	Under valuation of Mines	<p>CMPDIL stated that valuation of coal mines was done on the methodology dated 26 December 2014 of MOC which proposed for taking extant notified price of CIL (price of domestic coal) and the methodology was silent about inclusion of deemed cash inflows in terms of taxes and duties. Further, the mines were auctioned under the presumption that coal produced would be used by the allocatee as raw material for value addition to other saleable commodity at End Use Plant (EUP) as opposed to coal companies where taxes paid by the coal producer are recovered from the coal buyers and so are shown in the cash inflow.</p>	<p>a) Since valuation of coal mines had been done on various assumptions, including the revenue stream as CIL notified price, the assumptions for cash inflows in terms of taxes and duties should also have been considered accordingly.</p> <p>b) Methodology dated 26 December 2014 did not state that only the notified price would be the cash inflow. In fact, CMPDIL had not restricted to notified price of coal only but it considered crushing charges of coal also as part of cash inflow.</p> <p>c) Ministry's contention regarding mines being sold for captive use substantiates Audit point as CMPDIL had considered indirect taxes viz. ED, royalty, and SED as component of cost for calculating intrinsic value of</p>

S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
				In its reply, MOC stated that those mines were sold for captive use and there was no sale of coal. Therefore, no taxes were payable and no revenue should accrue to the successful bidder. Further, many of the issues enumerated were theoretical in nature with legitimate differences as to their treatment in the accounts.	coal mines. However, those taxes were not considered for revenue. d) As in EUPs, cost of coal inclusive of taxes would be raw material cost for production of other saleable commodities which is ultimately, recoverable from the customer, as such those taxes should have been considered as a component of revenue and cost or alternatively, they could have been excluded from carrying out the calculation.
7	Deficiencies in consideration of cost of manpower	Production of coal from OCPs was assumed to be done through outsourcing mode and UG mines through departmental mode. Further, manpower cost for UG mines was considered as cost applicable for departmental based on Earning per Man shift (EMS) at the rate of ₹2700 and OCPs based on EMS at the rate of ₹500. It was noted that:			

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S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL’s reply	Audit comment on the reply
		Amelia North OCP Mine Salary & wages cost of departmental ⁵ manpower was calculated on EMS at the rate of ₹500 instead of ₹2,700.	Over valuation of Mine	While accepting the fact, it was stated that EMS at the rate of ₹500 for the manpower was inadvertently and erroneously logged against ₹2,700 on the presumption of it being the outsourced manpower.	Accepted by CMPDIL.
		Gare Palma IV/5 UG Mine The Mine Plan stipulated requirement of 2,200 manpower for running the mine at full capacity. Technical evaluation team of CMPDIL had suggested the requirement of 2,140 manpower. However, in valuation of the mine, cost of 1,040 manpower was considered as departmental (taking EMS ₹2,700) and the balance 1,100 manpower was incorrectly considered as outsourced (EMS ₹500). It being UG mine, the entire manpower cost should have been taken at departmental EMS rate.	Over valuation of Mine	A total manpower of 2,140 had been considered in valuation after deducting 60 manpower (from 2,200 manpower) for mechanized continuous miner district which has been considered to be operated contractually.	The reply not acceptable since this was in deviation of assumption wherein production in UG mine was to be done by departmental means and thus cost of entire manpower of 2,140 should have been taken at departmental EMS rate.
8	Inconsistency in implementation of adopted assumptions/	For computation of intrinsic value, CMPDIL adopted a set of assumptions. The assumptions inter-alia included consideration of ratio of			

⁵ Departmental manpower in an OCP is required for supervision purpose and also to meet the statutory requirement.

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	deviation from Mine Plan	equity and loan capital as 80:20, price of plant & machineries to be taken from standard price list prepared by CMPDIL, etc. Further, compliance to provisions of Mine Plan/ requirement relating to environmental/forest clearance were also to be taken into account in valuation of coal mines. It was noted that:			
		Talabira-1 Mine Equity and loan ratio of 80:20 was not followed and the entire capital was taken as equity.	Over valuation of Mine	Balance life of the project was only 3-4 years, hence 100 <i>per cent</i> equity was considered.	The reply not acceptable as consideration of 100 <i>per cent</i> equity was in deviation to its own adopted assumption.
		Ardhagram Mine The Mine Plan stipulated removal of over burden (OB) ⁶ of 15.23 Mm ³ from OCP part of the mine for extraction of 1.52 MT of coal. As per the data provided by prior allottee, 1.28 Mm ³ of OB had already been removed till 2013-14 and 1.25 Mm ³ of OB was proposed to be removed in 2014-15. Thus, total 2.53 Mm ³ of OB (1.28 Mm ³ + 1.25 Mm ³) was supposed to be	Over valuation of Mine	In absence of calendar program for removal of OB in the Mine Plan, actual quantity of OB removed by the prior allottee were extrapolated for assessment in the remaining years.	The reply not acceptable as cost of removal of 10.25 Mm ³ of OB was not considered, deviating from provisions of the approved Mine Plan.

⁶ In mining, over burden (OB) (also called waste or spoil) is the material that lies above an area that lends itself to economical exploitation, such as the rock, soil, and ecosystem that lies above a coal seam or ore body.

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S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
		<p>removed till 2014-15 and balance 12.70 Mm³ of OB (15.23 Mm³ - 2.53 Mm³) to be removed thereafter. However, in valuation of the mine, cost of removal of 2.45 Mm³ of OB was considered instead of cost of removal of 12.70 Mm³ of OB.</p>			
		<p>Bicharpur UG Mine As per the revised production schedule annexed with the Mine Plan, 1st and 2nd year were considered for project construction period and production of coal stipulated in 3rd year of 0.25 MT, 4th year of 0.50 MT and from 5th year onwards production at full capacity of 0.75 MT per year. The project has life of 41 years. However, in valuation, production at full capacity of 0.75 MT was taken from the 3rd year itself in contravention of the revised production schedule of the Mine Plan. Since the coal mine has life beyond 25 years, hence excess production of 0.75 MT (0.50 MT in 3rd year and 0.25 MT in 4th year) was considered for valuation.</p>	<p>Over valuation of Mine</p>	<p>Production schedule as per the annexure contained in the approved Mining Plan and Mine closure plan was considered.</p>	<p>The reply not acceptable as the revised production schedule annexed with the Mine Plan stipulated production of 0.25 MT in 3rd year and 0.50 MT in 4th year instead of 0.75 MT as considered for valuation.</p>

S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
		<p>Bicharpur UG Mine Environmental clearance order (July 2013) stipulated capital expenditure of ₹9.37 crore under CSR during first five years. However, in valuation, this cost was not considered.</p>	Over valuation of Mine	CSR was an expenditure that was to be considered by the company based on its profit and was a part of stipulations of the Companies Act 2013. As per valuation, the NPV of the mine was negative and no profit was foreseen, hence CSR expenditure was not considered for computation of NPV.	The reply not acceptable as intrinsic value was to be worked out considering all the cost elements.
		<p>Nerad Malegaon Mine Environmental clearance stipulated provision of ₹37.00 lakh for CSR in addition to a provision of ₹5 per tonne of production of coal as recurring cost. However, this expenditure was not considered in valuation of the mine.</p>	Over valuation of Mine	CSR was an expenditure that was to be considered by the company based on its profit and was a part of stipulations of the Companies Act 2013. As per valuation, the NPV of the mine was negative and no profit was foreseen, hence CSR expenditure was not considered for computation of NPV.	The reply not acceptable as intrinsic value was to be worked out considering all the cost elements.
		<p>Kathautia Mine Rate of depreciation of ten per cent was considered for residential building instead of adopted rate of five per cent.</p>	Under valuation of Mine	While accepting the fact it was stated that depreciation rate of ten per cent had been inadvertently and erroneously charged to residential building.	Accepted by CMPDIL.

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S. No.	Nature of observation	Details of observation	Impact	MOC/CMPDIL's reply	Audit comment on the reply
9	Consideration of incorrect cost	Mandla South Mine Cost of Prospecting and Boring was taken as ₹1.21 crore instead of ₹12.12 crore which was the actual cost incurred.	Over valuation of Mine	This was attributed to typographical error.	Accepted by CMPDIL.
		Bicharpur UG Mine Prior allottee had provided data relating to outsourcing cost of operation of Continuous Miner at the rate of ₹1,295 per tonne, however, in valuation cost at the rate of ₹1422.54 per tonne was considered.	Under valuation of Mine	The rate of contractual operation of Continuous Miner prevailing in South Eastern Coalfield Limited was considered.	The reply not acceptable as CMPDIL did not consider the data provided by prior allottee which was one of the basis adopted for valuation of mines.

Annexure III (refer Para 4.1)

Statement Showing Net Impact of All Audit Observations as Under Valuation of Mines

S No.	Name of coal mine	Sector	CMPDIL				Floor price/NPV/Upfront derived by Audit based on notified price* (after inclusion of indirect taxes)			Net impact		
			Floor price	Revised fixed rate (for power sector coal mines)	NPV	Upfront	Floor price	NPV	Upfront	Difference in upfront amount	Difference in floor price (For non regulated sector mines)	Difference in revised fixed rate (For power sector mines)
			(A)	(B)		(C)	(D)		(E)			
			₹/tonne		₹in lakh		₹/tonne	₹ in lakh		₹ in lakh	₹/tonne	₹/tonne
1	Amelia North	Power	345.15	345.15	85329.52	8532.95	476.97	117916.90	11791.69	3258.74	-	131.82
2	Utkal C	Power	147.91	150	32586.50	3258.65	265.05	58392.60	5839.26	2580.61	-	115.05
3	Dumri	Non Regulated	150.00	NA	3593.94	1229.96	154.70	12685.26	1268.53	38.57	4.70	-
4	Ganeshpur	Power	273.10	273.10	87777.62	8777.76	371.23	119317.28	11931.73	3153.97	-	98.13
5	Gare Palma IV/7	Non Regulated	206.34	NA	24973.05	2497.30	241.16	29186.22	2918.62	421.32	34.82	-
6	Jitpur	Power	114.81	150	27208.24	2720.82	210.34	49849.01	4984.90	2264.08	-	60.34
7	Talabira 1	Power	262.86	262.86	25030.65	2503.07	361.07	34382.08	3438.21	935.14	-	98.21
8	Tokisud North	Power	326.49	326.49	70324.59	7032.46	469.06	101036.24	10103.62	3071.16	-	142.57
9	Trans Damodar	Power	147.08	150	14833.49	1483.35	207.67	20944.44	2094.44	611.09	-	57.67
10	Kathautia	Non Regulated	678.87	NA	54774.87	5477.49	1028.83	83015.05	8301.51	2824.02	349.96	-
11	Mandakini	Power	358.26	358.26	216277.35	21627.73	476.69	287773.77	28777.38	7149.65	-	118.43

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S No.	Name of coal mine	Sector	CMPDIL				Floor price/NPV/Upfront derived by Audit based on notified price* (after inclusion of indirect taxes)			Net impact		
			Floor price	Revised fixed rate (for power sector coal mines)	NPV	Upfront	Floor price	NPV	Upfront	Difference in upfront amount	Difference in floor price (For non regulated sector mines)	Difference in revised fixed rate (For power sector mines)
			(A)	(B)		(C)	(D)		(E)			
			₹/tonne		₹in lakh		₹/tonne		₹ in lakh	₹ in lakh	₹/tonne	₹/tonne
12	Moitra	Non Regulated	413.71	NA	33125.99	3312.60	1678.15	134363.88	13436.39	10123.79	1264.44	-
13	Sarisatolli	Power	426.49	426.49	123427.40	12342.74	458.77	132768.49	13276.85	934.11	-	32.28
14	Chotia	Non Regulated	150.00	NA	2810.85	1349.54	199.58	17956.19	1795.62	446.08	49.58	-
15	Gare Palma IV/8	Non Regulated	150.00	NA	2721.38	1480.50	187.59	18515.23	1851.52	371.02	37.59	-
						83626.92			121810.27	38183.35		

* In Moitra (Sl. No. 12), the prices of washed coking coal, middlings, slurry and rejects have been taken in place of notified price (Para 4.2 of this Report refers)

Annexure IV (refer Para 5.1)

Analysis of the Bidding in the e-Auction where JV Companies were Participants

Legend:

 And 	Same Company/ JV
	Cases where the effective bidding was among 2-3 bidders only

S. No.	Name of the coal mine	Shortlisted companies/ bidders	No. of bids	Total QBs	QBs of the JVs/ same companies	Total independent QBs
1	Kathautia; Jharkhand; Schedule II	Hindalco - Odisha	111	5	3	3
		Hindalco - MP	1			
		Ultratech Cement	1			
		Monnet Ispat	0			
		Usha Martin	111			
Total Bids			224			
2	Mandla North; Madhya Pradesh; Schedule II	Jaiprakash Industries	85	5	3	3
		Ultratech Cement	162			
		Hindalco	3			
		Ultratech Cement	3			
		Hindustan Zinc	92			
Total Bids			345			
3	Chotia; Chattisgarh; Schedule II	BALCO	132	5	3	3
		BALCO	0			
		Godawari Power & Ispat	147			
		Sarda Energy & Mineral	32			
		Sesa Sterlite	6			
Total Bids			317			
4	Gare Palma IV/5; Chattisgarh; Schedule II	Ambuja Cement	17	6	2+2	4
		BALCO	9			
		BALCO	0			
		Hindalco - Odisha	248			
		Hindalco - MP	4			
		Monnet Ispat	233			
Total Bids			511			

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S. No.	Name of the coal mine	Shortlisted companies/ bidders	No. of bids	Total QBs	QBs of the JVs/ same companies	Total independent QBs
5	Bicharpur; Madhya Pradesh; Schedule II	Ultratech Cement	122	6	3	4
		Hindalco - Odisha	1			
		Hindalco - MP	1			
		JP Cement	104			
		Monnet Ispat	3			
		ACC Cement	66			
Total Bids			297			
6	Gare Palma IV/4; Chattisgarh; Schedule II	Hindalco - Odisha	165	6	2+2	4
		Hindalco - MP	2			
		ACC Cement	157			
		Sharda Energy & Minerals	9			
		BALCO	2			
		BALCO	0			
Total Bids			335			
7	Gare Palma IV/7; Chattisgarh; Schedule II	BALCO	1	7	3+3	3
		BALCO	0			
		Hindalco - Odisha	171			
		Hindalco - MP	2			
		Monnet Ispat	167			
		Sesa Sterlite	13			
		Ultratech Cement	1			
Total Bids			355			
8	Gare Palma IV/8; Chattisgarh; Schedule III	Ambuja Cement	114	6	2	5
		BALCO	0			
		Hindalco	91			
		Jayaswal Neco	1			
		Rungta Mining	3			
		Sesa Sterlite	17			
Total Bids			226			
9	Sarisatolli; West Bengal; Schedule-II	Adani Power	0	5	3	3
		CESE Ltd	84			
		Sheesham	1			
		Haldia	0			
		GMR	82			
Total Bids			167			

S. No.	Name of the coal mine	Shortlisted companies/ bidders	No. of bids	Total QBs	QBs of the JVs/ same companies	Total independent QBs
10	Mandakini ; Odisha; Schedule-III	Adani Power	56	5	2	4
		GMR Mining	20			
		Jindal Power	3			
		Mandakini Exploration	81			
		Wigeon Commotrade	0			
Total Bids			160			
11	Brinda & Sasai; Jharkhand; Schedule III	Usha Martin	1	4	2	3
		BALCO	0			
		Sesa Sterlite	0			
		Easternrange Coal Mining	0			
Total Bids			1			

Dates of Issue of Vesting Orders in respect of Coal Mines e-Auctioned in 1st and 2nd Tranche

S. No.	Name of the Coal mine	State	Schedule	Sector of end use	Date of vesting order
1	Sial Ghoghri	Madhya Pradesh	II	Non-regulated	23.03.2015
2	Talabira-I	Odisha	II	Power	23.03.2015
3	Kathautia	Jharkhand	II	Non- regulated	23.03.2015
4	Belgaon	Maharashtra	II	Non- regulated	23.03.2015
5	Sarisatolli	West Bengal	II	Power	23.03.2015
6	Marki Mangli III	Maharashtra	II	Non- regulated	17.04.2015
7	Trans Damodar	West Bengal	II	Power	23.03.2015
8	Mandla North	Madhya Pradesh	II	Non- regulated	23.03.2015
9	Amelia North	Madhya Pradesh	II	Power	23.03.2015
10	Ardhagram	West Bengal	II	Non- regulated	Not issued
11	Chotia	Chhattisgarh	II	Non- regulated	23.03.2015
12	Tokisud North	Jharkhand	II	Power	23.03.2015
13	Gare Palma IV/5	Chhattisgarh	II	Non- regulated	23.03.2015
14	Bicharpur	Madhya Pradesh	II	Non- regulated	23.03.2015
15	Gare Palma IV/4	Chhattisgarh	II	Non- regulated	23.03.2015
16	Gare Palma IV/7	Chhattisgarh	II	Non- regulated	23.03.2015
17-18	Brinda & Sasai	Jharkhand	III	Non- regulated	22.04.2015
19	Jitpur	Jharkhand	III	Power	22.04.2015
20	Moitra	Jharkhand	III	Non- regulated	22.04.2015
21	Mandakini	Odisha	III	Power	Not issued
22	Meral	Jharkhand	III	Non- regulated	22.04.2015
23	Dumri	Jharkhand	III	Non- regulated	22.04.2015
24	Nerad Malegaon	Maharashtra	III	Non- regulated	22.04.2015
25	Ganeshpur	Jharkhand	III	Power	22.04.2015
26	Gare Palma IV/8	Chhattisgarh	III	Non- regulated	22.04.2015
27	Mandla South	Madhya Pradesh	III	Non- regulated	22.04.2015
28	Lohari	Jharkhand	III	Non- regulated	22.04.2015
29	Utkal-C	Odisha	III	Power	Not issued

Annexure VI (refer Para 7.2)

Process Pending with Central Government for Schedule II Coal Mines

S. No	Statutory permission	Time limit in months for completion (as per CMDPA)	Authority responsible for transfer of permission	Name of Coal mine	Reasons for pendency (As mentioned in the pre-commencement report)
1	Opening permission from CCO	03	Ministry of Coal - CCO	Gare Palma IV/7	Under process with CCO
				Trans Damodar	Applied for
2	Ground water clearance	03	Central Ground Water Authority (CGWA)	Kauthatia	NOC awaited
				Trans Damodar	District level and State level committees had approved the proposal. Final clearance from High Power Committee was awaited.
3	Mine closure plan (MCP)	06	Ministry of Coal	Gare Palma IV/7	<ul style="list-style-type: none"> • MOC informed that the MCP submitted by the prior allottee was not approved. It was also advised to adopt the same MCP or submit a revised MCP. It was intimated to MOC that Monnet Ispat and Energy Ltd. (MIEL) shall adopt the same MCP as submitted by prior allottee. • Under process for approval at MOC.

Process Pending with State Government for Schedule II Coal Mines

Sl. No.	Statutory permission	Time limit in months for completion (as per CMDPA)	Authority responsible for transfer of permission	Name of Coal mine	Reasons for pendency (As mentioned in the pre-commencement report)
1	Opening permission from DGMS	03	Zonal office of DGMS	Gare Palma IV/7	Application had been submitted to Director of Mines Safety, Raigarh. Permission was awaited. Expected to be received after execution of ML.
				Trans Damodar	Applied for
2	Consent to operate	03	State Pollution Control Board	Kathautia	Site inspection was complete. Final issuance was awaited subject to execution of mining lease.
				Tokisud North	Application submitted to Assistant Environment Engineer in March 2016
3	Land diversion/ Mutation	03	State Government.	Tokisud North	<ul style="list-style-type: none"> • For Government land, the final transfer and demand note for applicable stamp duty and registration charges from respective District Administration were awaited. • For Freehold land, DC, Hazaribagh informed to obtain the permission under CNT Act but no communication had been received on modalities for transfer of these lands.
				Kathautia	<ul style="list-style-type: none"> • 70 per cent of total land acquired by the prior allottee was under litigation. The fact was not disclosed by the prior allottee in mine dossier (part of tender document). There was no land available for commencing mining operation. • The immediate working may not be in compliance with the existing mining plan/mine closure plan due to land availability constraints.

Sl. No.	Statutory permission	Time limit in months for completion (as per CMDPA)	Authority responsible for transfer of permission	Name of Coal mine	Reasons for pendency (As mentioned in the pre-commencement report)
4	Explosive Licence	03	District Administration/ Magistrate	Kathautia	Under submission. NOC shall be transferred after execution of mining lease.
				Marki Mangli III	Application submitted to District Collector for permission.
				Tokisud North	Delay in issuance of NOC by District Administration.
				Trans Damodar	NOC from District Magistrate, Bankura awaited.
5	Railway siding approval	03	Zonal Railway Department	Tokisud North	Pending with ECR, Hajipur
6	Grant of mining lease	03	State Mining Department	Kathautia	Pending with state mining department/District Administration for settlement of issues related to Government land and Jungle Jhari land.
				Marki Mangli III	<ul style="list-style-type: none"> • District Mining Officer, Yavatmal advised to fulfil the compliances related to Environment Clearance, Stamp Duty, DGPS survey and deposition of ₹ 15 crore for road construction. • Reply in this regard submitted to DMO, Yavatmal. • Approval awaited
				Tokisud North	<ul style="list-style-type: none"> • Stamp duty and registration charges for execution of mining lease were revised and demand note on the basis of such revisions was received. • Assistant Mining Officer, Hazaribag was requested to give extension for 06 months from the date of revised stamp duty and registration charges. • Response awaited.
				Gare Palma IV/7	<ul style="list-style-type: none"> • Fee for execution of lease was submitted. Monnet Ispat Energy Limited (MIEL) had raised some issues in respect of EUP and exploration cost which were linked to prior allottee. • Further, MRD, Chhatisgarh directed

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Sl. No.	Statutory permission	Time limit in months for completion (as per CMDPA)	Authority responsible for transfer of permission	Name of Coal mine	Reasons for pendency (As mentioned in the pre-commencement report)
					to get the Forest Clearance first for grant of mining lease which was not applicable at the time of execution of Vesting Order as forest area was not involved in existing block boundary as per the mining lease executed with prior allottee subsequently transferred to MIEL vide the Vesting Order. Secretary, Mines, Chhatisgarh has directed MRD, Chhatisgarh to examine the application made by MIEL and take action accordingly.

Annexure VIII (refer Para 7.2)

Process Pending on the Part of Allottee for Schedule II Mines

Sl. No	Statutory permission	Time limit in months for completion (as per CMDPA)	Authority responsible for transfer of permission	Name of Coal mine	Reasons for pendency (As mentioned in the pre-commencement report)
1	Ground water clearance	03	Central Ground Water Authority (CGWA)	Marki Mangli III	Application would be submitted after preparation of hydro-geological report which is under progress.
2	Environment clearance (EC)	03	Ministry of Environment and Forests (MOEF)	Marki Mangli III	Application was submitted in time but MoEF directed to seek fresh EC. Consultant had started the work for preparing EMP/EIA documentation.
3	Electricity Supply	03	State Electricity Board	Trans Damodar	Electricity supply was being maintained from the sub-station of prior allottee. MDO was required to be appointed for applying for fresh connection or transferring the existing connection.
4	Opening permission from DGMS	03	Zonal office of DGMS	Marki Mangli III	Application was submitted to DGMS, Dhanbad. As per DGMS, a new application was to be submitted. The submission of new application was awaited for the completion of mining lease, consent to operate and environment clearance.
5	Opening of escrow account	06	Ministry of Coal	Trans Damodar	MCP was not approved. The annual amount to be deposited was not available. MCP was to be prepared for which RQP was to be appointed.
				Tokisud North	Statutory permissions awaited.
6	Mine Closure Plan (MCP)	10 (For approval of Revised MCP)	Ministry of Coal	Marki Mangli III	<ul style="list-style-type: none"> The prior allottee had not obtained the approval for MCP. Therefore, a fresh MCP was prepared and submitted for approval of MOC. The Expert Committee had found that the prior allottee had not been in compliance with the Mining Plan,

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Sl. No	Statutory permission	Time limit in months for completion (as per CMDPA)	Authority responsible for transfer of permission	Name of Coal mine	Reasons for pendency (As mentioned in the pre-commencement report)
					therefore, it advised to resubmit Mine Plan along with MCP. • Fresh MCP is under preparation and it was intimated to the Ministry that the fresh MCP as per approved Mine Plan would be submitted.

Annexure – IX (refer Para 8.4)

Details of Cases where Additional Levy was not Received or Less Amount was Received

S. No	Name of Coal mine	Name of the previous allottee [as per Coal Mines (SP) Act 2015]	Quantity of coal produced till 31.03.2015 (in tonne)	Amount to be deposited @ ₹ 295 PMT (₹ in thousands)	Amount deposited by the allottee (₹ in thousands)	Less deposited (₹ in thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (5-6)
1	Sarisatolli	CESC Limited	35419441	10448735	10448735	0
2	Belgaon	Sunflag Iron & Steel Company Limited	1058977	312398	312398	0
3	Talabira-I	Hindalco Industries Limited	20340898	6000565	6000565	0
4-5	Parsa (E) & Kanta Basan	Rajasthan Rajya Vidyut Utpadan Nigam Limited	4931907	1454913	1454913	0
6	Chotia	Prakash Industries Limited	8442725	2490604	2490604	0
7	Gare Palma IV/1	Jindal Strips Limited	70584161	20822327	20822327	0
8-9	Gare Palma IV/2-3	Jindal Power Limited	40176384	11852033	11852033	0
10	Ardhagram	Sova Ispat Limited, Jai Balaji Sponge Limited	764917	225651	216358	9293
11	Gare Palma IV/7	Raipur Alloys & Steel Limited	4834912	1426299	1426299	0
12	Marki Mangli- I	B S Ispat Limited	191566	56512	56420	92
13	Amelia North	Madhya Pradesh State Mining Corporation	1504431	443807	443807	0
14	Parbatpur Central	Electrosteel Casting Limited	1201816	354536	354536	0
15	Kathautia	Usha Martin Limited	2838266	837288	837288	0

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S. No	Name of Coal mine	Name of the previous allottee [as per Coal Mines (SP) Act 2015]	Quantity of coal produced till 31.03.2015 (in tonne)	Amount to be deposited @ ₹ 295 PMT (₹ in thousands)	Amount deposited by the allottee (₹ in thousands)	Less deposited (₹ in thousands)
16	Pachwara Central	Panem Coal Mines Limited (JV Company between Punjab State Electricity Board & Emta Coal Limited).	52682567	15541357	3914636	11626721
17-22	Bajrang I to IV, Kiloni & Manora Deep	Karnataka Emta Coal Mines Limited (JV Company between Karnataka Power Corporation Limited & Emta Coal Limited).	15193208	4481996	1104324	3377672
23	Gare Palma IV/5	Monnet Ispat & Energy Limited	8573105	2529066	2529066	0
24	Marki Mangli- II	Shree Veerangana Steels Limited	153577	45305	45305	0
25	Marki Mangli -III	Shree Veerangana Steels Limited	768172	226611	226611	0
26	Gare Palma IV/4	Jaswal Neco Limited	3808493	1123505	1123505	0
27	Sial Ghoghri	Prism Cement Limited	1181	348	348	0
28	Tokisud North	GVK Power (Govindwal Sahib) Limited	1000	295	295	0
29	Mandla North	Jaiprakash Associates	0	0	0	0
30	Kagra Joydeb	Damodar Valley Corporation	0	0	0	0
31	Bicharpur	Madhya Pradesh State Mining Corporation Limited	0	0	0	0
32	Trans Damodar	West Bengal Mineral Development & Trading Corporation Limited	2119359	625211	625211	0

S. No	Name of Coal mine	Name of the previous allottee [as per Coal Mines (SP) Act 2015]	Quantity of coal produced till 31.03.2015 (in tonne)	Amount to be deposited @ ₹ 295 PMT (₹ in thousands)	Amount deposited by the allottee (₹ in thousands)	Less deposited (₹ in thousands)
33-34	Tara (E) & Tara (W)	Bengal Emta Coal Mines Limited (JV of WPDCL, Durgapur Projects Limited and Emta Coal Limited)	53836980	15881909	0	15881909
35-36	Gangaramchak & Gangaramchak Bhadaulia	Bengal Emta Coal Mines Limited (JV of WPDCL, Durgapur Projects Limited and Emta Coal Limited)	386822	114112	0	114112
37	Barjora	Bengal Emta Coal Mines Limited (JV of WPDCL, Durgapur Projects Limited and Emta Coal Limited)	1098772	324138	0	324138
38	Pachwara North	Bengal Emta Coal Mines Limited (JV of WPDCL, Durgapur Projects Limited and Emta Coal Limited)	4094873	1207988	0	1207988
39	Barjora (North)	DVC Emta Limited (JV of DVC and Emta Coal Limited)	5542741	1635109	0	1635109
40	Namchik Namphuk	Arunachal Pradesh Mineral Development & Trading Corporation	1073000	316535	0	316535
41-42	Gotitoria (E) & (W)	BLA Industries Limited	2955989	872017	0	872017
Total			344580240	101651170	66285584	35365586