

No. PS1-13011/14/2023-PS1
GOVERNMENT OF INDIA
MINISTRY OF COAL
P&S-I Section

Shastri Bhawan, New Delhi
Dated, the 15th June, 2023

OFFICE MEMORANDUM

Subject: Minutes of 52nd Meeting of the Inter-Ministerial Group (IMG) under the Chairmanship of Additional Secretary (Coal) to review the issue of Bank Guarantee - reg.

The undersigned is directed to forward herewith minutes of the 52nd meeting of the Inter-Ministerial Group to review the issue of Bank Guarantees of prior allottees held under the Chairmanship of Additional Secretary (Coal) on 05.06.2023 at 3 P.M. for information and necessary action.

Encl.: As stated above.


(Rishan Rytathi)
Under Secretary (P&S-I)
Tel. No.23073936
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To,

1. Joint Secretary (IE), Department of Economic Affairs, Room No .67B, North Block, New Delhi.
2. Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi.
3. Joint Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi.
4. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
5. Joint Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi.
6. Additional Secretary &NA, Ministry of Coal.
7. JS&FA, Ministry of Coal.
8. Advisor (Projects), Ministry of Coal
9. CMD, CMPDIL, Gondwana Place, Kanke Road, Ranchi.
10. Coal Controller, 1, Council House Street, Kolkata-700001.
11. Director (P&S-I), Ministry of Coal.
12. DM (Legal), Legal Cell, Ministry of Coal.
13. Prior allottees of the coal blocks as per attached list.
14. Chief Secretaries of the State Govt. of Odisha and Madhya Pradesh.

Copy to:

1. PS to Hon'ble Minister for Coal.
2. Advisor to Secretary (Coal).
3. Sr.PPS to Additional Secretary &NA & Chairman, IMG.
4. STD, NIC for uploading the minutes.

SL. NO.	NAME OF COAL BLOCK	STATE	NAME OF ALLOTTEE COMPANY
1.	Semaria/Piparia	Madhya Pradesh	Madhya Pradesh State Mining Corporation Ltd.
2.	Bikram	Madhya Pradesh	Birla Corporation Limited
3. -4	Chendipada- I and Chendipada II	Odisha	1. Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited 2.Chhattisgarh Mineral Development Corporation Limited 3. Maharashtra State Power Generation Company Limited

Minutes of 52nd meeting of Inter- Ministerial Group under the chairmanship of Additional Secretary & Nominated Authority, Ministry of Coal held on 05.06.2023 to review the issue of Bank Guarantees of prior allottees of coal blocks at Conference Hall, Ministry of Coal, Room No. 315-A wing, Shastri Bhawan, New Delhi-110001

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List of participants is placed at Annexure- I to III. Member from DPIIT was not present for the meeting. The prior allottees, members of IMG and representatives from Government of Madhya Pradesh attended the meeting physically. Special Secretary to Government, Steel and Mines Department from State of Orissa attended the meeting virtually.

2. Additional Secretary & Nominated Authority, Chairman, Inter Ministerial Group ('IMG') welcomed all participants and asked Director (P&S) to start the proceedings. Director (P&S) informed the IMG members that the 4 coal blocks were scheduled to be heard as per the agenda of the instant meeting are Chendipada, Chendipada-II, Bikram and Semaria Piparia. 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 for the arguments/contentions 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 27.04.2023. The detailed reply/additional documents as per previous meetings were submitted by the prior allottee. 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.

3. Members of IMG were provided with copies of replies of prior allottees. Copy of all relevant documents, including the Allocation Letters of coal blocks, Deallocation/ BG invocation letter (as last reviewed), 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 comments of prior allottee were shared with the respective State Governments for providing comments. A brief presentation of each of the 4 blocks was made by O/o CCO.

4. 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:

A-B) CHENDIPADA AND CHENDIPADA II

Prior allottees:

- **Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited,**
- **Chhattisgarh Mineral Development Corporation,**
- **Maharashtra State Power Generation Corporation**

State : Odisha

I) The Chendipada and Chendipada-II blocks were allocated to Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited, Chhattisgarh Mineral Development Corporation and Maharashtra State Power Generation Corporation ('prior allottees') vide allocation letter dated 25.07.2007. Chendipada was an explored block and Chendipada II was a regionally explored block. As per Clause 2 (i) of the allocation letter, the detailed exploration and coal mining was to be carried out by the prior allottees or a separate company to be created with participation of allocatee companies.

II) Following were the main contentions by the prior allottee regarding the Chendipada (explored) block for slippage of milestones:

i) Regarding delay in purchase of GR :-

(a) The prior allottees contended that it took long time to incorporate the JV Company of 3 PSU companies. Finally, the JV Company, UCM Coal Company Limited (UCMCCL) was formed on 16.10.2008.

b) After incorporation of JV Company, UCMCCL deposited Rs. 13.46 crore with CMPDIL towards purchase of GR in April, 2009. CMPDIL vide its letter dated 29.05.2009 returned the money deposited by UCMCCL stating therein that the said price of GR was valid upto March 2009. Subsequently, MoC vide letter dated 27.08.2009 released guidelines for deposit of cost of GR by coal block allocatees. CMPDIL vide letter dated 03rd September, 2009 intimated to UCMCCL the revised price of GR i.e. 17.28 crore with direction to deposit the same with MCL. UCMCCL deposited the cost of GR on 15.10.2009 with MCL and this GR was purchased in October, 2009.

ii) Delay in submission of BG: - No explanation was given by the prior allottee.

iii) Delay in submission of application for mining lease :- The ML application was submitted on 29.03.2011. The prior allottee submitted that the delay in achievement of

this milestone is due to cascading effect of constitution of JV and purchase of GR.

- iv) Delay in submission and approval of mine plan : - The prior allottee submitted that:
- a) Mine plan was prepared by CMPDIL and then it was submitted by UCMCCL to MoC on 30.03.2010. After receipt of GR, application for mine plan was submitted in 5 months.
 - b) MoC raised certain queries on Mine plan including Mine closure plan vide letter dated 19th July 2010.
 - c) The revised Mine Plan after incorporating changes required by MoC along with Mine Closure Plan was submitted by UCMCCL on 30.03.2011.
 - d) Later MoC asked UCMCCL to submit the approval of Board of Directors for Mine Closure Plan vide letter dated 18.04.2011.
 - e) They submitted Mine closure plan approved by the Board of Directors of UCMCCL to MoC on 30.04.2011. Finally, Mining Plan of Chendipada coal block was approved by MoC on 04.07.2011.
- v) Thereafter, application for forest clearance, EMP clearance and land acquisition were submitted by the prior allottee however, there was delay. No coherent reason was given by the prior allottee for the delay.
- vi) Achievement of all the remaining milestones remained pending till the cancellation of block by Hon'ble Supreme Court.
- vii) It was informed by allocatee that consequent to CAG Report on coal block allocation, Government of Odisha has in principal decided to hold up grant and execution of various licenses like ML, PL and RL. In addition to that Government of Odisha by issuing a notification dated 24.02.2012 put on hold acquisition of additional land over and above coal bearing areas of allocated blocks inside coal fields for infrastructure facilities till the comprehensive master plans for coalfields in Odisha were prepared.
- III) Following were the main contentions by the prior allottee regarding Chendipada-II (Regionally explored block) for slippage of milestones : -

All the milestones including milestone for prospecting license and completion of exploration and preparation of GR remained pending till cancellation of the block by Hon'ble Supreme Court.

The representative from Maharashtra State Power Generation Corporation had similar comments to offer.

IV) Other supporting contentions raised by prior allottee: -

- i) The prior allottees had filed 2 cases before Hon'ble Delhi High Court i.e. against the Show cause notice dated 16.01.2015 in WPC 8529 of 2015 in which the Hon'ble Court has vide order dated 04.09.2015 granted stay and against the show cause notice dated 28.07.2020 in WPC 5978 of 2020. These matters are pending before Hon'ble High Court.
- ii) UCMCCL decided to engage a technically competent and financially sound MDO for development of coal block. The letter of award was issued to successful bidder as MDO on 27.10.2010.
- iii) Completion of certain milestones were already acknowledged by previous IMG's.

V) Comments of the State Government

As per the comments received from State Government vide letter dated 24.12.2020 and as contended by representative of Odisha Govt.,

- i) PL Application was submitted on 04.03.2011 and received on 10.03.2011.
- ii) ML Application was submitted on 29.03.2011 and received on 28.05.2011.
- iii) T.E. Report was forwarded to the Collector, Angul via DDM, Talcher vide letter No. 8752 dated 20.05.2011.
- iv) The allottee requested administrative approval for acquisition of private land measuring 4394.491 Acres and the same was accorded on 28.12.2013. The coal block was de-allocated by the Central Government.
- v) However, UCM Coal Company filed W.P.(C) No.8214 of 2018 before Hon'ble High Court of Orissa to get refund of amount INR. 53,44,72,080 with interest from IDCO deposited for land Acquisition. In pursuance to the order dated 11.05.2018 passed by Hon'ble High Court of Orissa, IDCO refunded INR. 20,31,99,880 and kept the balance. Subsequently, land withdrawal process was started.

VI) Contentions of CMPDIL: -

- i) Vide letter dated 11.08.2007, CMPDIL informed the tentative cost of GR to UPRVUNL (one of the three companies which formed JV) since the Geological Report of Chendipada block where detailed exploration was completed was available, however, in Chendipada II block the detailed exploration was not completed.
- ii) The final cost of exploration was communicated vide letter dated 23.12.2008 and the amount was deposited by UCM Coal Company vide letter dated 04.05.2009.
- iii) This cost deposited in respect of explored Chendipada block was returned on 29.05.2009 as it was valid till 31st March 2009.
- iv) Upon communication of the recoverable cost in respect of Chendipada block on 02/03.09.2009, the amount was paid by the JV on 14/15.10.2009 and the GR was handed over on 09.11.2009.

Observations and recommendations made by the members of IMG:

- i) There was substantial delay in formation of JV . While the block was allocated on 25.07.2007, the JV was constituted only on 16.10.2008. Hence, it took more than one year to form the JV company which caused cascading effect on achievement of other milestones as well.
- ii) The prior allottees were bound by the stipulations of the milestone chart till the block was held by them.
- iii) Chendipada was an explored block, hence GR was already prepared. The prior allottees had to only deposit the amount to CMPDIL for purchase of GR for which as per the milestone chart 45 days' time was given. In spite of this, there was sufficient unexplainable delay for purchase of GR in October, 2009.
- iv) Regarding submission and approval of mine plan, mine plan was submitted to MoC on 30.03.2010, certain clarification were raised by MoC. After receiving revised mine plan approval of MoC accorded on 04.07.2011.
- v) Delay in appointing of MDO also caused cascading effect on achievement of other milestones.
- vi) There was substantial delay in filing of applications for PL, ML, Forest clearance etc. which was to be made by the prior allottee.

vii) The prior allottees made several communications with State Government for processing of their applications.

viii) This was a fresh show cause notice (dated 28.07.2020) in which parameters such as attributability on part of State/ Central Government and its agencies and on part of prior allottees was to assess till the block was held by prior allottee. The prior allottee has itself been contending that the delay was on part of the State/ Central Government and its agencies. Thus, delay has to be assessed for each milestone separately and afresh. Further, no stay order has been granted in pursuance of the letter dated 28.07.2020 by the Hon'ble Court. Hence, the Ministry/ IMG is well within its power to review the development of coal block. However, in case of deduction of BG, the same shall be subject to direction by the Hon'ble Court.

The IMG therefore recommended to deduct proportionate BG for Chendipada coal mine for delay in purchasing of GR due to delay in JV agreement and for other clearances due to cascading effect for delay in GR & appointment of MDO. IMG also recommended to deduct PBG for delay in achievement of milestones due to cascading effect in delay in PL for Chendipada-II coal mine.

C) SEMARIA PIPARIA

Prior allottee: M/s Madhya Pradesh State Mining Corporation Ltd.

State: Madhya Pradesh

I) The Semaria Piparia block was allocated to M/s Madhya Pradesh State Mining Corporation Ltd. ('prior allottee') vide allocation letter dated 25.07.2007. As per the Allocation letter, Prospecting/ Detailed exploration and coal mining was required to be done by the prior allottee or a separate company to be created with participation of prior allottee. Following were the main contentions for delay in achievement of milestones: -

- i) The prior allottee selected ACC Minerals Resources Limited (AMRL) and a joint venture was formed namely MPAMRL (Semaria) Company Limited on 19.11.2009.
- ii) Purchase of GR was deferred due to rejection of ToR for environmental clearance by MoEF.
- iii) The JV partner was reluctant to make an investment/ proceed with development of block until the position regarding the "Go/ No Go" area was clarified. Hence, delay in purchase of GR and submission of BG.
- iv) Application for Mining Lease was submitted to collector, Umaria on 8.10.2008. Mineral

Resources Department, Govt. of MP, recommended for grant of Mining lease to Ministry of Coal on 18th Feb, 2010. Ministry of Coal had returned the proposal to Govt. of MP on 20th October, 2010 with a note to resubmit it after purchase of original Geological Report & communication of Final approval of Mine Plan.

- v) Draft Mine Plan submitted to Ministry of Coal on 16.02.2010. In principle approval of MoC was granted for a Mine capacity of 0.5 MTPA on 6th May, 2010. However Final approval has not yet been communicated. Subsequently, revised Mining Plan isolating 64.128 ha overlapping buffer zone area was submitted on 29th June, 2012.
- vi) Application for Forest clearance was submitted to DFO, Umaria on 25.02.2010. Forest Department, Govt. of MP recommended the proposal to MoEF on 15.04.2011. The FAC, MoEF in its meeting during 26th-27th Dec, 2011, rejected the Stage-I Forest Clearance proposal citing the reason of location of the coal block in the buffer zone of the Bandhavgarh Tiger Reserve and its operation may have adverse impact on the wildlife population in the Tiger Reserve.

II) Comments of Government of MP: -

The representative of Govt of MP had no comments to offer in reply to the contentions of the prior allottee.

III) Comments of CMPDIL: -

- i) The Prior allottee requested for preliminary details of Semaria/ Piparia Block vide letter dated 10.09.2007 from CMPDIL.
- ii) Vide letter dated 01/04.10.2007, CMPDIL intimated interim cost of exploration. Validity of the cost was stated to be till March 2008.
- iii) After a series of communications regarding the cost of exploration, CMPDIL has confirmed that the cost of exploration was not paid till cancellation of the block. Hence, the achievement of milestone for purchase of GR is pending.

Observations and recommendations made by the members of IMG:

- i) The allocation of the block was made to prior allottees in July 2007, however, the prior allottee selected the JV partner and formed JV in November 2009. This delay cannot be attributable to State/ Central Govt. and its agencies.

- ii) For completion of purchase of GR as a milestone, the scheduled date was 09.09.2007 (45 days from the date of allocation). However, the prior allottee applied belatedly.
- iii) There is no prerequisite of ToR/ Environmental clearance for purchase of GR. Hence, the explanation given by the prior allottee cannot be acceptable.
- iv) Purchase of GR was pending till cancellation of the block. Hence, any application made by the prior allottee is deemed to be incomplete and hence not submitted/ pending.
- v) There was a delay in submission of BG as well for which no explanation is given.
- vi) The cascading effect was on other milestones as well.

In view of this, it is recommended to deduct proportionate BG for delay in achieving milestone due to non –purchasing of GR till issuance of notification for “Go-No Go “ area .

D) BIKRAM

Prior allottee: Birla corporation Limited

State : Madhya Pradesh

I) Bikram coal block was allocated to Birla Corporation Limited (‘prior allottee’) vide allocation letter dated 02.08.2009. Following were the main contentions submitted by the prior allottee: -

- i) Purchase of GR: -
 - a) The delay of eighteen months for obtaining GR from CMPDI was for the reasons attributable to CMPDIL.
 - b) On 19.03.2009, prior allottee had deposited exploration cost with CMPDIL. However, the same was returned by CMPDIL on 27.03.2009 citing some tax related problems as the reason and stating that the matter had been referred to the Ministry of Coal.

- c) Subsequently, on 07.10.2009, prior allottee received a letter from CMPDI advising to deposit a higher amount of Rs.370.85 lacs instead of Rs.289.05 lacs. On seeking the reasons for enhanced cost on 22nd October 2009, no satisfactory reason was provided by CMPDI.
 - d) After a series of communications, the prior allottee made the payment of Rs.370.85 lacs under protest on 05.03.2010 and received the report from CMPDI on 20.03.2010.
- ii) This caused cascading effect on submission of Mining Lease application, submission of mining plan and approval of mining plan.
 - iii) Application for previous approval got delayed. Further, the state government was reluctant to forward the application to Central Government as there were allegedly some recoverable dues in limestone. Hence, after the same was paid by the prior allottee, the State Government forwarded their application.
 - iv) Application for forest clearance got delayed and the same was made on 07.01.2010. It was delayed due to late receipt of geological report.
 - v) There was an overlap of Forest land and the revenue land. Further, it took long time to get the suitability certificate from the State Government for purchase of land.
 - vi) Regarding EMP clearance,
 - a) TOR was dependent on approval of mine plan. Hence, the application submitted by prior allottee in 2009 was incomplete, hence deemed to be pending. The approval of mining plan was communicated on 27.07.2010 and the TOR was granted on 28.10.2010.
 - b) Public hearing took place on 16.12.2012.
 - c) Presentation before EAC happened on 28.08.2012. During the meeting 23 additional points were raised for compliance
 - d) The achievement of milestone remained pending till its cancellation.

II) Comments of Government of MP: -

The representative of Govt of MP had no comments to offer in reply to the contentions of the prior allottee.

III) Comments of CMPDIL: -

CMPDIL had the same documentary proofs for the contentions made by the prior allottee.

Observations and recommendations made by the members of IMG:

i) The delay of 6 months for depositing the amount for purchase of GR could not be explained by the prior allottee. This had cascading effect on achievement of other milestones.

ii) Mining lease application, submission of mine plan, application for forest clearance and EMP clearance, were made before purchase of GR. Hence, these may be considered incomplete till the date GR was actually purchased.

In view of this, IMG recommended to deduct proportionate BG for delay in milestones including cascading effect for delay in purchasing of GR.

5. The meeting ended with vote of thanks to the chair.

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Annexure-I

List of Members of IMG

S No.	Name	Designation	Ministry/ Department / Organization
1.	Sh. M. Nagaraju – in Chair	Addl. Secretary	Ministry of Coal
2.	Ms. Nirupama Kotru	JS&FA	MOC
	Dr. Padmini Singh	JS&LA	DoLA
3.	Sh. Kingshuk Mukhopadhyaya	OSD	CCO
4.	Sh. Joginder Singh	OSD	CCO
5.	Sh. Manoj Kumar	Joint Director	Department of Economic Affairs
6.	Sh. S. Ansari	Under Secretary	Ministry of Steel
7.	Sh. S.K Gomasta	(Dir. Tech)	CMPDIL
8.	Sh. Bukun Chatterjee	Sr.Manager (Geology)	CMPDIL
9.	Sh. Ramesh Thiagarajan	GM (Geology)	CMPDIL
10.	Sh. Ajitesh Kumar	Director	Ministry of Coal
	Sh. Marapally Venkatesh	Director (Technical)	Ministry of Coal
11.	Sh. Rishan Ryntathiang	Under Secretary	Ministry of Coal
12.	Ms. Ankita Mathur	DM (Legal)	CIL, MoC

List of Authorised Representatives of prior allottee

S No.	Name	Designation	Name of Coal block	Name of company
1.	Sh. Adarsh Tripathi	Advocate	Chendipada and Chendipada II	UPRVUNL
2.	Sh. Pradeep Soni	Company Secretary	Chendipada and Chendipada II	UPRVUNL/UCM
3.	Sh. Rahul Dube	Company Secretary	Chendipada and Chendipada II	Mahagenco
4.	Sh. Sandesh More	GM(Coal/ GP)	Chendipada and Chendipada II	Mahagenco
5.	Sh. P Guru Prasad	MD, UPVURNL	Chendipada and Chendipada II	Govt of UP/UPRVUNL
6.	Sh. Anurag Diwan	Joint Director	Chendipada and Chendipada II	Govt of Chhattisgarh
7.	Sh. Atul Sharma	CGM	Semaria/ Piparia	MP State Mineral Corporation
8.	Sh. Vivek Shukla		Semaria/ Piparia	Adani Group
9.	Sh. Debashish Chaudhary	Vice President	Bikram	Birla Corporation Limited
10.	Sh. Bhupendra Singh Chaudhary	Vice President	Bikram	Birla Corporation Limited

List of State Governments Representatives

S No.	Name	Designation	State Government
1.	Sh. Sangram Keshari Swain (through VC)	Special Secretary to Government, Steel & Mines Department	Odisha
2.	Sh. Anoop Mishra	State Govt. MRD	Madhya Pradesh