

MOST IMMEDIATE/BY E-MAIL

No. PS1-13011/15/2022-PS1 (FTS: 353598)

भारत सरकार/GOVERNMENT OF INDIA

कोयला मंत्रालय/MINISTRY OF COAL

पी एंड एस-1 अनुभाग/P&S-I Section

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Shastri Bhawan, New Delhi

Dated the 19th September, 2022

Subject : Minutes of 50th Meeting of the Inter-Ministerial Group (IMG) held on 22.08.2022 under the Chairmanship of Additional Secretary to review the issue of Bank Guarantee - reg.

The undersigned is directed to refer to the subject mentioned above and to forward herewith minutes of 50th Meeting of IMG under Chairmanship of Additional Secretary held on 22.08.2022 at 3 P.M. to undertake review on the issue of Bank Guarantee of prior allottee, for information and necessary action.

Encl.: As stated above.



(Rishan Rynthiang)

Under Secretary (P&S-I)

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To,

1. Additional Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi.
2. Joint Secretary (IE), Department of Economic Affairs, Room No. 67B, North Block, New Delhi.
3. Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi.
4. Joint Secretary, Department for Promotion of Industry and Internal Trade, Udyog Bhawan, New Delhi.
5. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
6. JS&FA, Ministry of Coal.
7. Advisor (P), Ministry of Coal.
8. CMD, CMPDIL, Gondwana Place, Kanke Road, Ranchi.
9. Coal Controller, 1, Council House Street, Kolkata-700001.
10. Director (P&S), Ministry of Coal.
11. AM (Legal), Legal Cell, Ministry of Coal.
12. Prior allottees of Amarkonda-Murgadangal, Ramchandi Promotional, Urtan North and Bhaskarpara coal blocks (as per list).
13. Chief Secretaries to the State Governments of Jharkhand, Odisha, Madhya Pradesh and Chhattisgarh.

Copy to:

1. PS to Hon'ble Minister for Coal.
2. Advisor to Secretary (Coal).
3. PS to Additional Secretary & Chairman, IMG.

S. No.	NAME OF COAL BLOCK	STATE	NAME OF ALLOTTEE
1.	Amarkonda-Murgadangal	Jharkhand	Jindal Steel and Power Ltd.
2	Ramchandi	Odisha	Jindal Steel and Power Ltd.
3	Urtan North	Madhya Pradesh	Jindal Steel and Power Ltd.
4.	Bhaskarpara	Chhattisgarh	Bhaskarpara Coal Company Limited (JV of Ultratech Cements Limited and Electrotherm India Limited)

Minutes of 50th meeting of Inter- Ministerial Group under the chairmanship of Additional Secretary held on 22.08.2022 to review the issue of Bank Guarantees of prior allottees of coal blocks at Aluminium Room, Room no. 101-D, Ministry of Mines, Shastri Bhawan, New Delhi-110001

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List of members of IMG is placed at **Annexure- I**. The prior allottees, members of IMG and representatives from Government of Jharkhand and Chhattisgarh attended the meeting physically and representatives from Government of Odisha and Madhya Pradesh attended the meeting virtually. Additional Secretary & Chairman, Inter Ministerial Group ('IMG') welcomed all participants.

2. Director, P&S informed the IMG members that there were 4 coal blocks which were scheduled to be heard as per the agenda are Amarkonda Murgadangal, Ramchandi Promotional, Urtan North and Bhaskarpara. Amongst these, the prior allottees of three coal blocks Amarkonda Murgadangal, Ramchandi Promotional, Urtan North appeared before the 47th Meeting of IMG held on 24.02.2022, however, due to lack of necessary documents, the prior allottee of Amarkonda Murgadangal block was given another chance of hearing and due to paucity of time the prior allottee of Ramchandi Promotional and Urtan North could not be heard and were also given another chance of hearing. Thereafter, the prior allottee of Ramchandi Promotional and Urtan North were heard during the 49th Meeting of IMG held on 23.05.2022 (Preliminary Meeting) when they were advised to submit the additional documents during the next meeting of IMG. The prior allottees of Bhaskarpara also appeared before the 48th Meeting of IMG held on 29.04.2022 however, due to paucity of time they couldn't be heard and were given another chance of hearing. Accordingly, these 4 blocks were again scheduled to be heard in the instant meeting.

3. The State Governments of all 4 coal blocks were requested to provide written submissions with supporting documents for the arguments on each milestone as per allocation letter they were intending to make before IMG, in addition to the replies to Show Cause Notice ('SCN') dated 28.07.2020, vide meeting notice dated 03.08.2022. The prior allottees had already provided detailed reply in the previous meetings of IMG. The schedule of the meeting, Standard Operating Procedure ('SOP') to be followed by IMG and Agenda of the meeting was circulated to all members, prior allottees, respective State Governments along with Meeting Notice.

4. Members of IMG were provided with replies of prior allottees. Copy of all relevant documents, including the Allocation Letters of coal blocks, block-wise BG calculation details prepared by CCO, SCN, reply to SCN received from the prior allottee, written submissions made by the prior allottees, response of the State Government concerned, as and when received, etc. were also provided to the members. The authorisation letter of prior allottees were also verified before hearing. The comments of prior allottee were shared with the respective State Governments for providing comments.

5. The written submissions made by prior allottees of coal blocks and other documents received from various stakeholders have been kept in the custody of P&S-I Section, MoC. List of names of the Authorised Representatives who made their arguments/ submissions in the hearing is attached as **Annexure II**. List of names of the Representatives of state Governments is attached as **Annexure III**. Deliberations and recommendations of the IMG for the blocks which were heard by the IMG are given below:

6. (A) **BHASKARPARA:**

Prior allottees:- M/s Electrotherm Limited and M/s Grasim Industries (now Ultratech) – Bhaskarpara Coal Company Limited (JV)

I) The main argument made by representative of Ultratech Cement Limited ('prior allottee') was that the Geological Report (GR) was issued belatedly to them by CMPDIL due to which there was a cascading effect on the other milestones as well and hence, all other milestones as per allocation letter also got delayed. Further, it was contended that there was a delay on the part of Chhattisgarh government in granting of ML, EC and FC etc. Another contention by prior allottee was that an order of no coercive steps for deduction of BG has been passed by Hon'ble Supreme Court in SLP 35575 of 2017 (order dated 09.02.2018) and the matter is yet pending.

II) Delay in GR: - The scheduled date of completion of this milestone was 06.01.2009 and the actual date of completion was 12.11.2009. Hence, there was a delay of 10 months in achieving the milestone. The block was explored. Regarding preparation and obtaining of GR, prior allottees contended that Electrotherm approached CMPDIL for GR on 22.08.2008 on the basis of in principle approval for allocation of block to the prior allottee (letter dated 12.08.2008). Electrotherm on behalf of Joint allocatees applied for GR on 11.10.2008. On 23.02.2009, Grasim Industries

requested for GR. In reply CMPDIL vide letter dated 09.03.2009 advised them to apply jointly for the GR. The prior allottees obtained photocopy of GR from CMPDI on 25.03.2009 and sought certain clarifications on the GR on 05.05.2009. On 07.05.2009, the clarifications were given by CMPDIL. On 14.05.2009, BCCL requested for demand note to pay GR. Demand note for GR cost was issued by CMPDI on 03.09.2009. The GR cost was deposited by JV on 09.11.2009. Letter for release of GR was issued by SECL on 12.11.2009. Thereafter, GR was handed over to them. Representatives from CMPDIL informed the members that they gave the original GR to prior allottee once the JV approached them as per terms and conditions of Allocation Letter.

III) Submission of BG: There was a delay of 3 months in submission of BG by the prior allottee. The representatives of the prior allottee contended that this was due to delay in formation of JV and thereafter, the banks were hesitant to provide loan to a newly formed company.

(IV) The prior allottee contended that any further delay in achievement of milestones on part of prior allottee was due to cascading effect caused due to delay on handing over of GR by CMPDIL.

(V) There were delays in grant of Forest Clearance and Environmental Clearance. The prior allottees submitted that this delay was attributable to MoEF. The project got registered with Chhattisgarh Forest Department. Application for Stage I Forest clearance was belatedly recommended by DFO, Raipur after 23 months. This is still pending. Further, regarding milestone of environmental clearance, public hearing was conducted on 19.12.2011 after approval of ToR. Thereafter, the prior allottee contended that the presentation to MoEF could not be done since Stage I Forest clearance as not given. Thereafter, the block got deallocated/ cancelled.

(VI) Mining lease was pending till the cancellation of allocation of block.

(VII) The milestone of land acquisition also wasn't completed till cancellation of allocation. The notification for land acquisition by District Authority u/s 4, 9 & 11 was pending.

(IX) Since, the mine opening permission wasn't granted, the production also did not commence from the block.

(X) The representative of Chhattisgarh Government was present in the meeting although no comments/ relevant documents were submitted before IMG inspite of repeated requests/ reminders.

Observations and recommendations made by the members of IMG:

- (i) Bhaskarpara coal block was an explored block allotted to Electrotherm India Limited and M/s Grasim Industries Limited (now Ultratech Limited after mergers/ demergers). Both the companies were required to form a JV for working of the mine as per the allocation letter dated 21.11.2008. Accordingly, a JV was formed by the name of Bhaskarpara Coal Company Limited.
- (ii) Considering the block was explored, the GR was already prepared. The JV Company had to only purchase the same from CMPDIL.
- (iii) The JV belatedly applied for obtaining GR hence, there was a delay on part of prior allottee due which there was cascading effect on achievement of other milestones as well.

Recommendations of the IMG

The IMG recommends that as the delay has been caused by prior allottee in obtaining GR, which had cascading effect on achievement of other milestones/ development of coal block, therefore, it is recommended that there may be proportionate deduction of BG as per above observations and the remaining amount of BG, if any, may be returned to the prior allottee.

(B) AMARKONDA MURGADANGAL: -

Prior allottee: Jindal Steel and Power Limited (JSPL) and Gagan Sponge and Iron Limited- M/s Shreshtha Mining and Metal Pvt. Limited. (JV)

- (I) Director (P&S-I)/ Convenor summarised for the members that the prior allottee of the coal block did not achieve the milestone for completion of exploration and preparation of GR hence, the instant review.
- (II) In the milestone chart issued with the allocation letter, the scheduled date of completion of the milestone of PL as per the milestone chart (Partially

explored block) was 3 months from date of allocation i.e. 17.04.2008 and the scheduled date of completion of the milestone of exploration and preparation of GR as per the milestone chart was 27 months from date of allocation i.e. 17.04.2010. The prior allottee applied for PL of Amarkonda Murgadangal block on 17.03.2008. State Government executed PL on 03.08.2009. Hence, there was a delay of about 1 year and 3 months. During the meeting, when the prior allottee was last heard (47th Meeting of IMG), the representatives of the prior allottee informed that the PL was granted belatedly to them by the State Government. Also, they submitted that several attempts were made for drilling but could not succeed due to resistance from local people. There was volatile law and order situation in the area due to which even their PL got extended with effect from 05.06.2013 (Force majeure clause was cited by the State Government). 4 times efforts for drilling were made by the prior allottees but the drilling team could not succeed. They had also submitted documents supporting their contentions. The prior allottee also submitted that they approached local and state administration but no fruitful result was obtained. Additional documents such as newspaper reports, FIR and other relevant documents supporting the contentions of prior allottee were also submitted. For further arguments made by prior allottee, the minutes of 47th Meeting of IMG may be referred. The mine opening permission was not given to the prior allottee, hence, the production did not commence.

(III) Representative from the State Government contended that DC, Dumka vide letter dated 26.05.2008 sent the proposal of PL to Director, Mines. DMG vide letter dated 14.11.2008 wrote to MoC for previous approval. DMG vide letter dated 16.02.2009 communicated the prior approval of under Section 5(1) of MMDR Act, 1957 to DMG, Jharkhand. DMG, Government of Jharkhand vide letter dated 29.06.2009 granted PL in favour of Amarkonda Murgadangal block for a period of 3 years. Period of grant of PL of block ended on 02.08.2012. Renewal of PL was applied for 3 years under Rule 9 (1) of MCR, 1960. The company applied under Section Rule 15 (2), MCR under force majeure clause Part (V) (2) of lease deed on 30.07.2012. DMG vide letter dated 05.06.2013 granted extension under Rule 15 (2) part V clause 2 of PL deed for a period of 2 years and 4 months and 8 days. Further, the representative of State Government also stated that the prior allottee submitted various representations highlighting the law and order issues in the area.

Observations made by the members of IMG in respect Amarkonda coal block:

- i) The prior allottees applied for PL 2 months after allocation of coal block (allocation on 17.01.2008; application for PL on 17.03.2008). The delay in application as explained by prior allottee was because of collection of essential documents such as cadastral map etc.
- ii) State Government took around 8 months for sending recommendation to Central Government for prior approval (17.03.2008-14.11.2008)
- iii) Central Government took around 2 months to grant its previous approval (14.11.2008- 16.02.2009)
- iv) It took around 3 months for grant of PL by State. (16.02.2009-29.06.2009).
- v) A number of documents have been submitted by the prior allottee which shows that there was law and order problem at the relevant time. Further, communications were made to the Central and State Government as well informing about the same.

Recommendations of the IMG

The IMG recommends that the delay has been caused in achieving of milestone as per milestone chart, however the same is not attributable to the prior allottee. Hence, the BG held with O/o CCO may be returned to prior allottee.

(C) RAMCHANDI PROMOTIONAL:

Prior Allottee: Jindal Steel And Power Limited

(I) Director (P&S-I)/ Convenor informed that the block was a regionally explored block for end use of Coal to Liquid. The PL and purchase of GR was pending till the date of cancellation of block, thus, all other milestones were left pending. Following were reasons elaborated by the prior allottee:

- a) Difference in block boundary:

The prior allottees contended that on 25.03.2009 they brought to the notice of MoC that coordinates were not matching the area of allocation letter. State highway was passing through the allotted block dividing it into two parts- east

and west. There was heavy habitation on both parts of roads in North West corner. Hence, JSPL requested vide letter dated 25.03.2009 to redefine block boundary making State highway as natural boundary on west side of block and extend identical lost area on east side to avoid sterilizing large quantity of coal. Meeting by JS (Coal) was held on 26.05.2009 to finalize the block boundary. Another request for finalizing block boundary made by prior allottee on 12.02.2010. Yet another meeting was held with this Ministry. This issue of block boundary took 17 month's time. It was decided that allocatee company shall apply for PL for original allocated area for detailed exploration (minutes of the meeting circulated on 01.09.2010). CMPDIL informed that there was no substantial difference in the coordinates.

b) Regarding PL

JSPL moved application for PL to Government of Odisha on 03.09.2010. Previous approval for PL was granted by MoC on 13.08.2009. Further as contended by the prior allottee, there was a delay on part of forest department of State Government to grant certificate under Scheduled Tribes & Other Traditional Forest Dwellers Act, 2006. While the application for PL was still in process, checklist for execution of PL was revised (2013) by including DGPS survey for obtaining PL. In 2011, a new policy was introduced by the State Government whereby the prior allottee was requested to provide information regarding the benefit accrued to State Government from the CTL plant. However, later on this policy got stalled. The prior allottee also brought on record the documents to show that the state government was unwilling to grant PL/ML since 2012. All the other averments made by the prior allottee was also substantiated by relevant documents.

c) The mine opening permission was not given to the prior allottee, hence, the production did not commence

II) The State Government informed that PL Application was submitted on 03.09.2010 and received on 24.09.2010. Since then the same is pending. High Level Clearance Authority (HLCA) approved the policy framework and guidelines for coal mining, coal washery and washery reject based power plants. Accordingly, the allottee was requested on 17.10.2011 to furnish the details of the benefits accruing to the State from the CTL project proposed by the company and convey his acceptance of conditions stipulated in aforesaid

policy framework and guidelines. The allottee on 05.12.2011 intimated that this policy would be taken up once coal resources are established. The authenticated checklist was furnished by the allottee on 25.04.2012. Again, on 16.05.2012 the matter was pursued by the State Government with the allottee. But, the allottee did not accept the conditions stipulated in the policy and guidelines vide his letter dated 17.05.2012 stating that the policy and guideline had not been notified yet.

Observations by IMG

- a) There was no substantial difference/ mismatch in coordinates of the block because of which the milestone of obtaining PL and other milestones could not be achieved. Even with the coordinates given, PL and processing of other milestones was possible. This Ministry finally confirmed that the original coordinates shall be the final. Based on those coordinates only the prior allottee anyway was attempting to develop the block. Hence, the delay appears to be on part of the prior allottee
- b) With regard to processing of PL Application by the State Government, the PL application was submitted by prior allottee on 03.09.2010 i.e. immediately after confirmation of coordinates.
- c) Application for PL was kept pending with the State Government until cancellation due to its change in policy, terms and conditions etc. as elaborated above. Several documents showing follow up for grant of PL by the prior allottee have been placed on record by the prior allottee. For this part, delay is not attributable to Project Proponent..

Recommendations by the IMG

The IMG recommends that the delay has been caused in achieving of milestone as per milestone chart, however the same is not entirely attributable to the prior allottee. The prior allottee has contended that delay was caused due to mismatch of coordinates and the Ministry took substantial time to confirm the same. However, as observed above, even with the coordinates given, PL and processing of other milestones was possible. Accordingly, it is recommended that there may be proportionate deduction of BG as per above observations made and the remaining amount of BG may be returned to the prior allottee.

(D) URTAN NORTH

Prior allottee: Jindal Steel and Power Limited and Monnet Ispat Limited

- I) Urtan North was an explored block in State of Madhya Pradesh. Prospecting of the block was already conducted. It was informed to IMG members that JSPL and Monnet Ispat mutually decided to enter into JV for the purpose of allocation of coal block. Though JSPL and Monnet had entered into a JV agreement on 22.09.2009, JV was incorporated in March 2010. As soon as the Certificate of Incorporation was issued, the company moved a letter to CMPDIL dated 13.04.2010 to obtain the cost estimate and formalities for purchase of GR. CMPDI confirmed the GR cost on 30.04.2010. The cost of GR was paid on 08.10.2010 and a letter was issued from SECL vide letter dated 08.10.2010 to CMPDIL confirming payment of the GR cost. On 27.11.2009, this milestone for GR was to be completed, however, the same was completed after a delay of 11 months i.e on 27.10.2010. JSPL attributed this delay to delay in formation of JV and belated issuance of GR by CMPDIL.
- II) Regarding the milestone for submission of BG, the scheduled date of completion was 12.01.2010 and the actual date of completion of milestone was 09.07.2010 i.e. delay of 6 months. The prior allottee informed that the delay was caused due to late formation of JV and thereafter, certain queries were raised by the bank. These caused delay for submission of BG.
- III) There was a delay in submission of mining lease application by the prior allottee and also delay in submission of Mine Plan. The prior allottee attributed this delay to the State Government and also delay in obtaining GR. The mining lease application was required to be submitted on 12.01.2010 according to milestone chart. However, the same was submitted on 18.01.2012, thus having a delay of 2 years. The representative of prior allottee informed that on part of State Government, there was a delay in providing Khasra records. Further, the mine plan was required to be submitted on 12.04.2010, however, the same was submitted on 24.10.2011 (delay of 1 year 6 months).
- IV) The scheduled date for getting the mine plan approved was 12.06.2010 however, the mine plan was not approved till the cancellation of coal block (delay 3 years 6 months). The representatives of prior allottees informed that the delay was caused because during the preparation of Mine plan,

the prior allottees came to know the incorrect end use of allocation has been stated in the allocation letter (instead of end use of hot metal, the end use was specified as sponge iron. This Ministry advised the same to be corrected. The mine plan was submitted in 2011, however, 4 times the Ministry recommended changes in the Mine plan. Thus, finally when the Mine plan was submitted, there was a delay.

- V) The application and grant of previous approval was pending till cancellation of Coal blocks by the Hon'ble Supreme Court. This was because the ML was pending at the State Government level.
- VI) No forest land was present in the instant block. Since block was within 250 m of adjoining forest land- NOC was required from Commissioner which was obtained on 09.09.2013.
- VII) Application for EMP clearance was submitted after a delay of one year (the scheduled date of completion of milestone was 12.10.2010 and the actual date of completion was 12.10.2011. As contended by the representative of prior allottee, this delay was caused as there was a delay in obtaining GR from CMPDIL and land records from revenue department. The grant of EMP clearance was pending till cancellation of allocation. The presentation was made before EAC and various queries were raised by MoEF and NGO to which the reply was given by JV. However, the allocation of block got cancelled.
- VIII) Due to absence of approved mine plan, EC and previous approval, the mining lease was pending till the date of cancellation of the allocation. (Delay 2 years 2 months)
- IX) Application for acquisition of land was submitted with a delay of 1 year 11 months (scheduled date of completion was 29.06.2012 and actual date of completion was 29.06.2012). This delay according to representative of prior allottee was attributed to State Government. Subsequent to the preparation of mine plan and mine closure plan, the company identified land for mine infra and applied for the certified and updated khasra record and map of selected plot on dated 06.01.2012 and applied for demarcation of the plots on the ground and also correction in the maps on dated 23.01.2012. The revenue dept. took 5 months to complete the above made request (on 28.06.2012). Immediately thereafter, on dated 29.06.2012, company applied for acquisition. The land acquisition was completed on 03.07.2013 as against the scheduled date of completion for 12.04.2012 (delay 1 year 3 months).

- X) Thereafter, the mine opening permission was not applied and the production dis not commence till cancellation of the block.
- XI) The State Government has contended that subsequent to the preparation of mine plan and mine closure plan, the company identified land for mine infra and applied for the certified and updated khasra record and map of selected plot on dtd. 06.01.2012 and applied for demarcation of the plots on the ground and also correction in the maps on dtd. 23.01.2012. The revenue dept. took 5 months to complete the above made request (on 28.06.2012). Immediately thereafter, on dtd. 29.06.2012, company applied for acquisition

Observations made by the members of IMG:

- a) The delay in formation of JV cannot be attributed to State/ Central Government agency. It is rather a delay attributable to prior allottee. Due to this there was cascading effect on many other milestones.
- b) The prior allottees were in fact supposed to get the mine plan approved within the time limit as set by the Government and accepted by the prior allottees. Within this time period, all necessary changes, as advised by MoC were to be made and a final revised mine was required to be submitted on time. Thus, this delay was attributable to prior allottee.

Recommendations of the IMG

The IMG recommends that the delay has been caused in formation of JV and it has cascading effect on development of coal block. The delay in formation of JV is attributable to prior allottee accordingly, it is recommended that there may be proportionate deduction of BG and the remaining amount of BG, if any, may be returned to the prior allottee.

9. The meeting ended with vote of thanks to chair.



S No	Name	Designation	Ministry/ Department / Organization
1.	M. Nagaraju (AS)	Addl. Secretary	Ministry of Coal
2	Santosh Aggarwal (DDG)	DDG & CCO	Ministry of Coal & CCO
3	G. Muthuraja	Director	Ministry of Power
4	Dr. R.J.R Kashibatla	Addl. Legal Adviser	Department of Legal Affairs
5	Manoj Kumar Madholia	Joint Director	Department of Economic Affairs
6	Samin Ansari	US	Ministry of Steel
7	S.K Gomasta	(Dir. Tech)	CMPDIL
8	Buken chatterjee	-	CMPDIL
9	Dr. Shantunu Kumar Banerjee	(C.M Geology)	CMPDIL
10	Ajitesh Kumar	Director	Ministry of Coal
11	Shri Rishan Ryntathieng	Under Secretary	Ministry of Coal
12	Ankita Mathur	AM (Legal)	CIL, MoC

Annexure II

List of authorised representatives of prior allottee

S No.	Name	Designation	Name of Coal Block	Name of Company
1	Sanjay Mantri	Vice President	Bhaskarpara	Ultratech Cement Ltd. 9785644006
2	Rajiv Kumar Saxena	Joint Executive President	Bhaskarpara	Ultratech Cement Ltd. 9001094985
3	Kapil Dhagat	(Ex. V.P)	Amarkonda-Murgadangal, Ramchandi & Urtan North	JSPL 8826328866
4	Shruti Choudhary	Advocate	Amarkonda-Murgadangal, Ramchandi & Urtan North	JSPL 9811157591

Annexure III

List of State Government representatives

S No.	Name	Designation	State Government
1.	Arun Kumar	DMG	Jharkhand
2.	Dr. Sanjay Khare	DD	Chhattisgarh
3.	Shri A.K Bhera	Special Secretary	Odisha
4.	P.P Roy	Mineral Officer	MP