

MOST IMMEDIATE/BY E-MAIL

No. PS1-13011/4/2021-PS1 (FTS: 350379)

भारत सरकार/GOVERNMENT OF INDIA

कोयला मंत्रालय/MINISTRY OF COAL

पी एंड एस-I अनुभाग/P&S-I Section

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Shastri Bhawan, New Delhi

Dated the 19th September, 2022

Subject : Minutes of 47th Meeting of the Inter-Ministerial Group (IMG) held on 24.02.2022 under the Chairmanship of Additional Secretary (Coal) to review the issue of Bank Guarantee - reg.

The undersigned is directed to refer to the subject mentioned above and to forward herewith minutes of 47th Meeting of IMG under Chairmanship of Additional Secretary (Coal) held on 24.02.2022 at 11 A.M. to undertake review on the issue of Bank Guarantee of prior allottee, for information and necessary action.

Encl.: As stated above.



(Rishan Ryntathiang)

Under Secretary (P&S-I)

Tel. No.23073936

e-mail : rishan.r75@nic.in

To,

1. Additional Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi.
2. Joint Secretary (IE), Department of Economic Affairs, Room No. 67B, North Block, New Delhi.
3. Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi.
4. Joint Secretary, Department for Promotion of Industry and Internal Trade, Udyog Bhawan, New Delhi.
5. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
6. JS&FA, Ministry of Coal.
7. Advisor (P), Ministry of Coal.
8. CMD, CMPDIL, Gondwana Place, Kanke Road, Ranchi.
9. Coal Controller, 1, Council House Street, Kolkata-700001.
10. Director (P&S), Ministry of Coal.
11. AM (Legal), Legal Cell, Ministry of Coal.
12. Prior allottees of Amarkonda-Murgadangal, Ramchandi Promotional and Urtan North coal blocks (as per list).
13. The Chief Secretaries of State Governments of Jharkhand, Odisha and Madhya Pradesh.

Copy to:

1. PS to Hon'ble Minister for Coal.
2. Advisor to Secretary (Coal).
3. PS to Additional Secretary & Chairman, IMG.

S. No.	NAME OF COAL BLOCK	STATE	NAME OF ALLOTTEE
1.	Amarkonda-Murgadangal	Jharkhand	1. Jindal Steel and Power Ltd. 2. Gagan Sponge Iron Pvt. Ltd.
2	Ramchandi	Odisha	Jindal Steel and Power Ltd.
3	Urtan North	Madhya Pradesh	1. Jindal Steel and Power Ltd. 2. Monnet Ispat and Energy Ltd.

MINUTES OF 47th MEETING OF INTER MINISTERIAL GROUP (IMG) UNDER THE CHAIRMANSHIP OF ADDITIONAL SECRETARY (COAL) HELD ON 24th FEBRUARY 2022 TO REVIEW THE ISSUE OF BANK GUARANTEES OF PRIOR ALLOTTEES OF COAL BLOCKS CONFERENCE HALL, MINISTRY OF COAL, A- WING, SHASTRI BHAWAN, NEW DELHI-110001

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List of participants is placed at **Annexure- I**. Representatives from State of Odisha and State of Jharkhand joined the meeting through Video Conference mode. All other participants, including representative of the State Government of Madhya Pradesh, attended the meeting physically.

2. Additional Secretary (Coal) & Chairman, IMG welcomed all participants to the meeting. Convenor of IMG briefed the members that in pursuance of the deliberations in the 42nd Meeting of IMG, out of 34 coal blocks which were issued Show cause notices, the recommendations have been made by IMG in respect of 15 coal blocks whose Bank Guarantee ('BG'), as per their allocation letters, was linked 100% to coal production only. In this sequence, prior allottees of three coal blocks, viz., Amarkonda Murgadangal, Ramchandi Promotional and Urtan North had been called for hearing before the IMG in its 47th meeting. BG of these blocks, as per their allocations letters, was linked to 50% development milestones and 50% coal production.

3. The prior allottees of all 3 coal blocks, vide meeting notice dated 04th January 2022, were requested to provide written submissions with supporting documents for the arguments they were intending to make before IMG, in addition to the replies to Show Cause Notice ('SCN'). Respective State Governments and CMPDIL were also requested to provide comments on the milestones/SCN, vide the meeting notice dated 04th January 2022, which may be relevant to be considered by the members of IMG for making recommendations. 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. The Schedule of hearing of prior allottees of 3 coal blocks for 47th meeting is attached as **Annexure II**.

4. Members of IMG were provided with replies of prior allottees, vide email dated 07th February 2022. Copy of all relevant documents, including the Allocation Letters of coal blocks, block-wise BG calculation details prepared by CCO, SCN dated 28.07.2020, reply to

SCN received from the prior allottee, written submission made by the prior allottees, response of the State Government concerned, as and when received, etc. were also provided to the members. The authorisation letter of prior allottees were also verified before hearing. Convenor, briefed the IMG before calling in the prior allottee for hearing.

5. The written submissions made by prior allottees of coal blocks and other documents received from various stakeholders have been kept in the custody of Sh. Sunil Khangwal, ASO, P&S-I Section, MoC. The authorised representatives from the prior allottees appeared before the IMG in the meeting. Representative of the State Government of Jharkhand was also heard. List of names of the Authorised Representatives who made their arguments/ submissions in the hearing is attached as **Annexure III**. Deliberations and recommendations of the IMG for Amarkonda Murgadangal block which were heard by the IMG are given below:

6. (A) Amarkonda Murgadangal: -

Date heard: - 24th February 2022

Called.

Present: -

(i) On behalf of Coal Block Allottee: -

Sh. Kapil Dhagat

Ms. Shruti Chaudhary

(ii) On behalf of State Government: -

Sh. Arun Kumar

(iii) Members of IMG - as per Annexure-I

(I) Amarkonda Murgadangal coal block was allocated to M/s Jindal Steel and Power Limited and M/s Gagan Sponge Iron (P) Limited ('prior allottees') vide allocation letter no. 38011/1/2007-CA-I, dated 17th January 2008. As per terms and conditions at Clause 2 (ix) of the Allocation Letter, BG amounting to Rs. 71.75 crore was required to be deposited by the allocatee. As per sub-clause (a) of Clause 2 (ix) of the Allocation Letter, 50% of BG shall be linked to milestones (time schedule) set for development of the captive

block and the remaining 50% to the guaranteed production.

(II) Progress of the development of coal block was reviewed in the 23rd meeting of IMG held on 24th/25th October 2013 vide which IMG recommended to de-allocate the coal block and deduct 50% of the BG linked to the milestones set for development of the block. The same was accepted by the Government, and a letter dated 23rd December 2013 regarding de-allocation of coal block was issued to the prior allottee. This decision of the Ministry was challenged by the prior allottee before Hon'ble High Court of Jharkhand at Ranchi in WPC no. 1 of 2014 titled as Jindal Steel and Power Limited v. Union of India and Ors. The Hon'ble Court vide order dated 06th January 2014 directed that until further orders, no coercive action shall be taken against the petitioner pursuant to impugned order dated 23rd December 2013. The matter is pending before the Hon'ble Court. MoC, vide letter, dated 13th March, 2014, conveyed that Rs. 33.005 Crore from the BG is to be deducted and deposited with the Government. However, deduction was put on hold in view of the interim order of the High Court of Jharkhand, *ibid*.

(III) A number of petitioners contended before the High Court of Delhi that the delays in achieving the specified milestones in development of coal blocks were for reasons beyond their control and mostly on account of delays on the part of the Government or its agencies. Accordingly, SCN dated 16th January 2015 was issued, among others, to the prior allottee for showing cause as to why the delay in development of coal blocks should not be held as violation of terms and conditions of Allocation Letter indicating in detail the reasons for slippage in respect of each milestone and agency responsible for such delay (as recommended by the 28th Meeting of IMG held on 30th December 2014 and accepted by the Government). However, the SCN dated 16th January 2015 was withdrawn by the Ministry of Coal vide letter dated 04th August 2015 (as recommended by the 31st Meeting of IMG dated 07th July 2015 and accepted by Government).

(IV) As per recommendation of 42nd Meeting of IMG held on 28th May 2020 and acceptance by the Government, the block is being reviewed with a view to ascertaining whether the delays in achieving the specified milestones in development of coal blocks

were for reasons beyond their control for the entire period till the block was held by prior allottees. From the documents provided by MoC to this IMG:

a) Meeting Notice dated 04th January 2022 along with SOP requesting written comments from the prior allottee and State Government, was sent by MoC to the prior allottee and State Government. Reply was received by MoC on 28th January 2021 vide email and on 4th February 2022 in hard copy.

d) Reply to SCN dated 28th July 2020 or Written Submission were not sent by State of Jharkhand in spite of serving the SCN; Meeting Notice dated 04th January 2022, 03rd February 2022, 14th February 2022, 22nd February 2022.

e) The comments received from prior allottees were shared by MoC with the State Government vide email dated 04th February 2022.

f) Block wise dossier and BG calculation sheet prepared by O/o CCO was also placed on record before this IMG.

(V) Sh. Kapil Dhagat and Ms. Shruti Chaudhary (“authorised representatives”) appeared before IMG on behalf of the prior allottee. Prior allottees submitted that they filed the application for grant of Prospecting License (PL) on 17th March 2008, however, Government of Jharkhand and DMO Dumka only granted PL in favour of the company at belated stage. As per the prior allottees, the company had duly applied for grant of PL in its favour within 2 months of allocation of coal block. Further, they contended that the Central Government took more than 3 months after the application was forwarded by the State Government. As per the prior allottee, delay of 1 year and 3 months was attributable to the Central and State Government. The authorised representatives submitted that an application for PL was submitted to Department of Mines, Government of Jharkhand on 17th March 2008. A copy of the application submitted and Form ‘D’ was attached in the Additional submissions, Vol-2 from *page 218-226*. District Mining Officer (‘DMO’), Dumka requested some more documents vide letter dated 04th April 2008 (*page 227, Additional submissions, Vol-2 and reproduced before IMG*). Vide letter dated 14th November 2008, the application of prior allottee was forwarded to Central

Government. Central Government granted previous approval for PL on 16th February 2009. PL was granted by Government of Jharkhand and DMO on 29th June 2009 and 09th July 2009 respectively (*page 228, Additional submissions, Vol-2 and reproduced before IMG*). PL was executed on 03^{r d} August 2009 with State of Jharkhand (*page 234, Additional submissions, Vol-2 and reproduced before IMG*).

(VI) BG was submitted in time and there was no delay in achievement of this milestone.

(VII) With respect to the milestone for completion of exploration and preparation of GR, the time limit as per milestone chart was 27 months from the date of allocation, however, the same could not be achieved till de-allocation of coal block. Consequently, no further milestones were achieved.

(VIII) They have contended that “they were unable to carry out drilling/ exploration/prospecting work at the coal block site. Despite the fact that the noticee left no stone un-turned to start drilling/ exploration, prospecting work could not be started owing to violent resistance from the local villagers who were, perhaps, supported by illegal miners of the coal the area, anti-social elements and naxalites. The noticee was exposed to the numerous volatile situations of violence, assault including physical harm to the noticee/agents/ and threats to their lives, destruction of their properties etc. These led to numerous complaints, FIRs and request for appropriate steps and measures for production, including request for deployment of CRPF, to facilitate the drilling /exploration/ prospecting work at the coal block” (*para 2 of the additional submissions and reproduced before IMG*). Despite repeated efforts, the company was not able to commence the exploratory drilling in the coal block.

IX) An exploration plan of 34 boreholes was drawn up for detailed exploration of the coal block. For 9 out of 34 boreholes falling in forest area, permission of State of Jharkhand was sought on 24th September 2008 (*page 67 of Vol 3 of Written submissions and reproduced before IMG*). Permission for carrying out exploratory work in 5 bore holes in Forest area was given by Forest Department on 27th July 2009 (*page 67 of Vol 3 of Written submissions and reproduced before IMG*), i.e., after approximately 10 months.

X) Work order was issued in favour of M/s Mining Associates Pvt. Ltd on 03rd April 2009 (*page 351, Additional submissions, Vol- 2 and reproduced before IMG*). Drilling permission was granted by the Forest Department on 27th July, 2009 and drilling was to be completed within 2 years (p-68, vol.II). PL was granted on 03rd August 2009. The prior allottee contended that immediately after grant of drilling permission and PL, the contractor mobilised his drill rigs and set up a drilling camp at Kathapari village on 04th August 2009. However, the drilling party were surrounded by a big crowd and were threatened. M/s Mining Associates Pvt. Ltd had complained regarding this to the prior allottee vide letter dated 04th August 2009. Consequently, it was informed by the prior allottee that the drilling team had to be withdrawn. A letter of withdrawal of the drilling team has been attached from *page 361, Additional submissions, Vol- 2 and reproduced before IMG*. A letter was sent to Chief Secretary, stating the difficulties faced for starting the exploration work with the request to extend administrative support to carry out drilling work in coal block (*page 71-72, Additional submissions, Vol- 3 and reproduced before IMG*). Further, it was also informed that the officials of prior allottee were made hostages and a complaint, dated 26th March 2010 was written to the SHO (placed on *page 75, Vol- 3 and reproduced before IMG*). The authorised representatives were directed to submit the copy of FIR in this regard. Thereafter, the authorised representatives submitted that M/s GEMAT Soil and Rocks Probe Engineers were awarded the work of drilling on 02nd April 2010. However, the prior allottees informed that even M/s GEMAT failed to drill (*page 365, Additional documents, Vol- 2 and reproduced before IMG*). Thereafter, M/s Geotech co. was engaged as drilling contractor on 29th November 2010 (*page 369, Vol- 2 and reproduced before IMG*). However, attempt to drilling was prevented by villagers. Even the tractors and other machinery were attacked by villagers, as contended. A copy of complaint lodged by a villager is at *page 383, Vol- 2 (reproduced before IMG)*. Again, after few months, work order dated 01st March 2011 was placed for drilling to M/s GS Atwal & co. (Engineers) P. Limited (*page 385, Vol- 2 and reproduced before IMG*). The authorised representatives also apprised the members that they tried to engage CMPDIL and MECL for drilling. However, due to pre-occupation, they denied to take up the work (*page 77-81, Vol- 3 and*

reproduced before IMG). The newspaper clippings showing local problems and illegal mining in the area and the law and order situation are also bought on record (page 119-134, Vol- 3).

XI) In December 2011, a meeting was held in office of District Commissioner which was attended by villagers from the coal block area. These villagers were willing to cooperate to the company during exploration works. On return, these villagers were beaten up by a section of villagers opposed to the mine page 213, Vol- 2. Fardebayan was filed by villagers in Shikaripara PS on 11th December, 2011 (page 397, Vol- 2 and reproduced before IMG). The authorised representatives also brought various correspondence of the prior allottee with the State authorities informing about them the law and order situation and requesting security (page 82-110, Vol- 2 and reproduced before IMG). Further, a meeting was taken by DC Dumka, at his office in which SP Dumka, DFO Dumka, DMO,, Dumka were present among others. In the meeting, the district administration ensured that appropriate security would be provided for drilling operations subject to the condition that permission of the Government for prospecting operations was there. Minutes of the Meeting dated 14th March 2013 were placed on record from page 111-113, Vol- 3 and reproduced before IMG. On perusal of the same, the members observed that the land was Raiyati and therefore there were protests from villagers.

XII) PL expired on 03rd August 2012. On the request of the prior allottees, period of PL was extended by the State Government of Jharkhand for a period of 2 years, 4 months and 8 days, with effect from 5th June, 2013 on account of 'delay in fulfilment of the term of licence due to force majeure as per the stipulations of rules mentioned in Part V of Clause 2 of Form 'F' under Rule 15 (2) of Mineral Concession Rules, 1960 ('MCR') (page 135, Vol- 3 and reproduced before IMG). As per rules, the prior allottee is required to apply for renewal of PL within 9 months of the expiry date. In the preset case, the State Government representative informed that the application for renewal was made on time i.e on 07th April 2012.

XIII) The prior allottees also informed that there were 2 end use plants linked to the coal block - one in Patratu and other in Dumka. They informed that they had made huge investments in the end-use plants. With regard to the mutation of land for end use plant (EUP),

the prior allottee requested for some time to furnish a copy.

XIV) The prior allottee of Amarkonda Murgadangal coal block was heard at length on merits. Members of IMG observed that certain documents such as (i) FIR to the Police and (ii) land records of the coal block/end-use plants were required for examination. For this purpose, 2 weeks were granted to the prior allottee to make available these documents.

9. It was decided to hear the prior allottees of the other two blocks, viz., Ramchandi Promotional and Urtan North in a subsequent meeting.

10. The 47th Meeting of IMG ended with a vote of thanks to and from chair.

ANNEXURE I

LIST OF MEMBERS OF IMG FOR HEARING ON 24th FEBRUARY 2022

S. NO.	NAME	DESIGNATION	MINISTRY/ DEPARTMENT/ ORGANISATION
1.	Sh. Vinod Kumar Tiwari	Additional Secretary (Coal)/ Chairman of IMG	Ministry of Coal
2.	Sh. B. P. Pati	Joint Secretary	Ministry of Coal
3.	Ms. Santosh	Coal Controller	Ministry of Coal
4.	Ms. Nirupama Kotru	JS&FA	Ministry of Coal
5.	Sh. R.S. Shrinet	Dy. Legal Advisor	Department of Legal Affairs, Ministry of Law and Justice
6.	Sh. Sanjeev Kumar Kassi	Chief Engineer (Thermal)	Ministry of Power
7.	Sh. Darshan Kumar Solanki	Deputy Secretary/ Convenor	Ministry of Coal
8.	Sh. S.K. Gomasta	Director (Technical)	CMPDIL
9.	Sh. Pravin Kumar Sharan	Chief Manager (Geology)/ TS to Director (Tech/CRD)	CMPDIL
10.	Sh. Peeyush Kumar	Director (Technical)	Ministry of Coal
11.	Ms. Kumudi Sharma	Deputy Director	Department of Economic Affairs, Ministry of Finance
12.	Sh. Shantanu Kumar Banerjee	Chief Manager	CMPDIL

13	Sh. Arun Kumar	Under Secretary	Department for Promotion of Industry and Internal Trade
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Officers of MoC in Attendance

14.	Sh. Rishan Ryntathiang	Under Secretary	Ministry of Coal
15.	Ms. Ankita Mathur	Assistant Manager (Legal)	Ministry of Coal
16.	Sh. Sunil Khangwal	Assistant Section Officer	Ministry of Coal
17.	Sh. Anupam	Young Professional	Ministry of Coal
18.	Ms. Priyanka Parida	Legal Consultant	Ministry of Coal

Annexure II

**SCHEDULE OF HEARING OF PRIOR ALLOTTEES ON 24TH
FEBRUARY 2022**

SL. NO.	TIME	NAME OF COAL BLOCK	STATE	NAME OF ALLOTTEE COMPANY
1.	3:00 pm- 3:20 pm	Amarkonda Murgadangal	Jharkhand	1. Jindal Steel and Power Limited 2. Gagan Sponge Iron Limited
2.	3:20 am - 3:40 am	Ramchandi Promotional	Odisha	Jindal Steel and Power Limited
3.	3:40 am- 4:00 pm	Urtan North	Madhya Pradesh	1. Jindal Steel and Power Limited 2. Monnet Ispat and

Annexure III

**LIST OF NAMES OF THE AUTHORISED REPRESENTATIVES FOR
HEARING DATED 24TH FEBRUARY 2022**

SL. NO.	NAME OF AUTHORISED REPRESENTATIVE, DESIGNATION	NAME OF COAL BLOCK	NAME OF ALLOTTEE COMPANY	STATE
1.	Sh. AK Behera, Additional Secretary (Through VC)	Ramchandi Promotional	Jindal Steel and Power Limited	Government of Odisha

2.	Sh. Arun Kumar, OSD (Through VC)	Amarkonda Murgadangal	1. Jindal Steel and Power Limited 2. Gagan Sponge and Iron Limited	Government of Jharkhand
3.	Sh. P.P. Rai, Sr. Dept. Director.	Urtan North	1. Jindal Steel and Power Limited 2. Monnet Ispat Limited	Government of Madhya Pradesh
4	Sh. Kapil Dhagat, Executive Vice President	Amarkonda Murgadangal, Ramchandi Promotional, Urtan North	Jindal Steel and Power Limited	-----
8	Ms. Shruti Chaudhary, Advocate	Amarkonda Murgadangal, Ramchandi Promotional, Urtan North	Jindal Steel and Power Limited	-----