

Most Immediate/Court Matter
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No.13016/17/2014-CA-I (Part-I) (Vol.II)

Government of India
Ministry of Coal

New Delhi, dated 6th May, 2015

OFFICE MEMORANDUM

Sub: Minutes of 30th Meeting of the Inter-Ministerial Group (IMG) under the Chairmanship of Additional Secretary (Coal) to review the issue of Bank Guarantees - reg.

In continuation of Ministry of Coal's OM of even number dated 29th April, 2015 on the above subject, the undersigned is directed to forward herewith the minutes of 30th IMG meeting held on 29th April, 2015 for information and necessary action.



(A. Sanjay Sahay)

Under Secretary to the Govt. of India
Tele: 20373936

To

1. **Ms. Sharmila Chavly**, Joint Secretary, Deptt. of Economic Affairs, North Block, New Delhi.
2. **Shri A.K.Singh**, Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi
3. **Shri Shailendra Singh**, Joint Secretary, Dept. of Industrial Policy & Promotion, Udyog Bhawan, New Delhi.
4. **Shri Syedain Abbasi**, Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
5. Joint Secretary, Deptt. of Legal Affairs, Shastri Bhawan, New Delhi.
6. **Shri R.P. Gupta**, Joint Secretary, Ministry of Coal
7. **Ms. Sujata Prasad**, JS&FA, Ministry of Coal
8. **Shri Vivek Bharadwaj**, Joint Secretary(VB), Ministry of Coal (as a special invitee)
9. **Shri D.N. Prasad**, Advisor (Projects), Ministry of Coal
10. **Shri A.K. Debnath**, CMD, CMPDIL, Gondwana Place, Kanke Road, Ranchi.
Shri Amrit Acharya, Coal Controller, 1, Council House Street, Kolkata-1.
11. AM (Legal), Legal Cell, Ministry of Coal.

Copy to PS to Hon'ble MoS(I/C) for Power, Coal & NRE, Sr.PPS to Secretary(Coal) & PPS to AS(Coal) & Chairman, IMG for information.

✓ Copy also to Director (T), NIC Cell, Ministry of Coal for uploading on the Website of MoC.

MINUTES OF THE 30TH MEETING OF THE INTER-MINISTERIAL GROUP (IMG) HELD ON 29TH APRIL, 2015 UNDER THE CHAIRMANSHIP OF ADDITIONAL SECRETARY (COAL) TO REVIEW ON DEDUCTION/FORFIETURE OF BANK GUARANTEE (BG) OF 127 COAL BLOCKS.

A list of participants is at **Annex-I**.

2. At the outset, Additional Secretary (Coal) & Chairman, IMG welcomed the Members of the Group and informed that this meeting was called in the light of the recommendations of the 28th meeting of the IMG held on 30.12.2014 and decisions arrived at in the 29th meeting of IMG held on 16.4.2015. To recapitulate the events in the matter, it was informed that the 28th IMG had recommended issue of show cause notice to the prior allocatees for delay in development of coal block so as to arrive at the amount for deduction/forfeiture of Bank Guarantee (BG) as per the slippages against each milestone and the weightages given thereupon and in view of court cases filed by various prior allocatees against the show cause notices issued.

3. Hon'ble Delhi High Court delivered a common order dated 30.10.2014 in W.P (C) No.4653/2014 & CM 9280-81/2014 and 41 other connected matters filed against Government's action of de-allocation and/or imposition/invocation of Bank Guarantee (BG) of the allocated coal blocks, directing the Union of India to dispose of the matter of BG in eight weeks' time.

4. The matter has been considered in the Ministry in consultation with Ministry of Law & Justice. Ministry of Law & Justice has opined that the decision to invoke or release BG will have to be considered on case to case basis by the Government for implementation of the order of Hon'ble Delhi High Court. Further extension of time for a period of 14 weeks was sought from Hon'ble High Court of Delhi. High Court of Delhi granted a time of three months to decide the cases of BG i.e. by 30.04.2015.

5. In the 29th meeting of IMG, it was noticed that comments of some State Governments, CMPDIL and others had not been received and hence IMG decided as under:-

- i) It was noticed that the comments of some State Governments were yet to be received. In the light of court case, the State Governments, CMPDIL and others from where comments had not been received may be directed to submit comments to MoC latest by 23rd April, 2015 positively.

- ii) If the reply was not received by 23.04.2015, it would be presumed that State Governments and CMPDIL had no comments to offer and action would be taken on the basis of the reply submitted by the prior allocatee.
- iii) In the cases of coal blocks which were allocated prior to the introduction of Bank Guarantee and where imposition of BG was considered at the previous stage; and where there was no condition of BG in the allocation letter of a particular coal block under review, such cases would not be reviewed since no effective mechanism was available to ensure submission of B.G. & these coal blocks were already cancelled, rendering the matter redundant.
- iv) The cases where de-allocation including BG, if any, was recommended by the then Review Committee prior to IMG and de-allocation including return of BG, if any, was ordered, such cases could not be pursued any further since the matter of BG was already considered earlier by the Government.
- v) CCO would calculate the BG amount to be deducted depending on the comments received from the State Governments/CMPDIL against the slippages and weightages and as per the terms and conditions of the allocation letter by 25.04.2015.

A copy of the minutes of the 29th IMG was circulated to all the concerned on 20.4.2015 by speed post/e-mail.

6. It has been brought to the notice of members that Ministry of Steel vide OM No.14(10)/2012-RM-I (Vol.III) dated 17.04.2015 had informed that since show cause notices served to allocatee companies were part of a quasi-judicial function, Ministry of Steel was not in position to offer any comments on the Show Cause Notice issued to coal block allocatees.

7. Coal Controller presented the calculation of BG amount to be deducted depending on the comments received from the State Governments/CMPDIL against the slippages and weightages and as per the terms and conditions of the allocation letter. CCO also brought out the cases wherein BG issue had been reviewed and decided earlier by the then Review Committee/IMG. CCO informed that there were 31 cases where either no condition of BG was there in the allocation letter or BG matter was reviewed earlier by the Government. The IMG noted that in view of the above, these 31 cases could be dropped from the total cases of 127 coal blocks which were issued show cause notice. Details of these 31 coal blocks are at **Annex-II**.

8. JS (VB) enquired from CCO as to how many cases were there where BG validity had expired and the prior allottee did not re-validate it. CCO informed that the status of such cases would be brought out in the calculation sheet.

9. A decision was taken that wherever State Governments had not furnished specific comments on the reply of the prior allocatee to the show cause notice, the cases would be decided based on material available with IMG.

10. A status on court cases filed by various prior allocatees was given by Legal Cell. It was noticed that there were 55 court cases filed in various High Courts challenging the show cause notices issued.

11. After detailed deliberation, the following was decided:-

a) It was suggested by the IMG, that where the prior allocatee did not submit application in time due to which there had been slippage of a particular milestone, the related subsequent milestones not achieved would logically be considered as a slippage of milestone on part of the prior allocatee. CCO would redo the computation of BG deduction on this principle uniformly.

b) There were 55 court cases filed by various prior allocatees in the matter. It was considered expedient to take up these cases first, to resolve the issue of BG. Accordingly CCO was directed to revisit the comments of State Governments/CMPDIL and re-calculate the BG amount to be deducted after computing the slippages against each milestone for these cases where court cases had been filed. A list of such cases was handed over to CCO. CCO was directed to furnish the BG deduction calculation by **5th of May, 2015**. Thereafter the remaining cases would be taken up.

c) While calculating the amount under BG deduction, uniform principle would be maintained by CCO and the views of State Governments wherever available would be taken as final.

The meeting ended with a vote of thanks to the Chair.

ATTENDANCE SHEET

30TH MEETING OF THE INTER-MINISTERIAL GROUP (IMG) UNDER THE CHAIRMANSHIP OF ADDITIONAL SECRETARY (COAL) HELD ON 29.04.2015 AT 4.00 PM. TO UNDERTAKE REVIEW ON THE ISSUE OF BANK GUARANTEE OF THE COAL BLOCKS AT ROOM NO. 330-A WING, SHASTRI BHAVAN, NEW DELHI-110003.

S. No.	Name & Designation	Ministry / Department	Contact No. & Email- Id
1.	Dr. A.K. Dubey, Addl. Secretary (Coal)	In the Chair	-
2.	Shri Vivek Bharadwaj, Joint Secretary	Ministry of Coal	23383356
3.	Shri R.P. Gupta, Joint Secretary	Ministry of Coal	9978406066
4.	Shri Anurag Kapil, Director	Ministry of Coal	23384594
5.	Shri Anupam Prakash, Director	Ministry of Steel	23063770
6.	Shri A. Acharya, Coal Controller	Ministry of Coal	9432645213
7.	Shri A Sanjay Sahay, Under Secretary (CA-I)	Ministry of Coal	23063936
8.	Shri A.K. Das, Under Secretary (IFD)	Ministry of Coal	23073936
9.	Shri Mahesh Tyagi, Dy. Legal Adviser	Ministry of Law & Justice, Department of Legal Affairs	23381838
10.	Shri K. Srinivasan, Under Secretary	Department of Industrial Policy & Promotion	23062247
11.	Shri Nand Lal, Consultant	Department of Industrial Policy & Promotion	23061085
12.	Shri A.N. Sahay, GM (Geology)	CMPDIL	9431104690
13.	Shri Kundan Sehgal, AM (Legal).	Ministry of Coal, Legal Cell	-

Annexure-II

Details of 31 coal blocks (S.No.1 to 17 cases where no condition of BG was available in the allocation letter, S.No. 18 to 26 cases where BG matter was reviewed by the then Review Committee and S.No. 27 to 31 cases where BG matter was reviewed by IMG in its earlier meetings)

Sl.No.	Name of Coal Block	Date of Allocation	Name of Prior Allocatee company (ies)
1	Utkal-B2	16.08.99	Monnet Ispat and Energy Ltd
2	Tokisud North	07.01.02	GVK Power (Govindwal Sahib) Ltd
3	Utkal B I	29.09.03	Jindal Steel & Power Ltd.
4	Badam	03.11.03	Tenughat Vidyut Nigam Limited (TVNL)
5	Jamkhani	12.11.03	Bhushan Power and Steel Ltd.
6	Utkal 'E'	27.08.04	NALCO
7	Tadicherla-I	06.12.05	Andhra Pradesh Power Generation Corpn. Ltd.
8	Talaipali, CG	25.01.06	NTPC
9-10	Mahanadi- Machhakata	06.02.06	GSECL ,MSEB
11	Gare Pelma, Sector-I	02.08.06	Chhattisgarh Mineral Development Corporation
12	Gare Pelma Sector II	02.08.06	Maharashtra State Mining Corpn. (MSMCL) & Tamil Nadu State Electricity Board
13	Rajbar E&D	02.08.06	TVNL
14	Nuagaon Telisahi	02.08.06	Orissa Mining Corporation & Andhra Pradesh Mineral Development
15	Ichhapur, WB	02.08.06	West Bengal Mineral Dev. Trading. Corp.
16	Kulti, WB	02.08.06	West Bengal Mineral Dev. Trading. Corp.
17	Chattibariatu	23.01.13	NTPC
18	Warora West (North)	20.02.07	Bhatia International Ltd.
19	Anesettipali	20.02.07	Andhra Pradesh Power Generation Corpn. Ltd.
20	Punkula-Chilka	20.02.07	Andhra Pradesh Power Generation Corpn. Ltd.
21	Penagaddppa	29.05.07	Andhra Pradesh Power Generation Corpn. Ltd.
22	Agarzari	25.07.07	Maharashtra State Mining Corpn.
23	Lohara East	07.06.08	Murli Industries Ltd. & Grace Industries Ltd.
24	Datima	05.09.08	Binani Cement Ltd.
25	Tenughat-Jhirki	10.09.08	Rashtriya Ispat Nigam Ltd.
26	East of Damagoria (Kalyaneshwari)	27.02.09	West Bengal Power Development Corporation Ltd.
27	Warora	25.07.07	MSMCL
28	Kesla North	05.08.08	Rathi Steel and Power Ltd.
29	Rawanwara North	29.05.07	SKS Ispat & Power Ltd
30	New Patrapara	13.01.06	Bhushan Steel & Strips Ltd & Others
31	Macherkunda	05.08.08	Bihar Sponge Ltd
