

New Delhi, the 10<sup>th</sup> August, 2015

To

1. The Chairman,  
Coal India Limited  
Coal Bhawan, New Town, Razar Hat,  
Kolkata-700156
2. The Chairman-cum-Managing Director,  
Singareni Collieries Company Limited,  
18, Red Hills, Khairatabad PO, Hyderabad,  
Telagana

**Subject: Minutes of the Standing Linkage Committee (Long-Term) for Power/Cement/Sponge Sectors held on 17<sup>th</sup> July, 2015 to review the status of existing coal linkages/LOAs and other related matters.**

Sir,

I am directed to forward herewith the minutes of the Standing Linkage Committee (Long-Term) ) for Power/Cement/Sponge Sectors held on 17<sup>th</sup> July, 2015 to review the status of existing coal linkages/LoAs and other related matters.

2. **Approval of the competent authority on recommendations shall be communicated in due course.**

Encl: as above

Yours faithfully,

*10/8/2015*  
(Pilli Ravi Kumar)

Under Secretary to the Govt. of India

To

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| 1. Additional Secretary, Ministry of Coal  | <b>Chairperson</b> |
| 2. Principal Advisor(Energy), Planning Commission, Yojana Bhawan New Delhi.  | Member             |
| 3. Joint Secretary (Coal), Ministry of Coal  | Member             |
| 4. Advisor (Projects), Ministry of Coal  | Member             |
| 5. Joint Secretary(Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi                                     | Member             |
| 6. Joint Secretary (Ports), Ministry of Shipping, Transport Bhawan, New Delhi                                      | Member             |
| 7. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi   | Member             |
| 8. Joint Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi                           | Member             |
| 9. Shri Manoj K Akhouri, Executive Director, T. T. (F), Room No. 261, Railway Board, Ministry of Railways          | Member             |
| 10. Chairman-cum-Managing Director, CIL, Coal Bhawan, New Town, Razar Hat, Kolkata-700156                          | Member             |
| 11. Director(Marketing), CIL, Coal Bhawan, New Town, Razar Hat, Kolkata-700156                                     | Member             |
| 12. CMD's BCLL, CCL, ECL, MCL,NCL, SECL & WCL  | Members            |
| 13. Chairman-cum-Managing Director, Central Mine Planning & Design Instt Ltd., Gondwana Place, Kanke Road, Ranchi. | Member             |
| 14. Chairman-cum-Managing Director, SCCL, P.O. Kothagudem Collieries, Distt. Khammam-507101                        | Member             |
| 15. Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi                                      | Member             |
| 16. Chairman, NTPC, Scope Complex,, Lodhi Road, New Delhi-110003   | Member             |

**Copy to:**

- (i) Director(Technical), CIL, Coal Bhawan, New Town, Razar Hat, Kolkata-700156 ii) GM(S&M), CIL, Coal Bhawan, New Town, Razar Hat, Kolkata-700156, iii) CGM(CP), CIL, Coal Bhawan, New Town, Razar Hat, Kolkata-700156
- iv) Shri G.K. Vashishtha, GM(S&M), CIL, Scope Minar, Laxmi Nagar, Delhi.

**Copy also to:-**

1. OSD to Minister of State (I/C) for Coal 2. PS to Minister of State (I/C) for Power, Coal and N&RE,
3. PSO to Secretary (Coal), 4. PPS to Additional Secretary (Coal), 5. PPS to Joint Secretary (RKS), 6. PPS to Joint Secretary (RPG), 7. Director (CPD).

*10/8/2015*  
(Pilli Ravi Kumar)

Under Secretary to the Govt. of India

Copy to NIC, Ministry of Coal with a request to place it on the Website of this Ministry for information of all concerned.

Copy to: Nodal Officer, Social Media, Ministry of Coal.

No.23014/2/2015-CPD  
Government of India  
Ministry of Coal  
CPD Section

New Delhi, Dated 10<sup>th</sup> August,2015

**Minutes of the meeting of the Standing Linkage Committee (Long Term) for Power held on 17<sup>th</sup> July, 2015**

A meeting of the Standing Linkage Committee (Long Term) for Power was held on 17.07.2015 under the chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries in pursuance of the recommendations of the Committee and other related matters. A list of participants is attached as 'Annexure-I'.

| <b>Agenda Item &amp; No.</b>  | <b>Brief Description of the Agenda item</b>  | <b>Discussion</b>   | <b>Recommendations with reasons</b>   |
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| <b>Agenda Item No. 1</b><br><br><b>Confirmation of Minutes of the SLC (LT) meeting held on 12.03.2015</b> | Confirmation of Minutes of the SLC (LT) meeting held on 12.03.2015   | There were no comments from any side.   | Minutes of the SLC (LT) meeting held on 12.03.2015 were confirmed.  |
| <b>Agenda Item No. 2</b><br><br><b>Coal India Limited (CIL) –</b>   | <b>Issue: Furnishing of the comprehensive list of TPPs with revised CODs by CEA as per decision of the SLC (LT) meeting held on 23.12.2014</b><br><br>CIL has stated that the matter regarding | CIL pointed out that a lot of problems were being faced by them in the absence of an authoritative list of CODs. In spite of decisions taken earlier in this regard, revised CODs had not been forthcoming from | The Committee recommended that MoP may furnish a comprehensive list of TPPs with revised CODs within a period |

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| <p><b>Furnishing of the comprehensive list of TPPs with revised CODs by CEA as per decision of the SLC (LT) meeting held on 23.12.2014.</b></p> | <p>acceptance of revised CODs for the plants which could not achieve COD within 12 months of their expected CODs (as communicated by CEA in past) was taken up in the SLC (LT) meeting held on 22.09.2014 and following was recommended at Item No. 3 (ii):</p> <ul style="list-style-type: none"> <li>i) Notice for cancellation issued due to non-achievement of COD may be kept in abeyance in all such cases</li> <li>ii) CEA and CIL should formulate a common policy in the matter.</li> <li>iii) CEA should furnish a comprehensive list of TPPs with revised COD and there should not be any slippage beyond that and</li> <li>iv) The issues of imposition of penalty due to non-achievement of COD to be decided thereafter.</li> </ul> <p>CIL further stated that in the meeting of SLC (LT) held on 23.12.2014, the matter was again deliberated and certain modifications were made in the above recommendations, as under:</p> <p>The Committee recommended that in respect of item no. 3(ii) of minutes of SLC (LT) held on 22.09.2014, 'CEA and CIL' may be replaced by 'CEA and MOP' as CIL</p> | <p>CEA/MoP.</p> | <p>of one month. MoP/CEA may also formulate a policy in this regard, as already decided.</p> |
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|  | <p>does not have a role in policy formulation with regard to COD.</p> <p>CEA shall furnish the comprehensive list of TPPs with revised CoD by 15 January, 2015.</p> <p>Wherever commissioning/carpet is coal required as per CEA's communication, it shall be made available by CIL for achievement of COD."</p> <p>However, no comprehensive list of TPPs with revised CODs has been received by CIL even upto 30.06.2015.</p> <p>In view of the above, CIL has requested that the matter to be placed to the SLC (LT) for the following decision:</p> <ol style="list-style-type: none"><li>1. MoP/CEA to furnish a comprehensive list of TPPs with revised COD superseding the earlier CODs communicated by CEA, in reference to SLC (LT) decisions.</li><li>2. Issuance of policy by CEA &amp; MoP regarding termination of plants for non-compliance of COD.</li></ol> <p><b>The SLC (LT) to take a view in the matter.</b></p> |  |  |
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| <p><b>Agenda Item No. 3</b></p> <p><b>Coal India Limited (CIL) –</b></p> <p><b>Modification in quantity due to de-commissioned/closed/de-rated units of pre-2009 TPPs.</b></p> | <p><b>Issue: Modification in quantity due to de-commissioned/closed/de-rated units of pre-2009 TPPs.</b></p> <p>CIL has stated that the issue of reduction in quantity due to de-commissioned/closed/de-rated units of pre-2009 TPPs was first deliberated in the SLC (LT) Meeting for Power held on 23<sup>rd</sup> December, 2014, wherein, vide Agenda No. 2, the Committee recommended that quantity of FSAs corresponding to decommissioned units would be reduced on pro-rata basis and consequent change in the supply scenario would be analyzed with a view to improve materialization.</p> <p>CIL has also stated that however, in the SLC (LT) Meeting held on 12.03.2015, while confirming the Minutes of SLC (LT) Meeting held on 23<sup>rd</sup> December, 2014, the Committee recommended that instead of pro-rata reduction in ACQ for all plants having decommissioned units MOP's inputs should be taken into account while deciding on reduction in ACQ or otherwise. But, till date (14.07.2015) no inputs of MOP/CEA has been received although CIL has already written to CEA and MOC in this regard.</p> <p>A considerable time has lapsed and the coal companies are pressing hard for</p> | <p>CIL pointed out that since inputs of MoP/CEA had not been received, FSA quantity had been modified in respect of decommissioned/closed/<u>derated</u> units of pre-2009 TPPs.</p> | <p>The Committee recommended that inputs of MoP, if any, may be furnished within a period of one month.</p> |
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|                     |   | <p>immediate direction of CIL in terms of FSA in the matter. Therefore CIL has modified the FSA quantity due to de-commissioned/closed/de-rated units of pre-2009 TPPs in line with the direction of SLC (LT) based on the information given by the coal companies and available in the public domain. The best of pro-rata quantity and normative quantity at the lowest available grade for the remaining balance capacity has been considered for deriving the modified quantity.</p> <p>CIL has requested that the above issue may be placed before SLC (LT) for ratification of the revised reduced quantity as mentioned in Annexure -1.</p> <p><b>The SLC (LT) to take a view in the matter.</b></p> |   |   |
| <b>Agenda No. 4</b> | <b>Item</b>   | <b>Issue: Signing of FSA with Bakreshwar unit-5 of 210 MW of M/s. WBPDCCL</b>   | The representative of CIL submitted that WBPDCCL had not provided the declaration regarding "No Coal Block Allocation". | It was brought to the notice of the Committee that Barjora, Barjora(North), Gangaramchak & Gangaramchak-Bhadulia, Tara(East) & Tara(West) and Pachhwara North coal blocks had been allocated to WBPDCCL, which has all five units |
|                     | <b>Coal India Limited (CIL) – Signing of FSA with Bakreshwar unit-5 of 210 MW of M/s. WBPDCCL</b> | CIL has stated that the unit was recommended for issuance of LOA in the SLC (LT) meeting held on 22/23.10.2008 but due to non-submission of requisite CG on time, LOA was not issued to the unit. On request of condoning the delay in submission of CG and willingness to submitting the CG, the matter was discussed in the SLC (LT) meeting held on  |   |   |

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|  | <p>27.06.2014, wherein, the delay was condoned and it was decided that the unit will submit the requisite CG to coal company within 3 months and thereafter LOA will be issued by CIL. Accordingly, after submission of requisite CG, LOA has been issued to the unit from ECL for a quantity of 0.714 MT in A/B/C/D/E erstwhile grade of coal.</p> <p>Further, CIL has stated that the unit submitted milestones documents which were found okay and consequently, it was decided to sign FSA with the unit. However, during the execution of FSA, WBPDCCL failed to submit the "no Coal Block Allocation" declaration. However, WBPDCCL has submitted a declaration wherein it is stated that certain coal blocks have been allocated to WBPDCCL as a whole and no specific information has been provided for Barkseswar Unit-5. Under the circumstances, FSA could not be executed for Barkseswar Unit 5 as per the provisions of the FSA.</p> <p>CIL has requested that the above issue may be placed before SLC (LT) for deliberation and a general decision as there are other similar cases.</p> <p><b>The SLC (LT) to take a view in the matter.</b></p> |  | <p>of Bakreshwar TPP as its EUP. The Committee recommended that in view of allocation of coal blocks, signing of FSA for Bakreshwar Unit 5 of 210 MW of WBPDCCL would be kept in abeyance.</p> |
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| <p><b>Agenda Item No. 5</b></p> <p><b>Swapping of Domestic and Imported coal between GSECL and NTPC – Inclusion of Korba Coalfield under swapping arrangement.</b></p> | <p><b>Swapping of Domestic and Imported coal between GSECL and NTPC – Inclusion of Korba Coalfield under swapping arrangement.</b></p> <p>The proposal for allowing swapping of coal between State utilities and Central power utilities for bridging the gap between coal requirement and availability of domestic coal and to minimize the transportation cost and to avoid criss-cross movement in the over congested railways network was discussed in SLC (LT) meeting of 11.08.2014. Swapping of coal between GSECL's SECL- Korea – Rewa coal with imported coal of NTPC was also discussed during the SLC (LT) meeting held on 11.08.2014. The Committee recommended that the proposal of GSECL and NTPC may be agreed. The domestic coal against FSA of GSECL from Korea-Rewa may be allowed to be used by NTPC for their Sipat plant. Only destination change of domestic coal may be allowed, keeping all other terms constant, subject to railway logistics. Arrangement with respect to imported coal may be on their mutual terms, subject to decision in this regard by CEA/MoP.</p> <p>MoP forwarded a letter of Gujarat State Electricity Corporation Ltd (GSECL) regarding swapping of Korea Rewa Coal of GSECL with Import coal of NTPC.</p> | <p>It was submitted by NTPC that materialization of Sipat STPS should not be affected on account of the GSECL's request to include Korba Coalfields in addition to Korea Rewa under the proposed swapping arrangements.</p> <p>It was pointed out that this is the issue between NTPC and GSECL and is to be sorted out by them.</p> | <p>The Committee recommended that this issue is to be sorted out by NTPC and GSECL themselves. In principle, the proposed swapping mechanism is agreed to.</p> |
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|   | <p>Accordingly, the swapping of coal actually commenced from 21.10.2014. Now GSECL has requested to include Korba Coalfields in addition to Korea Rewa under the swapping arrangements. MoP requested that a suitable amendment in the minutes of SLC (LT) held on 11.08.2014 may be done, so that the GSECL coal from Korba coal fields can also be supplied to NTPC under swapping mechanism. However, NTPC has reservations regarding materialisation of its existing quantity under MGR dedicated system. Railways may also have operational issues in movement of coal in congested railway network in Korba area.</p> <p><b>The SLC (LT) to take a view in the matter.</b></p> |  |  |
| <p><b>Agenda Item No. 6</b></p> <p><b>Dhariwal Infrastructure Pvt. Ltd (DIPL)</b></p> | <p><b>Issue: Change of name from Dhariwal Infrastructure Pvt. Ltd (DIPL) to Dhariwal Infrastructure Ltd. (DIL).</b></p> <p><b>Brief Background :-</b></p> <p>Dhariwal Infrastructure Pvt. Ltd. (DIPL) was issued two LoAs - one dated 20.8.2008 and a second one dated 6.6.2009 by SECL. After achieving the milestones, as required under the LoAs, DIPL approached SECL for signing the FSAs. Subsequently, it applied to MoC</p>  | <p>The Project Proponent stated that a total investment of Rs.3670 cr had been made in the project. When asked as to the level of investment before transfer of shareholding, it was pointed out that although Rs.37 cr were invested in the project by the time of transfer of shareholding, a lot of groundwork had already been completed by it like Land Possession, Water Availability, Right of Way, Approved ToR by MoEF, NoC from Airport Authority,</p> | <p>In view of the judgement of the Hon'ble High Court of Chhattisgarh dated 03.03.2015, the representation of the Project Proponents dated 19.03.2015, the submissions made during the course of personal hearing granted to them on</p> |

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|  | <p>for change of name from DIPL to Dhariwal Infrastructure Ltd. (DIL). The change of name was proposed consequent upon the change in shareholding pattern in the company. DIPL claimed that when it approached SECL for signing the FSA, it was pointed out that the permission as required under clause 5 of LoA was not taken by DIL, before change in shareholding pattern. Viewing this as a case of non-compliance with the stipulation under clause 5 of LoA, the Ministry did not agree for the change in name due to the following reasons:-</p> <ul style="list-style-type: none"> <li>i. The share transfer is tantamount to violation of para 5 of the Letter of Assurance (LoA) dated 20.8.2008 issued by SECL;</li> <li>ii. It is violative of para 5 of the LoA dated 6.6.2009 issued by SECL;</li> <li>iii. Entire shareholding of M/s Dhariwal Infrastructure (P) Ltd was transferred to M/s Haldia Energy Ltd., itself a subsidiary of CESC Ltd. This transfer of ownership was without prior approval of the Ministry of Coal; and</li> <li>iv. As on 26.8.2009, Dhariwal Group and Prithvi Group held 55% and 45% of the shares respectively.</li> </ul> | <p>Approval for Railway Siding etc. The project had achieved all its milestones within the stipulated time limits and the plant had been fully commissioned in all respects.</p> <p>When asked as to why prior permission before transfer of shareholding was not obtained, the project proponent stated that in its opinion, there was no assignment of LoA to any third party and therefore prior permission was not required. As per then prevailing policy, the project for which the linkage was given had remained unaltered and that its location had not changed. Therefore, the preconditions for change of name/shareholding had been met. Since there was no assignment to any third party, transfer of shareholding would not trigger the assignment clause. The LoA was granted in favour of DIPL and remained in its name even after change in shareholding pattern. Further, LoA does not specifically debar change in shareholding pattern.</p> <p>It was pointed out in the speaking order that in view of the judgement</p> | <p>06.05.2015, the Speaking Order dated 03.06.2015, and submissions made before the Committee (SLC/LT) today i.e. 17.07.2015, the Committee recommended that the request of the Company for change in name from Dhariwal Infrastructure Pvt. Ltd (DIPL) to Dhariwal Infrastructure Ltd (DIL) may be approved, subject to confirmation from Deptt. of Law, of the interpretation based on the judgements quoted by the project proponents in course of today's meeting (17.07.2015).</p> |
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|  | <p>However, as on 19.8.2013, CESC Infrastructure Ltd. owned 99.99% of shares, with Subhasish Mitra holding 0.01% of shares. Consequent to this complete transfer of shares, the management of the company has changed.</p> <p>Para 5 of both LoAs clearly stipulates that the party shall not without express prior written consent of Assurer (i.e. the coal co.) may assign any third person the LoA or any right, benefit, obligation or interest therein or thereunder.”</p> <p>This was communicated to the applicant vide letter dated 13.09.2013.</p> <p>DIL approached the Hon'ble High Court of Chhattisgarh for relief vide WP No.2467 of 2014. The Hon'ble High Court vide order dated 3.3.2015 directed as follows:</p> <p>“The respondents have taken a clear stand that the only issues surviving for considering violation of the LoA are as contained in communication dated 7.11.2014. The Respondents have not raised issues that the project and location for which LoA had been granted has been altered or that the conditions of the</p> | <p>of High Court, the only issue that survived was the reason for not taking prior permission of MoC before change of name. The Project Proponents stated that they were of the view that the Company was the LoA holder (and not its shareholders) which continued to be the same. They argued that such name change did not affect any rights or obligations of a Company as per Clause 5 of the LoA and hence they did not take prior permission. They stated that this view was based on various judgements of the Hon'ble Supreme Court. They were asked by the Committee not to present vague concepts but to cite those specific judgements. They were also asked to clarify whether these judgements were passed on a date prior to the date of transfer of shareholding. During the course of the meeting, the Project Proponents submitted a letter no. DIL/MD/0045/001 dated 17.07.2015, enumerating the judgements, as cited below:-</p> <p>(i) <u>Bacha F. Guzdar, Bombay v Commissioner of Income Tax, Bombay (1995) SC 74:</u><br/>In this case, it was held that a</p> |  |
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|  | <p>LoA changed. A reasonable conclusion therefore is that the communication dated 13.09.2013 for violation of clause 5 of the LoA has been waived by the Respondents themselves.</p> <p>Let the Respondents in the SLC(LT) consider issues in the light of their own policy guidelines 5.8.2008 and 18.4.2011 and take a final decision in accordance with law by passing a reasoned and speaking order displaying application of mind within a maximum of eight weeks from the date of receipt and/or communication of this order, subject to cooperation by the Petitioner. Liberty is also granted to the Petitioners to supplement their stand before the Respondents. If the Petitioners request for a personal hearing, it shall be granted to them.”</p> <p>Pursuant to HC order, DIL had contented in their representation dated 19.03.2015 that both the units have been fully commissioned after achievement of the milestones as per LoAs and that a total investment of Rs. 3670 crores has been made in the project, out of which Rs. 2600 crores has been financed by Indian Commercial Banks. Further, change in name had been duly approved by Registrar of Companies, West Bengal.</p> | <p>shareholder does not acquire any interest in the assets of the Company. It also held that an inference cannot be there that a Shareholder on investing money in the purchase of shares, becomes entitled to the assets of the company and has any share in the property of the Company. A company is a juristic person and is distinct from shareholders. It is the company which owns the property and not the shareholders. (Para 7).</p> <p>(ii) <u>Rustam Cavasjee Cooper v Union of India 1970 (1) SCC 248:</u><br/> In this judgement it was held that a company registered under the Companies Act is a legal person, separate and distinct from its individual members. Property of the company is not the property of its shareholders. A shareholder has merely an interest in the company arising under its Article of Association measured by a sum of money for purpose of liability, and by a share in the distributed profit.</p> |  |
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|  | <p>The LoA does not specifically debar change in shareholding pattern, which has taken place under the relevant provisions of Companies Act, 1956 and 2013. Since there is no assignment to any third party, transfer of shareholding would not trigger the assignment clause. The LoA was granted in favour of DIPL and remained in its name even after change in shareholding pattern. Further, the project for which the linkage was given remained unaltered and its location has not changed and the conditions under which the original linkage was given has also remained unaltered. These conditions fulfill requirements regarding change of name vide SLC (LT) decision dated 05.08.2008 and 18.04.2011. DIL vide its letter dt. 19.3.2015 also requested for a personal hearing. Accordingly, a personal hearing was accorded to DIL on 6.5.2015.</p> <p>A speaking order was passed on 3.6.2015 in accordance with direction of High Court. The Competent Authority “after examining the matter in detail and carefully considering the same, particularly taking into account the fact that:-</p> <p>(i) neither the location nor the</p> | <p>(Para 11)</p> <p>(iii) <u>Electronic Corporation of India Limited v Secretary Revenue (1999) 4 SCC 458:</u><br/>In the eyes of the law, a company registered under the Companies Act is a distinct legal entity other than the legal entity or entities that hold its shares. (Para 16)</p> <p>(iv) <u>Western Coalfield Limited v Special Area Development Authority (1982) 1 SCC 125:</u><br/>Supreme Court has held that even though the entire share capital of the Appellant before it, has been subscribed by the Government of India, it could not be predicted that the companies themselves were owned by the Government of India. It was held that companies which are incorporated under the Companies Act have a corporate personality of their own, distinct from that of the Government of India. (Para21)</p> <p>According to the Project Proponent, the above cited case laws clearly</p> |  |
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|  | <p>nature of end use plant has changed which accords with the SLC(LT) stipulation dated 5.8.2008;</p> <p>(ii) that Rs. 2625 cr. Investment has been made (though not before transfer of shares);</p> <p>(iii) Hon'ble High Court has observed that clause 5 of LoA has been waived off and in view of the Ministry's letter dated 19.9.2014 and 7.11.2014, the communication dated 13.9.2013 no more holds good;</p> <p>(iv) the issues that survive are the reason for not taking prior approval of MoC before name change and certain details about share transfer and investments, which has been attempted to be explained by DIL; and</p> <p>(v) change in shareholding is neither prohibited under the LoA nor under the Companies Act, the request for change of name should be considered on these lines :-</p> <p>a) It is a fact that there is serious omission on the part of party in not taking prior permission for change of name. However, the matter has now to be decided in the light of the order of</p> | <p>established that:-</p> <ol style="list-style-type: none"> <li>1. There exists a legal distinction between a company and its shareholders.</li> <li>2. The shareholders of a company do not have any right in the assets of the company. They only have an interest in the Company measurable by the value of the share and by the share of distributed profit.</li> </ol> <p>They believed that the letter of assurance which was issued to Dhariwal Infrastructure Private Limited, which is a distinct and separate juristic entity from its shareholders, did not require prior permission of the MoC before there was any change in the shareholding of the company and prior permission as per Clause 5 was not required.</p> <p>The Project Proponent further stated that the above position of law had again been reiterated in a recent judgement of Rajasthan High Court passed on 14.05.2015 in the case of State of Rajasthan and Others v Gotan Limestone Khanij Udyog Pvt. Limited.</p> <p>In para 41 of the said judgement it</p> |  |
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|  | <p>Hon'ble High Court.</p> <p>b) To ensure fulfillment of procedural requirements, these proceedings should be brought before the very next meeting of SLC(LT) for considering the request for change of name on these lines. At that time, the appellants too shall be present".</p> <p>Accordingly, the request for change of name is put up before SLC (LT) for consideration.</p> <p><b>The SLC (LT) to take a view in the matter.</b></p> | <p>has been held that :-</p> <p>"41. The entire corporate business is run through contracts, which may give statutory or non-statutory rights to the Company. A Company may apply and become the owner of the license, permit, concessions and lease under the statutory schemes of various statutes, under which the Company carries out its business. <b><i>In all such cases, the license, concessions, permits and lease are the property of the Company and not of its shareholders. The shareholders may keep on changing and the control and management in the Company may also undergo changes on such transfer of shares, but the assets and properties of the Company including license, permit, concessions and lease continue to belong to the Company and that any acquisition or transfer of such assets will not relate back to the share-holding of the Company or the management of the Company, which may</i></b></p> |  |
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|  |  | <p><b><i>change on the change in the shareholding of the Company.”</i></b></p> <p>The Project Proponent stated that ultimately the Hon'ble Court in Para 46 rejected the contention that as a consequence of the change in shareholding pattern of a private Limited company by which it became a wholly owned subsidiary of a different Company, such change would have required a permission for transfer. The above judgement was rendered in context of mining law wherein also there was the precondition which required that the lessee should not without previous consent in writing of the competent authority assign, sublet, mortgage, or in any other manner transfer the mining lease or any right, title or interest therein.</p> <p>Therefore, the Project Proponents believed that prior permission from MoC was not required before change in shareholding pattern of the Company.</p> |  |
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| <p><b>Agenda No. 7</b></p> <p><b>M/s. HJI Division of Orient Paper Mills</b></p> | <p><b>Issue: Enhancement in the capacity of CPP from 15 MW to 30 MW of M/s. HJI Division of Orient Paper Mills.</b></p> <p>The applicant company has requested for enhancement in the capacity of CPP from 15 MW to 30 MW. Original LoA was issued on 25.06.2010 for a capacity of 15 MW CPP.</p> <p>SECL has stated that the LOA holder increased the capacity of CPP from 15 MW to 30 MW and the milestone documents submitted by them was also of 30 MW capacity. All the milestones were found to be achieved/fulfilled for 30 MW capacity. Ministry of Power forwarded view of CEA that where the additional coal is not requested by the project developer, the enhanced capacity may be considered by MoP. MoP has not furnished their specific comments in the matter.</p> <p>In this regard it may be mentioned that as per the extant instructions , enhancement in capacity upto 20% of unit size without additional coal commitment can be considered. Enhancement in capacity by more than 20% is not permitted.</p> <p><b>The SLC (LT) to take a view in the matter.</b></p> | <p>The project proponents stated that they had requested for enhancement of capacity from 15MW to 30 MW. SECL intimated that the CPP unit had achieved the milestones for the capacity of 30MW instead of 15MW.</p> <p>Representatives of CEA intimated that they had communicated to MoP that enhancement in the capacity of CPP unit from 15 MW to 30 MW could be considered, provided, additional coal was not requested. MoP supported this view. However, extant policy provides for enhancement in capacity by 20% only.</p> | <p>The Committee recommended that the enhancement in capacity from 15MW to 30MW may be approved as a special case, subject to the condition that no additional requirement of coal will be supplied for the enhanced capacity.</p> |
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| <p><b>Agenda No. 8</b></p> <p><b>Urja (Niji Nivesh) Prokoth Uttar Pradesh Shasan –Karchana Power Plant</b></p> | <p><b>Issue: Development of Karchana Power Project by UPRVUNL – Issue regarding LoA.</b></p> <p>Urja (Niji Nivesh) Prokoth Uttar Pradesh Shasan has represented that during SLC(LT) meeting held on 02.08.2007, the competent authority approved grant of LoA to 1320 MW Karchana Power Plant/UP Government. With a view to conduct bidding process and to select developer for the said project the shell company which was an SPV, was converted as a subsidiary company by UPPCL. By the bidding process, M/s. Jaiprakash Associates Limited emerged as the successful bidder and the SPV M/s. Sangam Power Generation Company Ltd was transferred to them. Later on due to some reasons M/s Jaiprakash Associates Ltd expressed to withdraw from the project.</p> <p>Since a number of activities for the development of the project were already completed, UP govt. tried to revive this project and decided to develop the Karchana project through UPRVUNL, an undertaking of Govt. of UP by transferring</p> | <p>The project proponent was not present. However, it was pointed out that MoP in its letter dated 13.03.15 had stated that it had 'no objection' if the 'status quo' of coal linkage, which was initially provided to Karchana Power Project/UP Govt was maintained. Representatives of MoP clarified that the intent of the letter was that the '<i>status quo ante</i>' was to be maintained. i.e. coal linkage may remain with UP Govt. It was reiterated by MoP that any further request to transfer the linkage in future to any other project/developer would not be considered, including bidding out.</p> <p>Further, it was informed that LoA was in the name of SPV M/s Sangam Power Generation Ltd.</p> | <p>The Committee recommended that since LoA was in the name of SPV, there was no need to transfer this LoA to any other company.</p> |
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|  | <p>shell company M/s. Sangam Power Generation Company Ltd from M/s Jaiprakash Associates Limited to UPRVUNL. Urja (Niji Nivesh) Prokoshth Uttar Pradesh Shasan had submitted a request for transfer of the shell company M/s. Sangam Power Generation Company Ltd from M/s Jaiprakash Associates Limited to UPRVUNL.</p> <p>The above proposal was examined and was placed before the SLC (LT) meeting held on 27.06.2014. The Committee recommended that the matter may be examined by MoP and based on the recommendations of MoP appropriate decisions would be taken. MoP vide their communication dated 13.03.15 has stated that they have " no objection if the status quo of coal linkage, which was initially provided to Karchana Power Project/UP Govt. vide Ministry of Coal's OM dated 29.08.2007, is maintained. Govt. of Uttar Pradesh intends to develop this project through UPRVUNL. Any request to transfer the linkage in future for any other project/developer may not be considered."</p> |  |  |
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|  | <p>In this regard, it is mentioned that LoA was issued by NCL on 22.1.2009 to UPPCL. Later on, based on request of CMD/UPPCL, MoC approved transfer of LoA from UPPCL to the shell company viz. M/s Sangam Power Generation Ltd. vide order dated 07.09.2010. As on date, LoA stands issued in the name of shell company M/s Sangam Power Generation Ltd.</p> <p><b>The SLC (LT) to take a view in the matter.</b></p>   |   |   |
| <p><b>Agenda Item No. 9</b></p> <p><b>Indiabulls Realtech Limited (IRL). (now known as Rattan Nasik Power Limited)</b></p> | <p><b>Issue: Extension of Condition Precedent – Clause No. 2.8.2.3 of FSA</b></p> <p>The applicant company Indiabulls Realtech Limited (IRL), (now known as Rattan Nasik Power Limited) has stated that they are developing 1350 MW Nasik Thermal Power Project at Additional Sinnar Industrial Area, Nasik District, Maharashtra. Unit 1 has achieved COD and balance Units are under implementation. Project has coal linkage from MCL and SECL. Fuel supply Agreements with MCL and SECL was signed on 23<sup>rd</sup> August, 2013 and 03<sup>rd</sup> September, 2013 respectively.</p> | <p>The project proponent stated that there was a clause (no.2.8.2.3) in all FSAs that the developer had to produce a valid long term PPA with Discoms within 2 years of signing of FSAs. In spite of participating in many bids, they could not succeed in winning any bid for PPA. Representatives of MoP stated that this was a genuine problem being faced by power project developers since long-term PPAs had been very few in number in the market. This problem was not specific to this particular case, but a large number of projects were affected by this clause.</p> | <p>The Committee recommended that extension of time for fulfilling all the Conditions Precedent of all such projects, except COD and Commissioning (which are being dealt with separately), may be granted upto 31.03.2016.</p> |

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|  | <p>As per Clause no.2.8.2.3 of FSA, company has to furnish long term Power Purchase Agreement, entered directly with the Distribution Companies (Discoms) or through Power Trading Companies who have back to back PPA's with Discoms within 24 months from the date of signing of FSA.</p> <p>It was further stated that power distribution companies can enter into long term power purchase agreement through tariff based competitive bidding only. Discoms use the standard bidding document issued by Ministry of Power for such bidding processes which restrict participation from Power Trading Companies. Hence, it leaves with only option for direct power tie-up with Discom. Power distribution companies invite tenders for long term power supply as and when long term power purchase need arises. IRL has been participating in all such bids for long term power tie-up.</p> <p>However, the number of opportunities available to enter into a competitive bidding and securing PPA for last more than six years were very low as compared to</p> |  |  |
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|   | <p>capacities being commissioned.</p> <p>IRL has stated that they have taken necessary steps for securing long term power purchase agreements for its project. Finalization of schedule of above mentioned bids and petition is beyond their control, and requested to grant extension of two years for fulfilling this Condition Precedent (clause 2.8.2.3 of FSA).</p> <p><b>The SLC (LT) to take a view in the matter.</b></p>  |   |  |
| <p><b>Agenda Item No. 10</b></p> <p><b>M/s. Lanco Babandh Power Ltd. (LBPL), Unit - 1 660 MW.</b></p> | <p><b>Issue: Clarification whether Unit-I of 660MW of total 1320 MW of M/s Lanco Babandh Power Limited may be treated as a long term linkage or tapering.</b></p> <p>M/s. Lanco Babandh Power Ltd. (LBPL) has submitted a representation with the request to resolve the issue for treating their Unit-I (660 MW) of 1320 MW Lanco Babandh Power Project as a long term linkage and allow them for signing of FSA for Unit-I (660MW) of Phase-I project with MCL on normal linkage basis.</p> <p>It was represented by LBPL that they had planned 2640 MW capacity. Coal</p> | <p>The Project Proponent stated that as brought out in the agenda note, their initial planned capacity of 2640 MW was revised to 1320 MW. Normal coal linkage for Unit 1 of 660 MW was granted and subsequently the coal block was allocated, which was to cover Unit 2 and part of Unit 3. The only lacuna pointed out was that while applying for linkage of Unit 3 &amp; 4, they did not mention about allocation of coal block. However, they had submitted that Unit 2 and part of Unit 3 were linked to coal block and this was pointed out to MoP/CEA in their representations</p> | <p>The Committee recommended that in view of available documents and records viz., MoP letters to MoC in 2010 &amp; 2011 and also the clarification given in course of this meeting confirming this position, it was clarified that it was Unit 1 that had normal linkage.</p> |

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|  | <p>linkage for Unit 1 of 660 MW was granted on 02.08.2007 and subsequently coal block for 1000 MW capacity was allocated on 17.01.2008. Unit 2 (660 MW) and part of Unit-3( 340 MW out of 660 MW) were linked to the coal block. Therefore Unit # 1 is not at all linked with the coal block and FSA should be signed for Unit 1 on long term basis.</p> <p>The issue was discussed in the last SLC (LT) meetings held on 27.6.2014 and 11.08.2014. The committee in its meeting held on 11.8.2014 recommended as under:-</p> <p><i>“The Committee recommended that in view of the chronology of the events viz. coal block allocation, issuance of LoA, and also taking into account about the overall plant capacity 4x660 as confirmed by the applicant, the documents submitted by the company will be examined and an appropriate decision will be taken by MoC on file. Delay in the matter is condoned.”</i></p> <p>It was contended by LBPL in their representation that they had given application for 2640 MW on 05.09.2006 for coal linkage, which was revised to 1320 MW on 27.03.2007 on advise of Govt. of Odisha due to water allocation for 1320 MW only. Later on, they had applied for</p> | <p>earlier. This is also borne out by letters of MoP to MoC in 2010 and 2011. Thus Unit 1 was not linked to coal block at all.</p> <p>It was further pointed out that SLC(LT) had recommended Normal linkage for Unit 1 and that Unit 1 figured under list of plants with normal linkage in the CCEA decision of 21.06.2013.</p> |  |
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|  | <p>expansion of the project from 1320 MW to 2640 MW. They has submitted a number of documents on 10.07.2014 which support their contention that the total capacity planned was 2640 MW and that Unit 1 was having Normal Linkage.</p> <p>However, on the contrary, there are various correspondences &amp; communications available on file that the capacity being implemented was 1320 MW. Moreover, while applying for long-term linkage for unit 3&amp;4 on 01.07.2008, they did not mention about allocation of coal block which was allocated earlier on 17.01.2008. When the CCO tapered their linkage vide letter dated 01.11.2013, they claimed that 1000 MW out of Unit 2 and 3 was linked with coal block and Unit 1 of 660 MW was having normal linkage.</p> <p>The company was again advised to furnish relevant documents available with them ( other than those submitted by them earlier ) in the matter to substantiate LBPL's claim about the ultimate capacity of plant being 2640 MW.</p> <p>In response, the LBPL has furnished, apart from three less relevant documents, OM No.FU-9/2009-IPC dated 14.06.2011 sent by MoP to MoC, indicating that Lanco Babandh project capacity was</p> |  |  |
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|  | <p>2640MW. Moreover, this OM also supports their contention of Unit 1 (660MW) having normal linkage, Unit-2 (660MW) requiring tapering linkage, 340MW of Unit 3 &amp; 4 as requiring tapering linkage and balance 980MW of Unit 3&amp;4 requiring long term linkage. There is another OM of MoP dated 22.12.2010 which also supports this contention. These documents substantiate their claim that Unit 1 (660MW) was having normal linkage. These letters have also to be seen in conjunction with the following facts:</p> <ul style="list-style-type: none"><li>(i) SLC/LT meeting of 02.08.2007 recommended LoA for 660MW on 'normative basis' and not on 'tapering basis',</li><li>(ii) LoA dated 29.12.2008 was issued on long term-basis and not on tapering basis,</li><li>(iii) CCEA decision of 21.06.2013, as well as Presidential Directive of 17.07.2013, mentions Lanco Babandh Unit 1 of 660MW under projects for which FSA is to be signed under 'Normal' basis and not under projects with 'Tapering Linkage'.</li></ul> <p>In view of facts mentioned above it is now to be decided whether FSA with M/s Lanco Babandh Power Ltd. for unit 1 (660</p> |  |  |
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|  | MW) should be signed on 'Normal' basis for 660MW or on 'Tapering' basis for 320MW.<br><br><b>The SLC (LT) to take a view in the matter.</b> |  |  |
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## Items Not included in the Agenda but discussed in SLC(LT) meeting

### A. Grant of Tapering Linkages to TPPs under Central/State/Public Sectors

It was pointed out by representatives of MoP that tapering linkages are required by TPPs which have been allotted coal blocks under recent allotments as well as those allotted under Govt. Dispensation route in 2013 in order to avoid inordinate delays in execution of projects for want of clearances which are contingent upon these TPPs having linkages.

**The Committee recommended** that MoP may furnish a comprehensive recommendation covering requirement of tapering linkages and associated year-wise quantities for all the plants which have been allocated coal blocks under 'Allotment' route in the recent process as well as those during 2013, under Govt. sector, including those of NTPC, SCCL and State Government Gencos etc. The matter may be dealt with on file thereafter.

### B. Grant of linkage to Mahanadi Basin Power Limited (MBPL), a wholly owned subsidiary of MCL at BG Area of Sundargarh District, Odisha.

It was pointed out by representative of MCL MCL was in the process of setting up a pit-head thermal plant in BG area of MCL. Many clearances had been received. BG area of MCL had the potential to produce 85MTPA, whereas actual production was hovering around 10 MTPA, due to lack of rail & road infrastructure. Even after new rail lines and additional road infrastructure was put in place, only 60 MTPA could be evacuated. Another 10 MTPA could be evacuated by road. MCL would still have 15 MTPA coal which would not be evacuated at all. Therefore, a pithead TPP was the ideal solution to this problem. MCL had taken a decision of setting up a 2x800 MW Super Critical TPP, which had been approved by MCL Board in 2008 and CIL Board in 2010. An SPV viz MBPL had been incorporated in 2011. MCL shall invest 100% equity in MBPL. The STPP would be set up through EPC route. Land had been selected. Water clearance was at an advanced stage of approval. Environment clearance was pending for want of coal linkage and water allocation. GRIDCO/ Govt. of Odisha had agreed to purchase 50% of power generated through a long-term PPA.

The issue was discussed in SLC(LT) meeting of 07.01.2013 wherein the Committee had recommended that *“in view of evacuation constraints, the grant of linkage for this project of MCL may be considered as a special case as the coal can only be extracted if it is consumed at pithead.”*

**The Committee recommended** that in view of above, the case may be forwarded by MCL to MoP for their recommendation.

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No.23014/2/2015-CPD  
Government of India  
Ministry of Coal  
CPD Section

New Delhi, Dated 10<sup>th</sup> August,2015

**Minutes of the meeting of the Standing Linkage Committee (Long Term) for non - Power held on 17<sup>th</sup> July, 2015**

A meeting of the Standing Linkage Committee (Long Term) for Non Power was held on 17.07.2015 under the chairmanship of Additional Secretary (Coal). A list of participants is attached as 'Annexure-I'.

| Agenda Item & No.   | Brief Description of the Agenda item  | Discussion   | Recommendations with reasons   |
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| <b>Agenda No. 1</b><br><br><b>Pawan Solvents &amp; Chemicals.</b> | <b>Issue: Shifting of Plant to New Location</b><br><br>The applicant company M/s. Pawan Solvents & Chemicals has represented that they had established Hardcoke manufacturing unit in Village-Sewta, P.O.-Marar, Dist-Ramgarh in the year 1984. The plant executed an FSA with CCL on 30.4.2008 which was renewed on 14.8.2013 for a further period of 5 years i.e., up to 30.04.2018.<br><br>The site of plant is around 1.5 Km away from Ramgarh town and is at | The Project Proponent explained that the request was regarding change in location due to pollution issues. There is no change in the company. The local inhabitants feel problems due to pollution and for the sake of community, it has decided to change the location of the unit from Village-Sewta, P.O.-Marar, Dist- Ramgarh to Village-Kanjagi, P.O. Argada, Distt.-Ramgarh. | The Committee recommended that change of location of the Plant be approved, subject to fulfilment of laid down procedures at the level of coal company (CCL). However, any investment decision of the company at the new location shall be at its own risk and cost, in case any new policy was formulated by the Govt. regarding termination of linkages. |

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|  | <p>the border of Ramgarh Cantonment. In last 30 years, due to urbanization, the area around their plant has developed. They are getting regular consent from Jharkhand State Pollution Control Board. But they find that the local inhabitants feel problems due to pollution and for the sake of community, they have decided to change the location of the unit from Village-Sewta, P.O.-Marar, Dist- Ramgarh to Vill-Kanjagi, P.O. Argada, Distt.-Ramgarh.</p> <p>The applicant company has further stated that they had purchased a land at vill-Kanjagi, P.O.-Argada, Dist-Ramgarh which meets all the standards of Pollution Board. They had also applied to pollution Board for No Objection Certificate (NOC). The land is approx. 9 Km away from present site in same district.</p> <p>The applicant company also stated that they had requested General Manager, District Industries Centre, Hazaribagh to permit them to shift to</p> |  |  |
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|  | <p>new location. The GM, DIC Hazaribagh vide their order dated 31.1.2015 permitted them to shift the plant to new location i.e. Vill-Kanjagi, P.O.-Agrada. Dist- Ramgarh.</p> <p>The applicant company also stated that on receiving permission they can establish the plant in 6 months. They cannot establish the plant without consent. The plant will be constructed with fresh fire bricks and new machineries. The old machineries are nearly 30 years old and dismantling and installation at new site will cost more. Till the plant is constructed at new site, the old unit will continue to run.</p> <p>Therefore, the applicant company has requested for change in the location of plant so that the FSA can continue at new site and also the community can live in peace.</p> <p>CIL has also stated that the plant, a cokery unit, has represented that due to environmental hazardness they had to shift the plant to a new</p> |  |  |
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|  | <p>location and has also established the plant with new machineries, Therefore, CIL has requested to place the matter in SLC (LT) meeting for deliberation &amp; consideration.</p> <p>In this regard it may be mentioned that there are no extant guidelines for change in location in case the plant is up and running for the past many years. There are guide lines dated 5.4.2011 which are applicable in case of power projects, that too at LoA stage only. The present proposal is not a case of LoA holder.</p> <p><b>The SLC (LT) to take a view in the matter.</b></p> |  |  |
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No.23014/2/2015-CPD  
Government of India  
Ministry of Coal  
CPD Section

New Delhi, Dated 10<sup>th</sup> August,2015

**Minutes of the meeting of the Standing Linkage Committee (Long Term) for Sponge Iron held on 17<sup>th</sup> July, 2015**

A meeting of the Standing Linkage Committee (Long Term) for Sponge Iron was held on 17.07.2015 under the chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries in pursuance of the recommendations of the Committee and other related matters. A list of participants is attached as 'Annexure-I'.

| Agenda Item & No.   | Brief Description of the Agenda item  | Discussion   | Recommendations with reasons   |
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| <b>Agenda Item No. 1</b><br><br><b>Confirmation of Minutes of the SLC (LT) meeting held on 12.03.2015</b> | Confirmation of Minutes of the SLC (LT) meeting held on 12.03.2015  | There were no comments from any side.  | Minutes of the SLC (LT) meeting held on 12.03.2015 were confirmed.   |
| <b>Agenda Item No. 2</b><br><br><b>Discrepancy in allocation of coal to Sponge Iron Units</b>             | <b>Issue: Decisions taken in SLC(LT) dated 12.5.2006 and 6.11.2007 have created discrepancy in allocation of coal to Sponge Iron Units.</b><br><b><u>Brief Background:-</u></b> | The representative of CIL informed that the Project Proponents covered under 60% of required quantity are getting coal as per their erstwhile MPQ whereas those units which came under LoA | The Committee recommended that in view of impending changes in linkage policy for non-regulated sector, the existing system could continue for the time being. |

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|  | <p>M/s. S. A. Iron &amp; Alloys Pvt. Ltd. has represented that they were granted coal linkage by the MoC to the extent of 60% of requirement as Coal quantity recommended by the Ministry of Steel as per the decision taken during the SLC (LT) meeting held on 26.10.2005 and 12.05.2006. Thereafter, in subsequent SLC (LT) meeting held on 06.11.2007 a decision was taken to give coal to the extent of 75% of the requirement of the unit to all the new sponge manufacturing units.</p> <p>It was further stated that the above minutes of the meeting circulated had not clarified that the subsequent decision taken in above referred meeting(6.11.2007) is in supersession of the earlier decision taken in the meeting held on 12.05.2006 and it will be applicable to all the units, who have commissioned earlier also. The omission of the above clarification has resulted in discrepancies as S.A. Iron and Alloys (P) Ltd. is getting only 60% of required quantities of unit whereas the units who have come in existence later in 2008 are getting 75% of their requirement of</p> | <p>route are being given coal as per 75% of Normative Quantity, out of which only 50% is given as domestic component. Thus, in effect, those units with 60% dispensation might be drawing more coal than units covered under 75% dispensation.</p> |  |
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|  | <p>normative quantity.</p> <p>This discrepancy has been pointed out by many other customers and was also highlighted by Chhattisgarh Sponge Iron Manufactures Association during Special SLC(LT) meeting held on 3.12.2014.</p> <p><b>Comments of CIL</b></p> <p>CIL has clarified that before introduction of NCDP, coal was supplied to sponge iron plants (SIP) as per monthly allocations derived from the long-term linkages granted by SLC (LT). Prior to 2005, SLC (LT) granted linkages as per the requirement of the sponge iron plants recommended by Ministry of Steel (MoS). However, from 2005 onwards, because of the situation of coal shortage and considering the coal availability position, SLC (LT) had restricted LT linkages at the level of 60% of normative requirement of sponge iron plants. As part of implementation of NCDP, 2007 the erstwhile LT linkages that were granted by SLC (LT) considered to be the normative requirement of SIPs and FSA was concluded at 75% of long-term</p> |  |  |
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|  | <p>linkage. However, in respect of those SIPs which were granted LT linkages from 2005 onwards @ 60% of their requirement, FSA was concluded by CIL sources @ 100% of their LT linkage quantity in line with decision taken by CIL Board.</p> <p>In respect of SIPs which have come up after NCDP, FSA is signed on the 75% level of their normative coal requirement. However, it is worth noting that the supply mix is comprising 50% of indigenous coal and 50% of imported coal whereas in case of erstwhile LT linkages, the supply mix is only indigenous coal. Therefore, in case of SIPs which have come up after NCDP, indigenous coal supply is restricted to 37.5% of their normative coal requirement. However, the normative requirement of coal for SIPs is under formulation, upon which, as per CIL Board direction, ACQ shall be revised and modified in line with the provisions of the NCDP.</p> <p>It is for consideration of SLC(LT) whether uniform allocation @ 60% or</p> |  |  |
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|  | <p>75% of the normative requirement across all SIPs be mandated.</p> <p><b>The SLC (LT) to take a view in the matter.</b></p>   |   |  |
| <p><b>Agenda Item No. 3</b></p> <p><b>SPS Steel &amp; Power Ltd.</b></p> | <p><b>Change of name from SPS Steel &amp; Power Ltd. to Concast Steel &amp; Power Ltd.</b></p> <p>M/s Concast Steel &amp; Power Ltd. has represented that in November, 2010, Concast group took over 100% shares from SPS group which resulted in change in the management of SPS Steel &amp; Power Ltd. Due to this, in March, 2011, the name of the company has been changed from SPS Steel &amp; Power Ltd. to Concast Steel &amp; Power Ltd. by Certificate of Incorporation issued by Registrar of Companies on 30.03.2011. A request was made on 12.07.2011 for change in name of company from SPS Steel &amp; Power Ltd. to Concast Steel &amp; Power Ltd. The company stated that this is not a transfer of linkage from one legal entity to another legal entity and merely their request is for change of name. Since request of the company for name</p> | <p>The project proponent explained that this is a case of change of name due to 100% takeover of M/s SPS Steel &amp; Power Ltd. by M/s Concast Steel &amp; Power Ltd. It was explained that the plant was in operation since 2005 and the takeover took place in 2010. Representative of MCL informed that the company lifted coal from 2004 to 2011. Due to subsequent non-lifting, a notice has been issued for termination of FSA. The Company was allocated a coal block in the meanwhile, due to which, their linkage was tapered. The three year tapering period expired on 06.08.2012. In the meantime, the Company could not receive coal after October, 2011 since name change issue was pending. Now the Company has requested to draw coal</p> | <p>The Committee recommended that the change of name may be approved since it was a running plant at the time of change in shareholding and had been continuously drawing coal from 2004 to 2011. However, other issues shall be dealt with as per extant orders/policy.</p> |

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|  | <p>change was not yet been approved, MCL stopped issue of required linkage of coal in 2011. However, the company in its subsequent request for restoration of linkage of coal stated that due to judgment of the Hon'ble Supreme Court of India on 24.09.2014, Radhikapur (East) coal block allotted to them was cancelled and subsequently the coal linkage from MCL has been terminated after completion of the tapering period.</p> <p><b>Comments of MCL</b></p> <p>Fuel Supply Agreement (FSA) was executed between SPS Steel &amp; Power Ltd. and MCL on 30.04.2008 for an ACQ of 1,08,000 tes (75% of 1,44,000 tes) for kiln 1 to 3 against linkage accorded by Linkage Committee in its meeting held on 12.04.2004 for capacity of 90,000 TPA and communicated by MoC on 24.09.2004. SLC (LT) in its meeting held on 12.05.2006 recommended quantity of 28,800 tpa for the 4<sup>th</sup> Kiln on tapering basis. Although 75% of the above quantity i.e. 21,600 Tes/Annum was included in the FSA dated 30.04.2008, the tapering linkage was valid upto</p> | <p>under MoU as per decision of Spl. SLC(LT) of 03.12.2014. This can be drawn only after change of name is approved by Competent Authority.</p> |  |
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31.03.2008 as per MoC letter dated 22.03.2007. Hence, it was excluded from the ACQ of the FSA dated 30.04.2008 in its subsequent amendment dated 16.05.2009.

Another FSA through LOA was executed between SPS Steel & Power Ltd. and MCL on 05.11.2009 for their Kiln-5 and 6 of capacity 60,000 GTPA for an ACQ of 72,000 TPA linkage which was accorded by SLC (LT) in its meeting held on 06.11.2007 and LOA was issued by MCL on 13.04.2009. *Further, SPS Steel & Power Ltd. was allocated Radhikapur (East) coal block and the normative date of production as per CCO was 07.08.2009 and as per the tapering policy, the three year tapering period was over on 06.08.2012.*

It has been further indicated that coal was released to the consumer against both the FSAs upto October, 2011 and no further application for release of coal is on the record of MCL. As the level of lifting by the consumer in the financial year 2012-13 against both the FSAs was NIL, notice for termination

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|  | <p>of the FSAs were issued due to level of lifting being less than 30% of effective ACQ as per the provisions of FSA. But forfeiture of Security Deposit and termination of FSA has not yet been affected as the case for change in name is pending with MoC.</p> <p>The company in its letter had indicated that they have received coal quantity of 85,396.35 MT from MCL for the year 2010-11 whereas MCL has released coal to the company upto October, 2011. Further, request for the name change was made by Concast Steel &amp; Power Ltd. on 12.07.2011 instead of SPS Steel &amp; Power Ltd. No request/proposal before 12.07.2011 was received for name change in the Ministry.</p> <p>It is pointed out that the plant has been in operation since 2005 and 100% takeover of M/s SPS Steel &amp; Power Ltd. took place in 2010. So far as tapering linkage is concerned, three year tapering period has already expired on 06.08.2012.</p> <p>It is for consideration of SLC(LT) as to</p> |  |  |
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|  | <p>whether the request for change of name from M/s SPS Steel &amp; Power Ltd to M/s. Concast Steel &amp; Power Ltd consequent upon takeover be approved or otherwise.</p> <p><b>SLC(LT) to take a view in the matter.</b></p> |  |  |
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09-11-2

No.23014/2/2015-CPD  
Government of India  
Ministry of Coal  
CPD Section

New Delhi, Dated 10<sup>th</sup> August,2015

**Minutes of the meeting of the Standing Linkage Committee (Long Term) for Cement held on 17<sup>th</sup> July, 2015**

A meeting of the Standing Linkage Committee (Long Term) for Cement was held on 17.07.2015 under the chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries in pursuance of the recommendations of the Committee and other related matters. A list of participants is attached as 'Annexure-I'.

| <b>Agenda Item &amp; No.</b>  | <b>Brief Description of the Agenda item</b>                        | <b>Discussion</b>                     | <b>Recommendations with reasons</b>                                |
|---|--|---------------------------------------|--|
| <b>Agenda Item No. 1</b><br><br><b>Confirmation of Minutes of the SLC (LT) meeting held on 12.03.2015</b> | Confirmation of Minutes of the SLC (LT) meeting held on 12.03.2015 | There were no comments from any side. | Minutes of the SLC (LT) meeting held on 12.03.2015 were confirmed. |

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LIST OF PARTICIPANTS WHO ATTENDED THE MEETING OF THE STANDING LINKAGE COMMITTEE (LONG TERM) FOR POWER/SPONGE/CEMENT SECTORS HELD ON 17<sup>th</sup> July, 2015 TO REVIEW THE STATUS OF EXISTING COAL LINKAGES/LOAs AND OTHER RELATED MATTER

|     |   |
|-----|---|
|     | <b><u>Ministry of Coal</u></b>                                    |
| 1.  | Dr. A.K. Dubey, Additional Secretary (Coal) & Chairman, SLC(IT)   |
| 2.  | Sh. Rajesh Kumar Sinha, Joint Secretary(RKS)                      |
| 3.  | Sh. R.P. Gupta, Joint Secretary (RPG)                             |
| 4.  | Sh. J.S. Bindra, Director(CPD)                                    |
| 5.  | Sh. Pilli Ravi Kumar, Under Secretary (CPD)                       |
|     | <b><u>Ministry of Power</u></b>                                   |
| 5.  | Sh. A.K. Singh, Joint Secretary                                   |
| 6.  | Sh. Harpreet Singh Pruthi, Director                               |
|     | <b><u>Central Electricity Authority</u></b>                       |
| 7.  | Sh. P.D. Siwal, Chief Engineer                                    |
| 8.  | Sh. Alok Saxena, Consultant                                       |
|     | <b><u>NITI Ayog, Yojana Bhawan, New Delhi.</u></b>                |
| 9.  | Sh. Harendera Kumar, J.A.   |
|     | <b><u>Ministry of Shipping, Transport Bhawan, New Delhi</u></b>   |
| 10. | Sh. D.C. Singh, Dy. Secretary                                     |
|     | <b><u>NTPC</u></b>  |
| 11. | Sh. G. Ravindra, ED (FM)  |
| 12. | Sh. S.D. Prasad GM(FM)  |
| 13. | Sh. D.K. Saha, (AGM)  |
|     | <b><u>Singareni Collieries Company Ltd (SCCL)</u></b>             |
| 14. | Sh. N.K. Srinivas   |
|     | <b><u>Coal India Limited and Coal Companies</u></b>               |
| 15. | Sh. G. Singh, CMD, CCL  |
| 16. | Sh. B.K. Saxena, Director (Marketing), CIL                        |
| 17. | Sh. S.S. Mahi, Director (Tech), WCL                               |
| 18. | Sh. A.K. Tiwari, Director (O), MCL                                |
| 19. | Sh. S. Chakravary, Director (Tech), ECL                           |
| 20. | Sh. R.P. Thakur, Director (O), SECL                               |
| 21. | Sh. Tarak S. Roy, CIL   |
| 22. | Sh. S.K. Roy, Sr. MGR (S&M)                                       |
| 23. | Sh. L.K. Mishra, GM (S&M), CIL                                    |
| 24. | Sh. G.K. Vashishtha, General Manager (S&M), CIL Office, New Delhi |
| 25. | Sh. Raghu Nandan GM(S&M), MCL                                     |
| 26. | Sh. Rajesh Bhushan, GM (S&M), CIL                                 |
| 27. | Sh. S. N. Prasad, GM (S&M), SECL                                  |
| 28. | Sh. M.S. Bhutani, CCL, Ranchi                                     |
| 29. | Sh. S.D. Shende GM (S&M), BCCL                                    |
| 30. | Sh. R.D. Roy, GM (S&M), WCL                                       |
| 31. | Sh. Anuradha Singh, Asst. Mgr, WCL                                |
| 32. | Sh. V.K Singh, GM (S&M), ECL                                      |