

No. PS1-13011/16/2022-PS1 (FTS: 354109)

भारत सरकार/GOVERNMENT OF INDIA

कोयला मंत्रालय/MINISTRY OF COAL

पी एंड एस-I अनुभाग/P&S-I Section

Shastri Bhawan, New Delhi

Dated the 23<sup>rd</sup> November, 2022

**OFFICE MEMORANDUM**

***Subject : Minutes of 51st Meeting of the Inter-Ministerial Group (IMG) under the Chairmanship of Additional Secretary 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 51st Meeting of the Inter - Ministerial Group to undertake a review on the issue of Bank Guarantees of prior allottees held under the Chairmanship of Additional Secretary on 11th October, 2022 at 3:00 P.M. for information and necessary action.

Encl.: As stated above.



(Rishan Rynthiang)

Under Secretary to the Govt. of India

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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 (Projects), 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. Prior allottees of the coal blocks as per attached list.
12. The Chief Secretaries of the State Govt. of Chhattisgarh and Jharkhand.

**Copy to:**

1. PS to Hon'ble Minister for Coal.
2. Advisor to Secretary (Coal).
3. PS to Additional Secretary & NA and Chairman, IMG.
4. STD (NIC) with request to upload on the website of MoC.

S. No.	Name of the block	State	Prior allottee
1.	Durgapur- II Sairaiya	Chhattisgarh	DB power Limited
2.	Patratu	Jharkhand	Jharkhand State Mineral Development Corporation (JSMDC)
3.	Rabodih	Jharkhand	JSMDC
4.	Seregarha	Jharkhand	1. Arcelor Mittal India Limited 2. GVK power (Goindwal Sahib) Limited
5.	Choritand Taliya	Jharkhand	1. Rungta Mines Limited 2. Sunflag Iron and Steel Limited

**Minutes of 51st meeting of Inter- Ministerial Group under the chairmanship of Additional Secretary & NA, Ministry of Coal held on 11.10.2022 to review the issue of Bank Guarantees of prior allottees of coal blocks at Aluminium Room, No. 101- D, Ministry of Mines, Shastri Bhawan, New Delhi-110001**

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List of participants is placed at **Annexure- I to III**. The prior allottees, members of IMG and representatives from Government of Jharkhand and Chhattisgarh attended the meeting physically. Additional Secretary & NA, Chairman, Inter Ministerial Group ('IMG') welcomed all participants.

2. Director (P&S), informed the IMG members that the 5 coal blocks were scheduled to be heard as per the agenda of the instant meeting are Durgapur II Saraiya, Patratu, Rabodih, Seregarha and Choritand Tilaiya. Amongst these, the prior allottee of three coal blocks Durgapur II Saraiya, Patratu and Rabodih appeared before the previous meetings of IMG (for hearing as per show cause notice ('SCN') dated 28.07.2020), however, due to lack of requisite documents, the prior allottees were given another chance of hearing. Accordingly, these 3 blocks were again scheduled to be heard in the instant meeting. In addition to these 3 blocks, allottees of 2 more coal blocks were called for hearing for the first time in the present IMG in pursuance of the SCN dated 28.07.2020.

3. The State Governments of all 5 coal blocks were requested to provide written submissions with supporting documents for the arguments on each milestone as per allocation letter for the arguments/ contentions they were intending to make before IMG, in addition to the replies to Show Cause Notice ('SCN') dated 28.07.2020, vide meeting notice dated 26.09.2022. The detailed reply/ additional documents as per previous meetings were submitted by the prior allottee. 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.

4. Members of IMG were provided with replies of prior allottees. Copy of all relevant documents, including the Allocation Letters of coal blocks, block-wise BG calculation details prepared by CCO, SCN, reply to SCN received from the prior allottee, written submissions made by the prior allottees, response of the State Government concerned, as and when received, etc. were also provided to the members. The comments of prior allottee were shared with the respective State Governments for providing comments. A brief presentation of each of the 5 blocks was made by O/o CCO.

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 P&S-I Section, MoC. List of names of the Authorised Representatives who made their arguments/ submissions in the hearing is attached as **Annexure II**. List of names of the representatives of state governments is attached as **Annexure III**. Deliberations and recommendations of the IMG for the blocks which were heard by the IMG are given below:

**6. (A) DURGAPUR II SARAIYA:**

**Prior allottees:- D.B. Power Limited State:**

**Chhattisgarh**

1) The milestone wise delay, if any, and the observations of the IMG in its 48<sup>th</sup> Meeting (previous meeting) was briefed to the members of IMG. Main argument made by representatives of prior allottee was that the delay in achieving milestones was due to delay caused in obtaining GR and the delay caused in processing various applications by the State Government.

The representatives of prior allottee presented their reply/ additional documents in support of their contentions upon which members of IMG deliberated on each milestone separately. On the basis of deliberations in the previous meeting and additional documents submitted by the prior allottee for specific milestones, it was observed that:

- a. The delay of one month in purchase of GR was on part of prior allottee . The instant block was an explored block. Hence, GR could have been purchased and the issue of prior allottee with regard to the GR cost could have been raised later so as to show seriousness and not hamper the development of block. As per the documents submitted by CMPDIL, the prior allottee applied for GR on 15.11.2007. On 22/23.11.2007, CMPDIL informed that the pricing policy for recovery of cost of exploration was under review, however, an interim cost of exploration to be recovered was specified which was required to be paid by the prior allottee with an undertaking that the balance amount, if any, will be paid by the allottee as and when the policy for recovering the cost of exploration was finalised. Vide letter dated 19.12.2007 the prior allottee enquired the cost of GR and also stated in this letter that once the information is received by them, they will arrange for payment of GR. On 09.01.2008, CMPDIL informed that as per the existing policy of Coal India Limited, the recoverable cost of exploration of any block is arrived at on the basis of meterage drilled in the block. The same policy is being adopted for the blocks, which are getting allotted. Thereafter, upon payment, the original GR was handed over on 21.1.2008. Later, on

18/21.04.2008, the final cost (after finalisation of policy) was intimated to prior allottee by CMPDIL which was paid on 04.06.2009.

- i. The prior allottee raised this issue on 19.12.2007 (date of allocation: 06.11.2007 and the scheduled date of purchase of GR was 21.12.2007). For purchase of GR, CMPDIL gave the interim cost until it arrived at the final cost and provided the original GR as soon as the interim cost of GR was paid. Similar approach could have been taken by the prior allottee and they could have purchased the GR and settle the cost arrived at later.
- ii. Even if the allottee wanted to raise the issue within the time prescribed for schedule date of purchase of GR, they raised the query only on 19.12.2007 i.e. 9 days before the scheduled date.

b. There was no delay in submission of BG by the prior allottee.

c. In submission of Mining Lease there was a delay of 2 months [in the previous minutes the delay in para iii (VIII) (a) has been inadvertently stated as one month instead of 2 months]. Two fold arguments have been given by the prior allottee for the delay:

- i. Delay caused in purchase of GR
- ii. Delay in receipt of certified data as regards the block

Only the delay of one month in purchase of GR is attributable to prior allottee.

d. In submission of Mine Plan there was delay of 2 months which was attributable to the prior allottee.

- i. As per the condition (vii) of Allocation Letter “the company shall submit a mining plan for approval of the competent authority under Central Government within 6 months of the date of this letter” i.e. within 6 months of 06.11.2007. Thus, the contention of the prior allottee that mine plan was to be submitted 6 months after purchase of GR could not be accepted.
- ii. Further, the revised mine plan was submitted on 31.03.2012 (4 years after the scheduled date of completion). The prior allottee informed that on 03.01.2011, they had stated on affidavit that they will not carry out the mining activity in the habited area of Dharamjaygarh; the same was also announced in the public meeting. Hence, they were bound to exclude the area and submit a revised mine plan before commencing production. Thus, the delay in submission of revised mine plan is not attributable to prior allottee.

e. For approval of Mine Plan, the original mine plan got approved on

25.06.2009. However, the revised mine plan was approved on 24.12.2013. Hence, the delay in submission and approval of mine plans not on part of part allottee.

- f. For application and grant of previous approval, no delay has been caused on part of prior allottee.
- g. In submission of application for forest clearance, there was no delay.
  - ii) It was contended by the prior allottee that due to change in area of the block, a revised application was submitted on 09.08.2011 for forest clearance. However, as stated above, the prior allottee could not have commenced the production/ achieved milestones until it revised its area. Therefore, the delay of 2 years 9 months in submission of revised application of Forest Clearance is not on part of prior allottee.
- h. For grant of Forest Clearance, the delay is not attributable to the prior allottee.
- i. The application for EMP clearance was made within the stipulated time hence, there was no delay.
- j. For grant of EMP Clearance,
  - i. with regard to the delay from 2008-2011, the prior allottees informed the members that the ToR was issued on 23.10.2008 subsequent to which the public hearing only took place on 28.02.2011. This delay as explained by the prior allottee was because of regularisation of land (pattas) which happened only in 2010. In March 2010, the prior allottee applied to SPCB. The letter dated 29.03.2010 and newspaper cutting for public hearing was also submitted by prior allottee before IMG.
  - ii. The EMP clearance was granted on 05.07.2013. Thus there was a delay of further 2 years after public hearing which was not attributable to prior allottee.
- k. For grant of Mining lease, the delay is not attributable to prior allottee.
- l. Delay in submission for acquisition of land was attributable to prior allottee since the prior allottee should have approached the State Government for acquisition of land earlier since original mine plan was approved in 2009.
- m. Delay in application for Mine Opening Permission was attributable to prior allottee.
- n. In absence of mine opening permission, the production from mine could not have commenced.

**(B) PATRATU: -**

**Prior allottee: Jharkhand State Mineral Development Corporation Ltd.**

## **State: Jharkhand**

### **Jharkhand**

- a. O/o CCO informed that Patratu block was a partially explored block and allocated on 25.07.2007 to the prior allottee. During the 17<sup>th</sup> Meeting of IMG, it was recommended to de-allocate the block and deduct 50% BG linked to milestones. Accordingly after consideration and acceptance by the Government, vide letter dated 30.01.2013, the block was de-allocated. Further BG linked to milestones was decided to be invoked. However, due to order dated 22.04.2013 of Hon'ble Jharkhand High Court in WPC 2249 of 2013 (Jharkhand State Mineral Development Corporation Limited v. Union of India and Ors.), no coercive steps have been taken by this Ministry/ the BG has not been invoked.
- b. O/o CCO summarised for the members that the scheduled date of making PL Application was on 25.10.2007 and the actual date of completion was 09.10.2007. Further, for completion of exploration and preparation of GR was scheduled to be completed by 25.10.2009 which was pending till cancellation of block by Hon'ble Supreme Court in 2014 (Delay: 4 years and 11 months). Reasons for such delay as per the prior allottee is as follows:
  - i. Boundary map and revenue map were critical requirement for prospecting license application. A request was made to CMPDIL by JSMDC for supply of boundary map.
  - ii. Due to formation of new State of Jharkhand in the year 2000 and separation of records from Bihar, the procurement of revenue map got delayed and were obtained from Guljarbag press, ' Patna (Bihar) on 08-08-2007
  - iii. After procurement of the boundary map and revenue map, Plan for Prospecting License of the area was prepared and the application for Prospecting License was filed on 09.10.07 in the office of DMO, Hazaribagh. Such delay in procurement of revenue maps was beyond the control of JSMDC.
  - iv. The Regional Geological Report (RGR) was purchased from Coal Wing of GSL, Kolkata on 21.10.2007.
  - v. The data available in RGR was insufficient and inadequate for preparation of Mining Plan. Subsequently, the Dept. of Mines & Geology, Govt. of Jharkhand had agreed to supplement required geological data for conversion of RGR into Geological Report (GR). The preliminary data was supplied to Dept. of Mines & Geology, Govt. of Jharkhand for preparation of Geological Report. In the meanwhile, coal

block was de-allocated.

- vi. There was a delay of 2 years and 9 months in submission of Bank Guarantee. The reasons for the delay as contended by prior allottee are as follows:

The non-availability of JSMDC Board members from May 2007 to May 2009 brought the functionality of the organization to a standstill. The Patratu coal block was allocated vide letter dated 25-07-2007, all the activities pertaining to initiate pre- development of coal mine was delayed due to non-availability of Board members to take appropriate decision. Since, JSMDC is an undertaking of Govt. of Jharkhand, the appointment of Board members was supposed to be done by Government of Jharkhand and JSMDC was unable to take its own steps for appointing

Board of Directors. Therefore, this reason of delay was beyond the control of JSMDC and should not be attributable/ penalized on JSMDC.

- c. This caused cascading effect on the other milestones and the achievement of other milestones was also delayed.

**Observations made by the members of IMG in respect of Patratu coal block:**

- i. CMPDIL informed that DMG, Jharkhand was the agency responsible for exploration of the block, hence they were not the correct agency to approach for boundary maps etc.
- ii. State of Jharkhand was formed in 2000 and the block was allocated in 2007, hence there was an unexplainable delay of 7 years for delay caused due to non- availability of revenue map.
- iii. On 24.08.2007, CMPDIL informed JSMDC that the GR was to be purchased from GSI; however the RGR was purchased on 21.10.2007.
- iv. It was the responsibility of the prior allottee to submit the BG along with the other milestones. Hence, the delay in submission of BG is attributable to JSMDC. Non constitution of board cannot hamper the development of the coal block.
- v. No milestones could be achieved till cancellation of the block and no mine opening permission was granted hence the production did not commence.

**Recommendations of the IMG**

Accordingly in view of the facts and observations made in respect of the Patratu Block, *IMG recommends that since the Board of JSMDC was constituted in May, 2009, Delay in submission of*

***BG after 3 months of constitution of Board may be attributed to JSMDC. Further, delay in providing revenue map and additional data to supplement RGR by State Govt. resulted in non- receipt of PL to JSMDC, which has further cascading effect on development of coal mine. Hence, that delay can't be attributed to allocattee.***

**(C) RABODIH:**

**Prior Allottee: Jharkhand State Mineral Development Corporation Ltd.**

**State: Jharkhand**

- a. O/o CCO informed that Rabodih block was an explored block and allocated on 25.07.2007 to the prior allottee. During the 17<sup>th</sup> Meeting of IMG, it was recommended to de- allocate the block and deduct 50% BG linked to milestones. Accordingly after consideration and acceptance by the Government, vide letter dated 30.01.2013, the block was de-allocated. Further BG to the extent of Rs. 15.5 crore was decided to be invoked. However, due to order dated 12.04.2013 of Hon'ble Jharkhand High Court in WPC 2165 of 2013 (Jharkhand State Mineral Development Corporation Limited v. Union of India and Ors.), no coercive steps have been taken by this Ministry/ the BG has not been invoked.
- b. **The prior allottee made the following submissions before the members of IMG regarding the milestones:**
  - i. Purchase of GR: As per the allocation letter/ milestone chart for purchase of GR, 1.5 months from the date of allocation (zero date) were given to prior allottee. The scheduled date of this milestone was 08.09.2007 however there was a slippage of 4 years 9 months and the GR was actually purchased in June, 2012. Representative of the prior allottee contented that the photocopy of GR was purchased on 29.05.2008 at nominal price from CMPDIL. To incur huge expenditure for purchase of GR, the approval from Board of Directors was required from State Govt. Incidentally from 2007-2009, the Board of Directors of JSMDC was not functional. After constitution of board, the entire amount of GR was paid by JSMDC and CMPDIL handed over the GR on 1<sup>st</sup> June 2012.

- ii. Submission of BG: - As per the allocation letter/ milestone chart, for submission of BG, 3 months were given to prior allottee from the date of allocation (zero date). There was a slippage 2 years and 9 months in achieving the milestone.

Representative of the prior allottee contended that there was non-availability of Board members and approval of Board was required to incur the expenses, hence, there was a delay of 2 years & 8 months in submission of BG. The scheduled date of completion of the milestone was 25.10.2007 and it was actually submitted on 24.07.2010.

- iii. Mining Lease application: As per the allocation letter/ milestone chart, for mining lease application, 3 months were given to prior allottee from the date of allocation (zero date). There was a slippage of 2 months in achieving the milestone.

It was contended by the petitioner that the revenue and khasra maps were required for application of mining lease. Due to formation of State of Jharkhand in 2000, the procurement of revenue map got delayed and were obtained in 18.12.2007. Subsequently Mine plan and Mining lease application were made.

- iv. Submission of mine plan: As per the allocation letter/ milestone chart, for submission of mine plan, 3 months were given to prior allottee from the date of allocation (zero date). There was a slippage of 4 years and 8 months in achieving the milestone by the prior allottee.

The representative of prior allottee contended that due to non-constitution of JSMD Board of Directors, the process of appointment of registered qualified person (RQP) could not be done, as it require approval of the Board. After constitution of Board NIT was floated in 2010 and accordingly work order was issued on 11.1.2010. Hence, the delay.

- v. Approval of Mine Plan: As per the allocation letter/ milestone chart, for approval of mine plan, 8 months were given from the date of allocation (zero date). The same remained pending till cancellation of block. There was a slippage of 6 years and 8 months in achieving the milestone.

- vi. Application of previous approval, Grant of previous approval, Application of Forest Clearance, Grant of Forest Clearance, grant of EMP Clearance remained pending till the date of cancellation. The

reason for the same submitted by the prior allottee was because the mine plan was not approved.

- vii. Application for EMP Clearance was delayed by 4 years.
- viii. All remaining milestones remained pending upto cancellation of the block.
- ix. Since the mine opening permission was not granted, the production did not commence from the mine.

**c. Observations of members of IMG in respect of Rabodih block**

- i. There are two basic contentions of prior allottee for delay/ not developing the coal block:
  - (ia) Non availability of revenue map due to formation of State of Jharkhand in the year 2000;
  - (ib) Non constitution of Board of Directors of JSMDC.
- ii. JSMDC applied to Government of India for allocation of the coal block for commercial mining for iron and steel plants vide letter dated 21.12.2006. In pursuance of this letter, Government of India gave in principle consent for working of Rabodih block and accordingly the block was allocated to JSMDC.
- iii. Even after constitution of Board, JSMDC could not deposit BG and purchase GR in time. Which had cascading effect in achievement of milestone.

**d. Accordingly in view of the facts and observations made in respect of the Rabodih Block, IMG recommends the following:**

***The IMG recommends that proportionate BG may be invoked for the all milestones as there was no substantial progress made for development of the coal block, as well as no necessary steps taken are observed. Delay in achieving milestone may be calculated from the date of constitution of Board.***

**D) CHORITAND TILAIYA**

**Prior allottee: Rungta Mines Limited and Sunflag Iron and Steel Limited**

**State: Jharkhand**

- a. The Choritand Tilaiya Block was an explored block and was allocated on 14.05.2008 to the prior allottee. During the 11<sup>th</sup> Meeting of IMG held on 19.09.2012, it was recommended to deduct the proportionate BG related to achievement of milestone. The recommendation of IMG was considered and accepted by the Government and vide letter dated 22.11.2012, it was decided to invoke 50% BG linked to milestone; further it was also decided that since the company was given number of opportunities to develop the block as per the milestones prescribed without any valid reasons for such delay the block shall be de allocated. Against this de allocation and BG deduction letter of this Ministry, the prior allottees filed WPC no. 7329 of 2012 (Rungta Mines Limited v. Union of India); WPC 7334 of 2012 (Sunflag Iron and Steel Limited v. Union of India) before Hon'ble Jharkhand High Court. The Hon'ble Court in both these cases passed the order that no coercive steps shall be taken in pursuance of the letter. Hence, BG has not been invoked.
- b. The prior allottee made the following submissions before the members of IMG regarding the milestones:**
- i. Formation of JV: - The time schedule was framed keeping in view allotment of block to a single party, however, the block is allocated jointly to two parties chosen by MoC and who were advised by MoC to form Joint Venture [Clause 2 (i) and (ii) of Allocation Letter] within 60 days from the allocation letter
  - ii. Time taken for formation of JV takes time. This milestone has not been factored in the prescribed block development milestone chart; as the concept of JV was not non-existing at that time of formulation of the milestones- this being later development. Initial delay has hence caused due to formation of JV and the same was incorporated on 25.09.2008.
  - iii. Purchase of GR and Submission of BG: - Immediately thereafter GR was purchased on 14.10.2008 i.e. within 20 days and BG was submitted on 24.12.2008. The scheduled date for purchase of GR was 29.06.2008, however, the same was purchased on 14.10.2008. There was delay of 4 months in submitting the BG. The scheduled date for submission was 14.08.2008 and the actual date was 24.12.2008.
  - iv. Mining Lease Application: - There was delay of 10 months in submitting the mining lease application. The scheduled date for submission was 14.08.2008 and the actual date was 05.06.2009. As per the prior allottee, CMPDIL did not furnish the coordinates of corner points and also did not provide the Bench mark pillar position of grid. Thus, it took some time to demarcate the boundary and prepare the land schedule. The land schedule was taken from District office level. Thus, there was

delay of 10 months in filing ML application.

- v. Submission of Mine Plan: - There was delay of 8 months in submitting the mine plan. The scheduled date for submission was 14.11.2008 and the actual date was 29.07.2009. Representatives of the prior allottees submitted that the GR prepared by CMPDIL claimed it to be fully explored block, however the lower seams were not explored fully. The exploration of lower seams took some time and this coupled with block boundary demarcation and getting authenticated land schedule delayed in submission of mine plan. The extractable reserves were also far lesser as compared to reserved indicated by CMPDIL.
- vi. Mine Plan approval: - There was delay of 13 months in approval of mine plan. The delay, as contended by the prior allottee, was because during the presentation of Mine plan to committee under Ministry of Coal on 16.09.2009, the committee advised to limit the scope of Mine plan to upper three seams only and resubmit the same with further exploration for lower seam. The revised mine plan was submitted on 13.11.2009 and approved on 18.02.2010. Further, reserves in allocated block was 97.035 MT however the reserves that could be planned was 15.098 MT of mineable reserves. Additionally, couple of months delay was due to time taken for seeking confirmation from CMPDIL by MoC regarding receipt of payment of cost of exploration. The approval by MoC took more than six and half months, primarily because of insufficient geological report.
- vii. Application for previous approval and its approval: - These milestones remained pending until cancellation of the block.
- viii. Application for Forest Clearance: - As per milestone chart attached with the allocation letter, the scheduled date for achieving the milestone was 13.05.2009 and it was actually achieved by the prior allottee on 31.03.2010. Hence, there was slippage/ delay of 10 months in achieving the milestone. As per the prior allottees, there were three fold reasons for slippage i.e. because of the alleged inaccurate GR provided by CMPDIL, delay in getting land schedule and its cascading effect, moreover for the delay in approval of mine plan caused the delay in application of forest clearance.
- ix. Grant of Forest Clearance: This remained pending until cancellation of the block. As per the prior allottees, around 50.75% of the area was protected forest designated as jungle, therefore the forest clearance was necessary. Vide letter dated 22.07.2011, the JV company applied to District Collector for NOC on jungle jhaadi land which forms a part of coal bearing land. Several reminder letters were also made to the government authorities by the prior allottees, however, the same remained pending till cancellation.

- x. Application for EMP Clearance: There was delay of 2 months in submitting the application for EMP clearance. The scheduled date for submission was 14.05.2009 and the actual date was 27.07.2009.
- (xa) The delay, as contended by the prior allottee, was due to delay in finalisation of mining plan.
- (xb) Thereafter, the application for TOR was filed on 27.07.2009. MoEF granted the TOR vide its letter dated 28.05.2010.
- (xc) After public hearing the EMP was presented in Expert Appraisal Committee meeting on 22.11.2010 wherein the committee directed changes in mine plan.
- (xd) Further, there was a delay caused due to clearance from the State Government regarding the Schedule 1 fauna in the study area.
- (xe) Further, during the second presentation in May 2012, EAC desired further changes in approved mine plan and after the requisite approved mine plan was submitted to MoEF on 27.09.2012.
- (xf) Project was finally cleared in EAC meeting of 05.02.2013 but the approval for the same was not granted till de-allocation.
- xi. Grant of mining lease: The milestone remained pending till the date of cancellation. The ML could not be granted unless EC and FC and previous approval were granted.
- xii. Application for land acquisition: - The same was made before the Scheduled date given in the milestone chart.
- xiii. Completion of land acquisition: - The achievement of this milestone remained pending till cancellation of block. As per Written submission, applications were made by the JV company/ co allottees for the purpose of land acquisition before DC. However, these remained pending till cancellation. 102.66 acres of land was purchased by JV company from their own efforts.
- xiv. Application and grant of mine opening permission and commencement of production: The same remained pending till deallocation since the aforesaid milestone could not be achieved by the prior allottee.

**c. Observations of the members of IMG**

- i. As per the terms and conditions of the allocation letter
  - (ia) Clause (ii)- the JV company was required to be formed and registered by allottees within 60 days from the date of allocation;
  - (ib) Clause (vi) – an indicative milestone chart was enclosed with the allocation letter

Hence, on bare perusal of these clauses, it is clear that the indicative milestone was already in place for the JV company. In the allocation letter a separate clause was given specifying the timeline for formation of JV. No further milestone chart was given to the prior allottees. Nor any dispute was raised by the prior allottee in the indicative milestone chart provided.

- ii. CT Mining Private Limited applied to CMPDIL for purchase of GR on 20.06.2008. At that time, the JV company was under incorporation. In the said letter, the JV informed that the initial steps to form and register the JV company were taken by the partners and as on the date of this letter, application was filed with Registrar of companies, Bihar and Jharkhand, Patna for availability of name. *The registration and other formalities with respect to formation of company were likely to be completed in about one month.* On 30.06.2008/01.07.2008, CMPDIL informed the cost of exploration to the JV company. On 13.10.2008, the cost of GR was paid to the prior allottee. Thus, the delay in purchasing GR was due to formation of the JV company.
- iii. Accordingly in view of the facts and observations made in respect of the Choritand tilaiya Block, **IMG recommended the following :**
  - (a) : Delay in submission of BG and purchase of GR is attributable to allocattee.**
  - (b) : Delay in submission and approval of mine plan could not be attributed to allocattee as GR provided by CMPDIL was not having geological data of downward coal seams.**
  - (c) : Accordingly delay in respect of other milestones may be estimated considering cascading effect.**

**(E) SEREGARHA**

**Prior allottees: - Arcelor Mittal India Limited & GVK Power (Goindwal**

## **Sahib) Limited**

### **State: Jharkhand**

a. The Seregarha block was a partially explored block and was allocated on 09.01.2008 to the prior allottee. During the 11<sup>th</sup> Meeting of IMG held on 19.09.2012, it was recommended to deduct proportionate BG related to achievement of milestone. The recommendation of IMG was considered and accepted by the Government and vide letter dated 22.11.2012, it was decided to invoke 50% BG linked to milestones. Against this de allocation and BG deduction letter of this Ministry, the prior allottees filed WPC no. 8087 of 2015 (Arcelor Mittal India Private Limited v. Union of India) before Hon'ble Delhi High Court. The Hon'ble Court in both these cases passed the order that no coercive steps shall be taken in pursuance of the letter. Hence, the BG has not been invoked.

**b. The prior allottee made the following submissions before the members of IMG regarding the following milestones:**

- i. PL application: As per the schedule, 3 months were given to the prior allottee to filing PL application and 27 months were given for completion of exploration and preparation of GR. There was a slippage/ delay of 2 years in achievement of this milestone. As per the contention of prior allottee, the application for PL was submitted on 08.05.2008.
- ii. For preparation of GR, prior allottee contended that because of their expeditious action, the JV company completed preparation of GR on 18.05.2012 thus, saving 10 months towards the milestone.
- iii. Application for ML was submitted before time.
- iv. As per Clause 2 (vii) of the Allocation Letter, the time period of GR was to commence after issuance of prospecting license.
- v. No other milestone could be achieved till cancellation of the block.

**c. Observations of the IMG in respect of Seregarha block:**

- i. The block was a partially explored block.
- ii. Considerable time was taken in granting the PL.

**d. Recommendations of IMG in respect of Seregarha block**

In view of the aforementioned facts and observations it is recommended to deduct proportionate BG for the following milestones:

As per Clause 2 (viii) of allocation letter, “ *in respect of unexplored block, the allocate company shall apply for a prospecting license*”

*within 3 months of the date of allotment letter. The exploration shall be completed and geological report prepared within two years from date of issue of prospecting license. After the detailed exploration is completed the allocatee of the block shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from allocatee". Thus, as per the condition of allocation letter, for the Seregarha block, any calculation for slippage of milestones after purchase of GR shall commence from the date of preparation of GR.*

9. The meeting ended with vote of thanks to chair.

Annexure-I

**List of Members of IMG**

<b>S No.</b>	<b>Name</b>	<b>Designation</b>	<b>Ministry/ Department / Organization</b>
1.	M. Nagaraju (AS)	Addl. Secretary	Ministry of Coal
2.	Nirupama Kotru	JS (FA)	MOC
3.	Kingshuk Mukhopadhyaya	OSD (MC&P)	CCO
4.	Manoj Kumar Madholia	Joint Director	Department of Economic Affairs
5.	Debobroto Basu	Section Officer	Ministry of Steel
6.	Pardeep Kumar Kher	US	DPIIT
7.	S.K Gomasta	(Dir. Tech)	CMPDIL
8.	Buken Chatterjee	Geology	CMPDIL
9.	Dr. S.K. Banerjee	(C.M Geology)	CMPDIL
10.	Ajitesh Kumar	Director	Ministry of Coal
11.	Shri Rishan Rynthathiang	Under Secretary	Ministry of Coal
12.	Ankita Mathur	AM (Legal)	CIL, MoC

Annexure-II

**List of Authorised Representatives of prior allottee**

<b>S No.</b>	<b>Name</b>	<b>Designation</b>	<b>Name of Coal</b>	<b>Name of</b>
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			<b>Block</b>	<b>Company</b>
1.	Manu Namboothiri	GM (Mines)	Durgapur-II Sariya	DB Power Ltd.
2.	Vineet Tayal	Advisor	Durgapur-II Sariya	DB Power Ltd.
3.	Debijit Banerjee	Incharge Coal HQ	Patratu & Rabodih	JSMDC Ltd.
4.	Sinha Sanju	Incharge Survey HQ	Patratu & Rabodih	JSMDC Ltd.
5.	Ramakrishna	Head Mining	Arcelor Mittal India ltd.	Arcelor Mittal India Ltd.
6.	Lalit Satya	Legal Consultant	Arcelor Mittal India ltd.	Arcelor Mittal India Ltd.
7.	G.G. Manekar	Chief Advisor	Choritand Taliya	Sunflag Iron & Steel Ltd.
8.	Braj Kishor Jha	Vice President (BD)	Choritand Taliya	Rungta Mines Ltd.
9.	Kamlesh Rai	Assistant VP	Choritand Taliya	Rungta Mines Ltd.

Annexure-III

**List of State Governments Representatives**

<b>S No.</b>	<b>Name</b>	<b>Designation</b>	<b>State Government</b>
1.	Arun Kumar	DMG	Jharkhand
2.	Dr. Sanjay Khare	DGM	Chhattisgarh