

No. 13016/26/2004-CA-I(Pt.VI)/CA-III
Government of India
Ministry of Coal
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Shastri Bhawan, New Delhi,
Dated the 4th August, 2014

To

1. Chief Secretary, Government of Gujarat, Gandhinagar-382010.
2. Chief Secretary, Government of Rajasthan Secretariat, Jaipur - 302001.
3. CMD, NLC, Neyveli, Tamil Nadu.

Subject:- *Record note of discussion of the Meeting on Allocation of Lignite Blocks-reg.*

Sir,

I am directed to forward herewith the Record Note of discussions of the Meeting held under the Chairmanship of Secretary (Coal) on 26-6-2014 to discuss on the above mentioned subject for information and necessary action.

Yours faithfully,



(S. Das Gupta)

Section Officer

Tel. No.23073933

Copy for information to:

- i. Sr. PPS to Secretary (Coal).
- ii. PS to Addl. Secretary (Coal).
- iii. PS to JS(AKB), MoC
- iv. PS to Advisor (P), MoC
- v. Director (CA-III), MoC
- ✓vi. TD, NIC – with the request to upload on the website of the Ministry.
- vii. Guard folder.

Record Note of discussion of the meeting taken by Secretary (Coal) on 26.06.2014 at MOC, New Delhi, to discuss about the issue of allocation of lignite blocks.

List of the participants at **Annex.**

At the outset a brief background was given on the 5 lignite blocks, out of which 4 blocks located in Gujarat namely Panandhro Extension (for Power), Bharkandam, Ghala (for commercial mining) & Vastan (for UCG) and 1 block located in Rajasthan namely Nagurda-Joranda (for commercial mining). It was mentioned that, these 5 lignite blocks have been put on offer through NIA dated 29-7-2013, seeking applications from the State of Gujarat and Rajasthan for Allocation to the Government Companies/Corporations under 'Auction by Competitive Bidding of Coal Mines, Rules, 2012'.

2. State of Gujarat:

(a) As decided in earlier meetings, Panandhro Extension, Bharkandam & Ghala may be recommended for allocation to Government of Gujarat. Regarding Vastan UCG block, it was recommended that this block may be allotted to GIPCL. However, the project execution shall be carried out by joint venture between GIPCL and ONGC for underground coal gasification purposes. The Block-wise details are as under:

Sl. No.	Lignite Blocks/Capacity/Host State	End-use	Proposed Applicant State	Proposed Government Company
1.	Panandhro Extension/14.45 MT/ Gujarat	Power	Gujarat	Gujarat Mineral Development Corp. Ltd. (GMDC)
2.	Bharkandam/7.20 MT/Gujarat	Commercial Mining	Gujarat	Gujarat Mineral Development Corp. Ltd. (GMDC)
3.	Ghala/12.3 MT/Gujarat	Commercial Mining	Gujarat	Gujarat Mineral Development Corp. Ltd. (GMDC)
4.	Vastan/107.0 MT/Gujarat	UCG	Gujarat	Gujarat Industries Power Co. Ltd. (GIPCL)

(b) In regard to B3, B1, D1 & D2 blocks requested for allocation by GIPCL, Joint Secretary (Coal) informed that, out of 4 blocks proposed for allocation, 2 blocks i.e. B1, D2 do not contain non-lignite bearing area. It was mentioned that, as MOC cannot allocate non-mineralized areas, MOC will consider only the lignite bearing blocks i.e. B3 & D1 for allocation. Accordingly, NLC was asked to submit the details of the lignite blocks viz. B3, D1 within a week's time to MOC. In this regard, Director/P&P, NLC informed that the revised details of B3, D1 lignite blocks covering an area of 650 Hectares (B3- 450 Hectares, D1 - 200 Hectares) will be submitted to MOC. In this regard, GIPCL informed that B1 & D2 is identified for external dump and if this block is not considered, it would be very difficult to accommodate overburden external dump. Regarding this, it was recommended that GIPCL while submitting the mining plans may show areas of B1 & D2 blocks for using as external dumps, so that the area for mining lease can be considered by the State Government. It was decided to call for applications in respect of B3 & D1 blocks from the Government Companies of the Gujarat Government.

(c) In regard to South of Rajpardi block in Gujarat, which was earlier earmarked for tariff based bidding for power generation, it was decided that, the block may be earmarked for allocation to Government Companies for the purpose of commercial mining in the State, based on the request of Govt. of Gujarat. Accordingly, applications may be invited by MoC from the Govt. Companies of Gujarat Government.

(d) The Director/P&P, NLC informed that mining lease application in respect of the Tadkeshwar UCG block was submitted in the year 2006. Now, while processing the ML application, CGM/Gujarat has informed that the Tadkeshwar UCG block is having an overlap with GMDC's blocks. In this regard, NLC has obtained the ML boundary of existing Tadkeshwar opencast mine of GMDC and the fresh area that has been applied for Ghala block by GMDC. NLC examined these block boundary maps and found that 14 Hectares of Tadkeshwar OC ML area and 384 Hectares of Ghala block is overlapping with Tadkeshwar UCG block. In this regard, a fresh ML boundary plan deleting 14 Hectares of overlapping area was sent by NLC to GMDC on 20.05.2014 for obtaining NOC. However, NOC is yet to be issued by GMDC.

The representative of Govt. of Gujarat was asked for an expeditious decision in the matter as the development of UCG projects in the country is essential. CGM/Gujarat was also advised to process and grant ML to NLC for Tadkeshwar UCG block after taking the above issues into consideration.

(e) Representative of GMDC further requested to earmark the Lakpat - Dhedadi block which is very near to their existing operational area. NLC informed that the block has been included in the list of 7 lignite blocks submitted to MOC during 5th meeting of Technical Committee for allocation and decision will be taken separately. Once these issues are resolved, applications will be invited by MoC.

(f) In regard to Valia E,F & G blocks it was mentioned that, as per the deliberations during the meeting held on 9-1-2014, wherein it was informed that, NLC has entered into an MoU with Govt. of Gujarat for establishing, operating lignite based power project (through a JV on 51:49 basis) and has carried out detailed exploration in the blocks. The Govt. of Gujarat has expressed the view that, now they are interested in setting up of the power plant themselves and jointly with NLC. After deliberations in the meeting, it was decided that, it would be appropriate that Valia E, F & G blocks are retained by NLC so as to establish a Thermal Power Station in line with the existing MoU with Govt. of Gujarat. The representative of Govt. of Gujarat was advised to consider the issue favourably and may discuss the issue of sharing of power with Ministry of Power.

In this regard, representative of Govt. of Gujarat informed in the meeting that he will have a meeting convened at high level and convey their recommendation about the power project in JV sector based on Valia E,F &G blocks, to the Ministry of Coal, at the earliest. The Government of Gujarat may propose power sharing arrangements in consultation with Ministry of Power. The Director/P&P, NLC informed that the MOU signed between G/o Gujarat during 2005 still exists and for establishing lignite based power plant in Valia area, the same MOU could be continued.

3. **State of Rajasthan:**

(a) Nagurda-Joranda opencast lignite block was earmarked to Govt. of Rajasthan for commercial mining and accordingly NIA was issued seeking application from Govt. Companies of Rajasthan.

(b) The representative of RSMML informed that the Nagurda-Joranda is having very less lignite resources i.e.15 MT which cannot meet the requirement of the proposed power plant. Accordingly, RSMML requested that the entire Nagurda block having 232MT may be considered for allocation.

(c) In this connection, the Director/P&P, NLC informed that the Nagurda block has been divided into two blocks based on the occurrence of lignite in this block namely Nagurda-Joranda OC mining block and Nagurda UCG block. The allocation of Nagurda UCG block was discussed in the earlier meeting and it was recommended to earmark to RSPCL and NLC in 51:49 ratio to have JV Company to carryout UCG studies. The MOU between NLC and RSPCL is under approval of NLC Board. However, it was decided that since M/s RSPCL is interested to take up the UCG area also for the purpose of power generation, the Technical Committee may review the requirement of M/s.RSPCL and a separate meeting will be convened to discuss on the issue. After this issue is resolved fresh applications may be invited by MoC.

(d) Representative of RSMML requested that a decision needs to be taken in regard to allocation of Jalipa North extension block for which NLC has already given NOC and RSMML purchased the Geological Reports. Hence, the allocation of Jalipa North Extension block was requested in favour of RSMML. NLC was directed to furnish the details of this block, so that this block can be earmarked for allocation. NLC was also advised to submit all the lignite block details at the earliest to MoC.

(e) Further, discussions were also held in regard to Bithnok Extension and Bapeu blocks located in Rajasthan, which were earmarked for tariff based bidding. Representative of Rajasthan informed that these blocks may be allocated to the State Government Company for power generation instead of tariff based bidding. As no representative of MoP was present, it was decided to defer the decision on these two blocks.

(f) Advisor (P), MoC informed that a total of 7 lignite blocks submitted by NLC during 5th Technical Committee will be taken up in the next meeting and requested NLC representative to get the relinquished area if any, from the Dte. General of Hydrocarbons (DGH), out of the 20 Petroleum Exploration License /Petroleum Mining Lease (PEL/PML) overlapping area to carve out new blocks for allocation. In this regard, NLC representative informed that NLC has already submitted a list of above mentioned 20 PEL/PML overlapping blocks to DGH to inform the relinquished area on 13.05.2014 and reply is awaited.

The meeting concluded with a vote of thanks to the chair.

Annex.

Meeting under the Chairmanship of Secretary (Coal) to discuss on the Issue of Lignite Blocks on 26-06-2014.

List of Participants

1. Shri S K Srivastava, Secretary, Ministry of Coal – **In Chair**
2. Shri A.K Dubey, Additional Secretary, Ministry of Coal
3. Shri A.K Bhalla, Joint Secretary, Ministry of Coal
4. Shri D.N. Prasad, Advisor (Projects), Ministry of Coal
5. Shri Anurag Kapil, Director, Ministry of Coal
6. Shri J. Natarajan, Commissioner of Geology and Mining, Govt. of Gujarat
7. Shri S. Boopathy, Director(Project and Planning), NLC
8. Shri S.S.Jamrani, Addl. Director(Geology), Department of Mines and Geology, Govt. of Rajasthan
9. Shri R.K. Zoshi, GGM, RSMML
10. Shri A.L Thakor, GM(P,R&D), GMDC
11. Shri N.K Purohit, GM(Mines), GIPCL
12. Dr. T. Kannadasan, GM(Geology), NLC
13. Shri Piyush Shah, Senior Manager, GMDC
14. Shri Kireet Acharya, RSMML