

No. 13016/26/2004-CA-I(Pt.)  
Government of India  
Ministry of Coal  
<<>>

Shastri Bhawan, New Delhi,  
Dated the 6<sup>th</sup> September, 2013

To

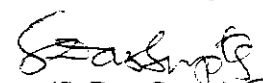
1. The Chief Secretary, Govt. of Jammu & Kashmir, Srinagar.
2. The Chief Secretary, Govt. of Chhattisgarh, Bilaspur.
3. The Chief Secretary, Govt. of Maharashtra, Mumbai.
4. The Chief Secretary, Govt. of Gujarat, Gandhinagar.
5. The Chief Secretary, Govt. of West Bengal, Kolkata.
6. The Chief Secretary, Govt. of Karnataka, Bangalore.
7. The Chief Secretary, Govt. of Bihar, Patna.
8. The Chief Secretary, Govt. of Punjab, Chandigarh.
9. The Chief Secretary, Govt. of Tamil Nadu, Chennai.
10. The Chief Secretary, Govt. of Uttar Pradesh, Lucknow.
11. The Chief Secretary, Govt. of Haryana, Chandigarh.
12. CMD, NTPC Limited, SCOPE Complex, Institutional Area, Lodhi Road, New Delhi.
13. CMD, NLC Ltd., Neyveli House, Chennai.

**Subject:– Recored Note of Discussions in the Meeting on Coal Block Allocation to Government Companies/Corporations and CPSUs (joint allocation) under Rule 4 of the Auction by Competitive Bidding of Coal Mines Rules, 2012, – reg.**

Sir,

I am directed to forward herewith the Record Note of discussions of the Meeting held under the Chairmanship of Additional Secretary, Ministry of Coal on 29-08-2013 to discuss on the above mentioned subject for information and necessary action.

Yours faithfully,

  
(S. Das Gupta)

Section Officer (CA-III)

Tel. No.23073933

Copy to:

- i. Sr. PPS to Secretary (Coal)
- ii. PS to AS (C)
- iii. PS to JS(C), MoC
- iv. PS to JS&FA, MoC
- v. PS to Advisor (P), MoC
- vi. Director (CA-III), MoC
- vii. Shri R.K. Sachdev, Consultant, Ministry of Coal, 1332 A/B, Vasant Kunj, New Delhi ( Fax:26136416).

**Record Note of Discussions in the Meeting on Coal Allocation to Government Companies/Corporations and CPSU's under Rule 4 of the 'Auction by Competitive Bidding of Coal Mines Rules, 2012' held under the Chairmanship of Additional Secretary (Coal) on 29<sup>th</sup> August, 13 at 11.00 AM in New Delhi.**

-----

List of Participants is enclosed at **Annexure**.

2. Welcoming the participants, Additional Secretary, Ministry of Coal mentioned that the allocation of 14 coal blocks to different government companies/CPSUs was placed on the website of Ministry of Coal on 3-7-2013. The letters of allocation of coal blocks to the State Government Companies/Corporations/CPSUs have been issued in those cases where independent allocation was approved. However, wherever the size of block was large and joint allocation of coal blocks was decided, which involved two or more government companies/corporations/CPSUs, the letters of allocation could not be issued in view of the need for indicating/forming of SPV/JV company by these government companies/corporations/CPSUs with which MoC would enter into agreement as per the laid down procedures under the Rules for 'Auction by Competitive Bidding of Coal Mines Rules, 2012' (hereinafter referred to as Rules). The purpose of this meeting is to impress upon the allocatee Govt. companies/corporations/CPSUs that for operational purposes, the joint allocatee States/companies/corporations/CPSUs should form SPV/JV or any other form of body incorporated as an independent entity in which all the end users to whom coal reserves have been allocated are represented in a fair and transparent manner.

3. Representatives of state Governments/government companies/CPSUs were requested to offer their views on the subject so that steps for formation of SPV/JV were expedited by the allocatees to enable the Ministry of coal to take forward the process of entering into an agreement under the Rules.

4. In regard to Kudanali-Luburi coal block in Odisha, which has been jointly allocated to NTPC and J&K State Power Dev. Corp. Ltd., the representative of J&K mentioned that, the state had already initiated discussions/consultation with NTPC and would revert with firm proposal for formation of SPV/JV

agreement by 30<sup>th</sup> September, 2013. The representatives of both NTPC and J&K SPDCL requested for one more month time i.e. by 31<sup>st</sup> October, 2013 for finalization of above agreement as per rules.

5. Regarding Jilga-Barapalli (Host State : Chhattisgarh), the representatives of NLC and CSPGCL agreed to initiate the discussions at the earliest and meet the same time-lines of 30<sup>th</sup> September, 2013 to finalize the structure of the proposed SPV/JV and 31<sup>st</sup> October, 2013 for signing the agreement as per the rules.

6. With respect to Mahajanwadi (Host State : Maharashtra), only the representative of GSECL was present and shared the states' earlier experience with Maharashtra government's company i.e. MAHAGENCO. He also agreed to initiate discussions with the concerned representatives of MAHAGENCO and assured to adhere to the mutually agreed time-lines of 30<sup>th</sup> September, 2013 to finalize the SPV/JV and 31<sup>st</sup> October, 2013 for signing the agreement as per the rules.

7. As far as Kalyanpur-Badalpara block, which is located in the State of Jharkhand, the representatives of both UPRVUNL and HPGCL agreed to initiate the discussions and would adhere to the agreed time-lines of 30<sup>th</sup> September, 2013 to finalize the structure of the proposed SPV/JV and 31<sup>st</sup> October, 2013 for signing the agreement as per the rules.

8. Deocha-pachami coal block in West Bengal is the largest block. It has been jointly allocated to six states namely West Bengal, Karnataka, Bihar, Punjab, Tamil Nadu and Uttar Pradesh, the representatives of these States/companies/ corporations agreed with the general approach of formation of SPVs/JVs and requested one extra month's time in view of more number of coal block allocatees. In this case it was agreed that the above mentioned exercise of finalizing the proposed structure of SPV/JV by 31<sup>st</sup> October, 2013 and for signing the agreement by 30<sup>th</sup> November, 2013, as per the rules.

9. The representatives of the State govt. companies requested the Ministry of Coal to issue the allocation letters specifying the names of the joint allocatees and the reserves allocated to individual Govt. companies/corporations/CPSUs. It was decided that Ministry of Coal would address the Chief Secretary of concerned states (allocatees) with copies to the allocatees.

10. It was also decided that the draft agreement proposed to be signed under the 'Auction by Competitive Bidding of Coal Mines Rules, 2012' would be circulated to all the allocatee companies/corporations/CPSUs for initiating and completing the exercise within the time-lines mentioned above.

11. Some of the State Govt. representatives requested for basic geological information/data about the above coal blocks. In response, it was mentioned that these details of all the coal blocks that had been allocated, were already available on the web-site of Ministry of Coal which were placed at the time of NIA dated 31.12.2012.

12. Some of the representatives of Govt. companies/corporations raised certain issues in regard to operational aspects of development of coal blocks. It was clarified that allocatees should mutually sort out all such operational issues at their level.

The meeting ended with vote of thanks to the chair.

\*\*\*\*\*

## Annexure

**Meeting on Allocation of Coal Blocks to Government Companies/Corporations and CPSUs under Auction by Competitive Bidding of Coal Mines Rules, 2012 held on 29-08-2013 at Shastri Bhawan, New Delhi.**

### List of participants

1. Dr. A.K. Dubey, Additional Secretary, Ministry of Coal -- **Chairman**
2. Shri D.N. Prasad, Adviser (Projects), Ministry of Coal
3. Shri Hemant Jain, Director, Ministry of Coal
4. Shri R.K. Sachdev, Consultant, Ministry of Coal
5. Shri Narinder Mehta, OSD/Secy.Power, State Govt. Punjab
6. Shri G.S. Chhabra, Director/Generation, PSPCL
7. Er. Ashwani K. Singla, CE/Th(D), PSPCL
8. Er. Rakesh Birla, Dy. CE/Th(D), PSPCL
9. Shri A.K. Mehta, Pr. Secy, Power, J&K Govt.
10. Shri Zahoor Ahmed Chat, Executive Director, JKSPDC
11. Shri I. Susaiarulraj, G.M., NLC
12. Shri Arvind Kumar, G.M., NLC
13. Shri D. Chandrasekal, Chief Engineer/mines, TANGEDCO
14. Shri P.C. Sharma, C.E., Chhattisgarh
15. Shri Janardan Kar, Managing Director, CSPGCL, Chhattisgarh
16. Shri Gurdeep Singh, GSECL, Gujarat
17. Shri N.N. Misra, NTPC
18. Shri A.K. Ahuja, NTPC
19. Shri Vikas Banger, HPGCL
20. Shri S. Bhatnagar, S.E./Tech, HPGCL
21. Shri Sushil Bansal, Director/Generation, HPGCL
22. Shri Barun Kumar Ray, CMD, WBPDC
23. Shri M.R. Kamble, MD, KPCL, Energy Deptt., Karnataka
24. Shri Kamran Rizvi, CMD, UPRVUNL
25. Shri H.K. Agrawal, Company Secretary, UPRVUNL
26. Dr. (Smt.) Amita Prasad, Pr. Secy., Energy, Govt. of Karnataka
27. Shri Nirmal Chandra Jha, BSMDC, Patna
28. Shri A. Kishor, MD, BSPGCL, Bihar