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MOST IMMEDIATE

No.13016/26/2004-CA-I(Pt.)
GOVERNMENT OF INDIA
MINISTRY OF COAL

....

New Delhi, the 15th October, 2013.

OFFICE MEMORANDUM

Subject: *Record Note of Discussions of the Meeting of the Inter-Ministerial Committee (IMC) to consider applications for allocation of Mining Blocks held under the Chairmanship of Secretary(Coal) on 08.10.2013 at Shastri Bhawan, New Delhi.-reg.*

The undersigned is directed to forward herewith the Record Note of Discussions of the Meeting of the Inter-Ministerial Committee (IMC) held under the Chairmanship of Secretary(Coal) on 08.10.2013, on the above mentioned subject for information and necessary action.

Encl. : As stated above.

H. Jain
(Hemant Jain)
Director to the Govt. of India
Tel. No.2338 8043

To :

1. Additional Secretary (Coal), Ministry of Coal.
2. Joint Secretary & F.A., Ministry of Coal.
3. Joint Secretary(Coal), Ministry of Coal
4. Joint Secretary (Shri S. Abbasi), Ministry of Steel, Udyog Bhawan, New Delhi.
5. Joint Secretary (Shri I.C.P. Keshari), Ministry of Power, Shram Shakti Bhawan, New Delhi.
6. Asstt. Legal Adv. (Dr. R.S. Shrinet), D/o Legal Affairs, Shastri Bhawan, New Delhi.
7. Joint Secretary (Infra & Energy) (Ms. Sharmila Chavaly), Department of Economic Affairs, North Block, New Delhi.
8. Advisor (Projects), Ministry of Coal.
9. Advisor (Energy) (Shri I.A. Khan), Planning Commission, Yojna Bhawan, New Delhi.
10. Director, DIPP, Udyog Bhawan, New Delhi.
11. Chairman, Coal India, Ltd., 10, Netaji Subhas Road, Kolkata – 700 001.
12. CMD, CMPDIL, Gondwana House, Kanke Road, Ranchi, Jharkhand.
13. Coal Controller, 1, Council House Street, Kolkata.

Copy for kind information to :

- i. Sr. PPS to Secretary(Coal)
- ii. Director (CA-III/A), Ministry of Coal.
- iii. Shri R.K. Sachdev, Consultant, MoC, 1332 A/B, Vasant Kunj, New Delhi (Fax:26136416).

✓ Copy to: TD, NIC, M/o Coal for uploading on the web-site of Ministry.

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List of participants is enclosed at Annexure.

2. Welcoming the participants Secretary (Coal) mentioned that in continuation of the exercise carried out earlier for allocation of 14 coal blocks to various government companies/corporations engaged in power generation, IMC has been convened to consider the recommendations of the Inter Ministerial Technical Committee for allocation of three coal blocks earmarked for mining which are the part of 17 coal blocks identified by MoC. He requested Adviser (P), MoC to apprise the Committee about the deliberations and recommendations of the Technical Committee.

3. Adviser (P), MOC informed the Members of IMC that allocation process for regionally explored 14 coal blocks meant for power sector was duly completed by MoC by the end of June 2013. However, the Inter Ministerial Technical Committee could not carry out the evaluation of three coal blocks earmarked for mining by government companies simultaneously along with the 14 blocks for power due to the small size of the blocks compared to the blocks earmarked for power. The proposed commercial mining was primarily meant for meeting the un-fulfilled demand of various small scale industrial consumers in different states. However, there was lack of information in regard to demand-supply position of coal for industrial consumers other than power.

4. Accordingly, the Inter Ministerial Technical Committee discussed about the evaluation of the three mining blocks and their ranking and made recommendations for proposed allocation in its meeting held on 16th July 2013 for consideration of IMC. Aspects like the availability of the reserves in these blocks, logistics involved in transportation of coal out of the Host State and other related constraints in development of the blocks including the nature of activities of many of the Applicant Companies and the need for considering host state mining corporations in meeting the demand of a number of small scale industrial consumers within the host states of the coal blocks were taken in to consideration

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by the Technical Committee whilst making the recommendations in addition to the individual ranking of the applicants.

5. However, the Technical Committee again deliberated the issue of allocation of these three coal blocks for mining on the basis of representations received from the Chief Minister of Madhya Pradesh addressed to Coal Minister requesting for allocation of all the three blocks meant for mining, and a similar request received earlier from the State Government of Bihar in view of their requirement for fuel resources for supporting their rapidly increasing economic growth as also the demand of Odisha Government for allocation of more resources.

6. After due deliberations on aspects like the availability of the reserves in these blocks, logistics involved in transportation of coal out of the Host State and other related constraints in development of the blocks including the nature of activities of many of the Applicant Companies, small scale industrial consumers requirements within the host state and also taking into account the requests from governments of Madhya Pradesh and Bihar, and the demand of Odisha government for allocation of more resources, the Technical Committee in its meeting held on 18th September, 2013 agreed to recommend for consideration of IMC for allocation of these three coal blocks for mining with a proposal to share the resources amongst adjacent states (erstwhile combined states) as mentioned below:

- i) Brahmani Coal block in Odisha to OMDC (58.90 Million Tonne).
- ii) Gowa Coal Block in Jharkhand State to JSMDC (25.74 Million Tonne) and BMDC (25.74 Million Tonne).
- iii) Kerwa Coal Block in Chhattisgarh State to CMDC (56.47 Million Tonne) and MP State Mining Corporation Ltd (56.47 Million Tonne).

7. Secretary (Coal) further requested Adviser (Projects), MoC to inform the members of IMC about the number of applications received in regard to the three blocks for mining and the score points/ranking done by the Inter Ministerial Technical Committee. In response, Adviser (P) informed that as mentioned in the agenda papers circulated, in all 41 applications were received from 17 government companies/corporations for these three mining blocks. However, Technical Committee considered certain additional parameters elaborated in paras 3&5 above whilst making the final recommendations. The block-wise

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position was explained to the Members of IMC as per the information furnished in the Table below.

Block / location	Ranking/Points	Remarks
Brahmani block in Odisha	MOIL, RINL, OMDC, KIOCL were Rank-1	Since MOIL, RINL and KIOCL were not into coal mining or coal distribution and were also not State mining Corporations, the Technical Committee recommended allocation of Brahmani block to OMDC, Odisha.
Gowa block in Jharkhand	RINL, OMDC, KIOCL - Rank 1; JSMDC - Rank 2; APMDC and NMDC - rank 3; MPSMC-4, Gujarat - 5, WBMDC-6, MSMC-7 and Bihar SMDC - 8.	As mentioned above RINL and KIOCL are not into coal mining or coal distribution and were not State mining corporations. <i>also</i> Further, Brahmani Block has already been recommended for OMDC. Accordingly, the Gowa block was recommended for JSMDC at Rank No.2 alongwith BSMDC (Bihar) at Rank No.8. The coal block is far away from AP and 3 coal blocks in the State of AP are under consideration for earmarking to GOAP, hence APMDC at Rank No.3 has not been considered for Gowa block. Similarly NMDC at Rank-3 is not into coal mining or coal distribution and was also not a State mining corporation and hence was not considered. MPSMC at Rank-4, GMDC at Rank-5, WMDC (At rank-6) and MSMC at Rank-7 are away from the Gowa coal block. Further lignite blocks are being considered for allocation to State Govt of Gujarat. Thus Bihar State Mineral

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		Development Corporation at Rank-8 has been considered for sharing the resources in the Gowa block alongwith JSMDC in view of being the adjoining State and their request for fuel resources for supporting rapidly increasing economic growth and the fact that the State does not have any workable coal resources.
Kerwa Block / Chattisgarh	OMDC, MOIL, RINL and KIOL - all Rank 1; JSMDC - Rank 2; Chattisgarh SMDC - Rank - 3; UPRVNL, NMDC, APMDC - Rank - 4 and M P State Mining Corporation - Rank - 5	MOIL, RINL and KIOL were not considered as they are not into coal mining or coal distribution and were also not State mining corporations. OMDC and JSMDC have already been recommended Brahmani and Gowa blocks as explained above. Accordingly, CSMDL at Rank-3 has been recommended Kerwa block alongwith MP State Mining Corporation at Rank-5 since UPRVUNL is a power company has already been allocated coal blocks recently, and NMDC is not into coal mining or coal distribution. These were also not State mining corporations. Further APMDC is away from coal blocks and some additional blocks have already been under consideration for allocation to Govt of AP.

8. After considering the above position, the IMC agreed with the approach adopted by the Technical Committee in recommending allocation of the three coal blocks.

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9. However in regard to the recommendation of the Technical Committee to take up mining of the block by the Mining Corporation of the Host State, IMC felt that the modalities of development of the block should be left to the discretion of allocatee State Governments i.e. whether they would propose to form a JV or an SPV or any other form of professionally managed entity to develop and operate the coal mine. Accordingly the IMC unanimously agreed on the following allocations as per the recommendations of the Technical Committee.

- i) Brahmani Coal block in Odisha to OMDC (58.90 Million Tonne).
- ii) Gowa Coal Block in Jharkhand State to JSMDC (25.74 Million Tonne) and BMDC (25.74 Million Tonne).
- iii) Kerwa Coal Block in Chhattisgarh State to CMDC (56.47 Million Tonne) and MP State Mining Corporation Ltd (56.47 Million Tonne).

10. IMC concluded that while communicating the above allocations, MoC should direct the respective State Governments to indicate the modalities for development of the coal block within a period of three months from the date of allocation. They should also comply with the Rules already notified for such purposes by the Ministry of Coal.

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



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Annexure

Meeting of the Inter-Ministerial Committee (IMC) to consider applications for allocation of Mining Blocks held under the Chairmanship of Secretary(Coal) on 08.10.2013 at Shastri Bhawan, New Delhi.

List of participants

1. Shri S. K. Srivastava, Secretary (Coal) -- **Chairman**
2. Dr. A.K. Dubey, Additional Secretary, Ministry of Coal
3. Shri Mukesh Jain, Joint Secretary, Ministry of Power
4. Shri D.N. Prasad, Adviser (Projects), Ministry of Coal
5. Shri I.A. Khan, Adviser(Energy), Planning Commission
6. Shri Hemant Jain, Director, Ministry of Coal
7. Dr. R.S. Shrinet, Assistant Legal Adviser, Deptt. of Legal Affairs
8. Shri Anupam Prakash, Director, Ministry of Steel
9. Shri Major Singh, Member(Planning), CEA
10. Shri A. Acharya, Coal Controller
11. Dr. S. Majumder, GM(Geo), CP, CIL
12. Shri R.K. Chopra, Director(T), CMPDI
13. Shri R.K. Sachdev, Consultant, M/o Coal