

By Speed Post

F.No 13016/46/2008-CA-I
Government of India
Ministry of Coal

New Delhi, dated 15th November, 2012

To
The Chairman-cum-Managing Director,
M/s D.B. Power Limited,
No.813, Udyog Vihar,
Phase V, Gurgaon-122016,
Haryana.

Sub: Deduction of Bank Guarantee in respect of Durgapur-II/Sariya Coal block allocated to M/s D.B. Power Ltd.

Sir,

I am directed to refer to Ministry of Coal's allocation letter No.38011/1/2007-CA-I dated 6th November, 2007 (**Annexure-I**) and to this Ministry's show cause notice of even number dated 30th April, 2012 (**Annexure-II**) and to your reply to the show cause notice and the Presentation made/documents submitted by you on 7th September, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. **Durgapur-II/Sariya** coal block was allocated on 6th November, 2007 under Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 to **M/s D.B.Power Ltd.** to meet their coal requirement of their 1000 MW power plant at village Karmitaka, Distt Jaspur, Chhattigarh subject to the terms and conditions of the said allocation letter. In the conditions at S.no.2 & 3 of the allocation letter it has been mentioned that:-

Allocation/mining lease of the coal block may be cancelled, inter-alia, on the following grounds:-

- (a) Unsatisfactory progress of implementation of their end use sponge iron plant/power plant/cement plant.
- (b) Unsatisfactory progress in the development of coal mining projects.
- (c) For breach of any of the conditions of allocation.

The De-allocation/ cancellation of mining lease shall be without any liability to the Govt. or its agencies, whatsoever. Any expenses incurred by the allocatee or any right or liability arising on the allocatee out of the measures taken by him shall solely be to his account and in no way be transferred to or borne by the Govt. or its agencies.

3. In respect of Bank Guarantee, the condition of (vi) of allocation has clearly mentioned that **M/s D.B. Power Ltd.** shall submit a bank guarantee for Rs. 17.60 crores

(equal to one year's royalty amount based on mine capacity of 2 mtpa assessed by CMPDIL, grade of coal from C to G and the weighted average royalty @ Rs. 88.02 per tonne) within three months from the date of issue of this letter. Subsequently, upon approval of mining plan, the Bank Guarantee amount will be modified based on the final peak/rated capacity of the mine.

- (a) 50% of the bank guarantee shall be linked to the milestones (time schedule) set for development of captive block, and the remaining 50% to the guaranteed production. The bank guarantee shall be liable to be encashed in the following eventuality.
- (b) There shall be an annual review of progress achieved by an allocatee company. In the event of lapses, if any, in the achievements vis-à-vis the milestones set for that year, a proportionate amount shall be encashed and deducted from the bank guarantee.
- (c) Once production commences, in case of any lag in the production of coal, a percentage of the bank guarantee amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, e.g., if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual production is 35, then $(50-35)/100 \times 100 = 15\%$ will lead to deduction of 15% of the original bank guarantee amount for that year. Upon exhaustion of the bank guarantee amount, the block shall be liable for de-allocation/cancellation of mining lease.
- (d) The allocatee shall ensure that the bank guarantee remains valid at all times till the mine reaches its rated capacity or till the bank guarantee is exhausted. Any lapses on this count shall lead to de-allocation/ cancellation of mining lease.

4. The progress of allocated coal block as well as linked/associated end use project has been reviewed by the Ministry through a inter-Ministerial Review Committee from time to time wherein the allocatee company give presentation in respect of the development made by the company with reference to the milestones prescribed in the allocation letter during which it was noted as following:-

- i) In the review meeting held on 22nd and 23rd June, 2009 the Committee noticed that the progress was very slow and needs to expedite the same.
- ii) Subsequently, in the review meeting held on 20/21.07.2010, it was noticed that no serious efforts have been made by the company to develop the coal block. It was also noted that all the important/critical milestones such as Grant of Previous approvals, EMP, Mining Lease were pending. Further the allocatee company requested for change of location of end use plant. The Committee concluded that the change of location of EUP is not permitted as blocks are

allotted for specified end use. However the issue was examined in the Ministry in consultation with Ministry of Power. **Based on the recommendations of the Ministry of Power, change of location of EUP from Jaspur District to Janjgir Champa District, Chhattisgarh due to increase in capacity to 1320MW has since been approved.**

iii) In the review meeting held on 11/12.01.2012, it was noticed that no serious efforts have been made by the company to develop the coal block and the progress was not found to be satisfactory, even after repeated assurances tendered by the Company during the period. Grant of previous approval, EMP, ML, LA were pending. Grant of previous approval for Mining Lease was also pending. It is thus seen that the company has repeatedly failed to keep its promises made to the Ministry and is thus non-serious about timely development of the block. Accordingly the Review Committee recommended that the allocatee be served with show cause notice to explain why the block should not be de-allocated. The show cause notice was served on 30th April, 2012. The company furnished their reply to the show cause notice.

5. In the meantime, the Government has set up on 21.06.2012 an Inter-Ministerial Group (IMG) under the Chairpersonship of Additional Secretary (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The IMG has been given the mandate to review the progress of development of allocated coal blocks and associated end use projects and to recommend action including de-allocation, if required.

6. The case of the allocatee company was referred to the IMG. Accordingly, the IMG gave an opportunity to the allocatee companies to make the presentation before it on the progress of development of allocated coal blocks and associated end use project. The representatives of the allocatee company gave presentation on 7th September, 2012 before the IMG. The IMG considered the presentation, the status note of the **Durgapur-II/Sariya** coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organization (**Annexure-III**). The progress of development of the block with reference to the milestones and their achievement is as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Purchase of GR	21.12.2007	21.1.2008	1 Months	
Submission of Bank Guarantee	6.2.2008	6.2.2008	-	
Mining Lease Application	6.2.2008	11.4.2008	2 Months	
Submission of Mining Plan	6.5.2008	15.7.2008	2 Months	
Approval of Mining Plan	6.7.2008	24.6.2009	1Yr	

Application of Previous approval	6.9.2008	April.2008	-	
Granting of Previous approval	6.10.2008	31.3.2011	2Yrs 5 Months	
Application of Forest clearance	6.11.2008	11.11.2008	-	
Grant of Forest Clearance	6.5.2009	Pending	2Yrs 10 Months (as on 3/2012)	Site inspection carried out on 29.6.12. FAC meeting held on 17.8.12. FAC recommended FC on 29.8.12 for Stg-I clearance.
Application EMP Clearance	6.11.2008	5.7.2008	-	
Grant of EMP Clearance	6.5.2009	Pending	2Yr 8 Months	EAC recommended EC on 20.7.12 and letter is awaited.
Grant of Mining Lease	6.11.2009	Pending	3Yrs 1 Months	
Application of Land Acquisition	6.6.2009	Pending	3Yrs	
Completion of Land Acquisition	6.11.2010	Pending	1Yr 7 Months	17 Acres of Pvt land acquired. Forest land will be handed over after Stg-II forest clearance.
Application for opening permission	6.3.2011	Pending	1Yr. 3 months	
Grant of Opening permission	6.4.2011	Pending	1 Yr 3 months	
Coal Production	6.5.2011 (42 Months)	Pending	1Yr 4 Months	Company is expected to start prod Apr.13.

7. After detailed deliberations, the IMG observed as under:

"M/s DB Power Ltd. (Durgapur-II/Sariya)

The IMG considered the terms and conditions of allocation, the show cause notice issued, the reply and the presentation made by the company along with the latest status paper presented to the IMG. The IMG noted that about 5

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years have elapsed from the date of allotment i.e. 6.11.2007. IMG also noted that the company has purchased the GR and the mining plan is approved. The company stated that the EC and Stage-I FC have been recommended. The company further stated that MDO will be in place by October, 2012. 17 acres out of 23 acres private land is already in possession. Investment made in the coal block as per CA certificate submitted by the company is Rs. 11.50 crore in addition to BG of Rs. 17.6 crore. The company is setting up its end-use power plant (2X600 MW) and as per CA certificate Rs. 3927 crore investment has been reported on the end-use plant. During presentation, the company argued that the entire delay was not attributable to them and they assured that they will be in a position to open the mine by February, 2013. The IMG noted that the normative date of production is 6.5.2011.

Taking into account all factors including substantial progress and investment made, the IMG did not consider it appropriate to recommend de-allocation of the coal block at this stage. IMG noted that in this case as per terms and conditions of allotment, 50% of the BG is linked to the milestone set for the development of captive block and the remaining 50% to guaranteed production. In the event of lapses in the achievement vis-à-vis the milestones set, the allotment letter provides that a proportionate amount shall be encashed and deducted from the BG. As per guidelines framed by IMG for proportionate deduction of BG related to non-achievement of milestones, the IMG recommends that out of the 50% BG related to achievement of milestones, deduction may be made on the basis of milestones not achieved in terms of weightages assigned to each of the milestones in the guidelines.

Out of 50% BG related to shortfall in production, the IMG recommends that deduction in BG for shortfall in production from the normative date i.e. 6.5.2011 may be made as per the formula provided in the terms and conditions of allocation. The balance BG, if any, may be returned."

8. The recommendation of the IMG has since been considered and accepted by the Government.

9. Accordingly, it is ordered that proportionate Bank Guarantee furnished by the allocatee company be **deducted**. The Bank Guarantee (BG) as calculated by Coal Controller's Office to the extent of **Rs.5.104 crore** (Rupees five crores one lakh and four thousand only) be deducted and deposited with the Government in the relevant Head of Account. (The calculation of deduction of BG is as per **Annexure-IV**). This order is without prejudice to any other action which the Ministry of Coal may take/consider appropriate.

Yours faithfully,



(V.S. Rana)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Chhattisgarh, Dau Kalyan Singh Bhavan, Raipur.
2. The Secretary, Ministry of Power, Shram Shakti Bhavan, New Delhi.
3. The CMD, Coal India Limited, 10, Netaji Subash Road, Kolkata-700001.
4. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to take necessary steps to **deduct** the Bank Guarantee amount.
5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

ANNEXURE-I

No 38011/1/2007-CA-1
Government of India
Ministry of Coal

New Delhi, dated the 6th November, 2007.

To

M/s DB Power Ltd.
6, Dwarka Sadan
Press Complex,
MP Nagar Zone,
Bhopal - 462011.

Subject: Allocation of **Durgapur-II/Sariya** coal block in the State of Chhattisgarh for captive mining of coal by **M/s DB Power Ltd.** for their 1000 MW Power Plant (IPP) at village Karmitaka, Distt. Jaspur, Chhattisgarh.

Sir,

I am directed to refer to the application of **M/s DB Power Ltd** for allocation of coal block in the State of Chhattisgarh and to state that this has been considered by the Central Government and it has been decided to allot **Durgapur-II/Sariya** coal block in the command area of SECL to **M/s DB Power Ltd.** to meet the coal requirement for their 1000 MW power plant at village Karmitaka, Distt. Jaspur, Chhattisgarh. This allocation is in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalization) Act, 1973 and subject to the following conditions :-

- i. The allocation of **Durgapur-II/Sariya** coal block to **M/s DB Power Ltd** has been made to meet the coal requirement of their 1000 MW Power Plant at village Karmitaka, Distt. Jaspur, Chhattisgarh.
- ii. The block is meant for captive use in their own specified end use project i.e. power generation. The coal produced from the block shall not replace any coal linkages given to **M/s DB Power Ltd** by the Coal India Ltd. / its subsidiary and/or by the Singareni Collieries Company Ltd., without prior permission of this Ministry.
- iii. Middlings generated in the process of washing the coal shall be used for power generation in their own power plant i.e., the useable middlings/rejects generated during beneficiation shall be used captive by the allocatee. The modalities of disposal of surplus coal/middlings/rejects, if any, would be as per the prevailing policy/instruction of the government at

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the relevant point in time and could also include handing over such surplus coal/middling/rejects to the local CIL subsidiary or to any person designated by it at a transfer price to be determined by the Government.

- iv. Coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) in case of UG mine from the date of this letter. The end-use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of this letter. A copy of the indicative milestone chart is enclosed.
- v. The company shall buy geological report from CMPDIL within six weeks from the date of issue of this letter.
- vi. The company shall submit a bank guarantee for Rs. 17.60 crore (equal to one year's royalty amount based on mine capacity of 2 mtpa assessed by CMPDIL, grade of coal from C to G and the weighted average royalty @ Rs. 88.02 per tonne) within three months from the date of issue of this letter. Subsequently, upon approval of mining plan, the Bank Guarantee amount will be modified based on the final peak/rated capacity of the mine.
- (a) 50% of the bank guarantee shall be linked to the milestones (time schedule) set for development of captive block, and the remaining 50% to the guaranteed production. The bank guarantee shall be liable to be encashed in the following eventuality:
- (b) There shall be an annual review of progress achieved by an allocattee company. In the event of lapses, if any, in the achievements vis-à-vis the milestones set for that year, a proportionate amount shall be encashed and deducted from the bank guarantee.
- (c) Once production commences, in case of any lag in the production of coal/lignite, a percentage of the bank guarantee amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, e.g., if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual production is 35, then $(50-35)/100 \times 100 = 15\%$ will lead to deduction of 15% of the original bank guarantee amount for that year. Upon exhaustion of the bank guarantee amount, the block shall be liable for de-allocation/cancellation of mining lease.
- (d) The allocattee shall ensure that the bank guarantee remains valid at all times till the mine reaches its rated capacity or till the bank guarantee is exhausted. Any lapses on this count shall lead to de-allocation/ cancellation of mining lease.

- vii. The company shall submit a mining plan for approval by the competent authority under the Central Government within six months from the date of this letter.
- viii. The allocattee shall be required to comply with the guidelines / rules laid down by the Central Government from time to time relating to mine closure (both progressive and final). The allocattee shall be required to submit mine closure plan alongwith the mining plan as per the guidelines issued in this regard.
- ix. No coal shall be sold, delivered, transferred or disposed of except for the stated captive mining purposes, and except with the previous approval of the Central Government.
- x. Mining of coal from the allocated captive coal block shall be carried out in accordance with the applicable Statutes/Rules/Orders/Directions governing the mining of coal in the country.
- xi. Those of the above conditions relevant at the time of grant of mining lease shall be included as additional conditions in the mining lease in addition to any further conditions imposed by or agreed to by the Central Government.
- xii. The State Government at the time of seeking previous approval for the grant of mining lease shall submit a draft of the mining lease containing the above relevant conditions for vetting by the Central Government. The final mining lease shall be as vetted/modified by the Central Government. Any deviation from the vetted/modified draft shall render the mining lease deed *ab-initio* null and void and without effect.

2. Allocation / mining lease of the coal block may be cancelled, inter-alia, on the following grounds :-

- b. Unsatisfactory progress of implementation of their end use sponge iron plant / power plant/cement plant.
- c. Unsatisfactory progress in the development of coal mining project.
- d. For breach of any of the conditions of allocation mentioned above.

3. The de-allocation/cancellation of mining lease shall be without any liability to the Government or its agencies, whatsoever. Any expenses incurred by the allocattee or any right or liability arising on the allocattee out of the measures taken by him shall solely be to his account and in no way be transferred to or borne by the Government or its agencies.

4. The company may approach CMPDIL for geological report and contact the State Government authorities concerned for necessary permissions/clearances etc. for attaining mining rights and related matters.

5. The arrangement of transport of coal will have to be worked out by the company in consultation with the Ministry of Railways / Ministry of Surface Transport depending on the mode of transport.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Govt. of India.

Encls. As above.

To

- 1) Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi
- 2) The Chief Secretary, Government of Chattisgarh.
- 3) The Coal Controller, Office of the Coal Controller, 1 Council Street, Kolkatta-700001
- 4) The Chairman, Coal India Ltd., 10 Netaji Subash Marg, Kolkatta-700001
- 5) Chairman-cum-Mng.-Director, Central Mine Planning and Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi, Jharkhand.
- 6) Chairman-cum-Mng.-Director, South Eastern Coalfields Limited.
- 7) CPAM Section.


(V.S. Rana)

Under Secretary to the Govt. of India.

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MILESTONES CHART

Sl.No.	EVENT	TIME LIMIT IN MONTHS (FROM THE DATE OF ALLOCATION)
1.	PROSPECTING LICENSE	3
2.	COMPLETION OF EXPLORATION AND PREPARATION OF GEOLOGICAL REPORT (GR)	27
	EVENTS AFTER PREPARATION OF GR	TIME LIMIT IN MONTHS AFTER PREPARATION OF GR
3	MINING LEASE APPLICATION	3
4	SUBMISSION OF MINING PLAN	6
5	MINING PLAN APPROVAL	8
6	PREVIOUS APPROVAL APPLICATION	11
7	PREVIOUS APPROVAL	11
8	FOREST CLEARANCE APPLICATION	12
9	ENVIRONMENT CLEARANCE	18
10	GRANT OF MINING LEASE	24
11	LAND ACQUISITION BEGIN	9, 19
12	LAND ACQUISITION	30, 36
13	OPENING PERMISSION APPLICATION	34, 40 (FOR OC) 46, 52 (FOR UG)
14	GRANT OF OPENING PERMISSION	35, 41 (FOR OC) 47, 53 (FOR UG)
15	PRODUCTION	36, 42 (FOR OC) 48, 54 (FOR UG)
16	REACHING RATED CAPACITY	

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Annexure-II

SHOW CAUSE NOTICE

No.13016/46 /2006-CA-I
Government of India
Ministry of Coal

New Delhi, dated 30th April, 2012

To

M/s DB Power Limited
813, Udyog Vihar, Phase-V, Gurgaon- 122016
Haryana.

Subject: Show cause notice in respect of Durgapur II/ Sariya coal block.

Sir,

I am directed to refer to this Ministry's letter No. 38011/1/2007-CA-I dated 06.11.2007 conveying allocation of Durgapur II/ Sariya coal block in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions. One of the conditions of allocation was that coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) in case of UG mine from the date of allocation letter. The end-use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of allocation.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of the company. In the review meeting held on 11/12.01.2012, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that all the important/critical milestones such as grant of Forest Clearance, EMP, Mining Lease, Land Acquisition are pending for Durgapur II/ Sariya coal block. It is thus seen that the company has repeatedly failed to keep its promises made to the

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Ministry and is thus non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	21.12.2007	21.1.2008	1 Months
Submission of Bank Guarantee	6.2.2008	6.2.2008	-
Mining Lease Application	6.2.2008	11.4.2008	2 Months
Submission of Mining Plan	6.5.2008	15.7.2008	2 Months
Approval of Mining Plan	6.7.2008	24.6.2009	1Yr
Application of Previous approval	6.9.2008	April.2008	-
Granting of Previous approval	6.10.2008	31.3.2011	2Yrs 5 Months
Application of Forest clearance	6.11.2008	11.11.2008	-
Grant of Forest Clearance	6.5.2009	Pending	2Yrs 10 Months (as on 3/2012)
Application EMP Clearance	6.11.2008	5.7.2008	-
Grant of EMP Clearance	6.5.2009	Pending	2Yrs 10 Months (as on 3/2012)
Grant of Mining Lease	6.11.2009	Pending	2Yrs 4 Months (as on 3/2012)
Application of Land Acquisition	6.6.2009	Pending	2Yrs 9 Months (as on 3/2012)
Completion of Land Acquisition	6.11.2010	Pending	1Yr 4 Months (as on 3/2012)
Application for opening permission	6.3.2011	Pending	1Yr (as on 3/2012)
Grant of Opening permission	6.4.2011	Pending	1 Yr (as on 3/2012)
Coal Production	6.5.2011 (42 Months)	Pending	1Yr 1 Months (as on 3/2012)

3. Under the above circumstances, you are hereby called upon to show cause, on each milestone separately, to this Ministry within a period of 20 days from the date of issue of the show cause notice to why the delay in the development of the coal block should not be held as violation of the terms and

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(21)

conditions of the allotment of Durgapur II/ Sariya coal block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken against your company for the violation of Durgapur II/ Sariya coal block.


(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to The Coal Controller, Coal Controller Organisation

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Annexure-III

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Status Note

Sl No	Items	Remarks
1	Name Of the Block	Durgapur-II/Sariya Coal Block
2	Name Of the allocatee	M/s DB Power Ltd.
3	Date Of allocation	06.11.2007
4	End use plant and Capacity	1000 MW Power Plant (IPP) at Village Karmitaka, Distt:- Jaspur, Chhattisgarh Total Investment on Coal Block: - Rs. 29.10 Crores. (Estimated Investment - Rs. 200 Crores) On EUP: - Rs. 3927 Crores.
5	Important terms and conditions of allocation	As per Allocation letter enclosed.
6	Milestones of allocation & Slippages against Milestones as stated in the SCN	Status of CCO, Kolkata as on June, 2012 is enclosed as Annexure - I.
7	History Previous review / action	The review meeting held on 22.06.2009 & 23.06.2009 and noticed that ML approved and all other milestones are pending. ML applied, forwarded to MOC for previous approval. EIA/EMP submission is expected by September, 09. As regards LA Govt. of Chhattisgarh is of the view that unless approval for ML is available, LA process can not be taken up. Review Meeting held on 20 th & 21 st July, 2010 and noticed that Prior approval, FC, EMP, ML & LA are pending. Forest proposal lying with DFO. The review meeting held on 11/12 th January, 2012 and was noticed that FC, EMP, ML and LA are pending. ML will be executed after EC and LA completion is expected by Dec. 12. Show-Cause Notice has been issued dated 30 th April, 2012.



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8	Condonation of delay or extension of Zero date granted if any and permissible grace period if any whether any request for Condonation is pending with the Ministry	No
9	Litigation any orders of the court, if any	No
10	Summary of reply of the company including reasons for delay	<p>FAC recommended for stage 1 clearance on 29th August, 2012, EAC recommended EC on 20th July, 2012, Approval of wildlife conservation plan on 30th June, 2012.</p> <p>Mining Plan submitted on 15.07.2008. MoC called for meeting on Jan'09. It remained under processing at MOC & final approval was received on 25.06.09 for 693.326 Ha.</p> <p>Application for previous approval submitted to state Govt on 11.04.08 and got previous approval on 31.03.2011 because of obtaining the clarifications for change in location.</p> <p>Grant of ML pending for Stage-II of forest clearance from MoEF.</p> <p>Out of 23 acres of private land 17 acres has already been acquired.</p> <p>For government land Section 4, Section 247 will be processed after grant of Mining Lease as per the norm.</p> <p>Forest Land will be handed over only after stage-2 forest clearance by MoEF.</p> <p>Start of coal production by March/April, 2013.</p>
11	Comments of MOC with respect to issue pertaining to delay in purchase of GR, transfer of surface rights by coal companies, sanction of mining plan etc.	<p>DB Power Ltd. Vide its letter dated 16.02.2008 requested for change of location in power plant site from Jaspur District to Raigarh District due to increase in capacity to 1320MW.</p> <p>After No objection from Ministry of Power and State Government, Chhattisgarh request for change of location was approved.</p>



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		<p>Previous approval of the Central Government u/s 5(1) of the MMDR Act, 1957 for granting of ML has been accorded vide letter of MOC (after approval to change in location of EUP) dated 31.03.2011.</p> <p>Reasons for delay in MP: - DB Power has applied for MP on 11.04.08, CMPDIL has confirmed the exploration cost vide letter dated 15.06.2009. MOC vide its letter dated 25.06.2009 approved ML.</p> <p>Application received vide letter dated 17.11.09 from State Govt of Chhattisgarh for prior approval of Central Government for grant of mining lease. Previous approval of the Central Government u/s 5(1) of the MMDR Act, 1957 for granting of ML has been accorded vide letter of MOC (after approval to change in location of EUP) dated 31.03.2011.</p>
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Status of Coal Block as on June .2012
(As per report furnished by Block owners)

1. Name of Company:- M/s DB Power Ltd.
2. Name of Coal Block:- Durgapur II/Sariya (Explored)
3. Date of Allocation:- 6.11.2007
4. Location: Mand Raigarh, CG
5. Project cost:- 200 Crs
6. Total investment made :- 11.50 Crores (as per CA)
7. Reserve (Mill tonnes):- 91.6
8. Yearly rated capacity (MTPA):- 2
9. Cost of GR:-
10. BG Amount :-17.6 Crores Valid upto 5.11.2012
11. Type of EUP: CPP
12. Location of Project: Jaspur
13. Capacity of Project:- 1000 MW
14. Explored/Un explored:- E
15. Zero Date:- 6.11.07

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
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Application of Previous approval	6.9.2008	April.2008	-	
Granting of Previous approval	6.10.2008	31.3.2011	2Yrs 5 Months	

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Application of Forest clearance	6.11.2008	11.11.2008	-	
Grant of Forest Clearance	6.5.2009	Pending	2Yrs 10 Months (as on 3/2012)	Site inspection carried out on 29.6.12. FAC meeting held on 17.8.12. FAC recommended Fc on 29.8.12 for Stg-I clearance.
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Grant of Mining Lease	6.11.2009	Pending	3Yrs 1 Months	
Application of Land Acquisition	6.6.2009	Pending	3Yrs	
Completion of Land Acquisition	6.11.2010	Pending	1Yr 7 Months	17 Acres of Pvt land acquired. Forest land will be handed over after Stg-II forest clearance.
Application for opening permission	6.3.2011	Pending	1Yr. 3 months	
Grant of Opening permission	6.4.2011	Pending	1 Yr 3 months	
Coal Production	6.5.2011 (42 Months)	Pending	1Yr 4 Months	Company is expected to start prod Apr.13.

EUP

Checked by - Bhe

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COAL CONTROLLER

DB Power

Proposed:-1200 MW TPP at Dist. Janjgir, Champa, CH. Financial tie up is under process. Unit-I (600 MW) by 2012-13 and total 1200 MW by 2013-14. 570 acres of land acquired.

Investment made:- 27 Crores (as per CA)

Major Constraint faced by the block allocates

Forest clearance and EMP clearance is the major issue needs to be cleared expeditiously in order to start the project early. Necessary assistance of the state Govt is required. Pvt land acquisition is completed.

Checked by - *Bh*



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ANNEXURE-IV

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1. Name of Company:- M/s. DB Power Ltd.
2. Name of Coal Block:- Durgapur-II /Sariya (Explored)
3. Date of Allocation:- 6.11.2007
4. Normative date of production:- 06.05.2011(as per allotment letter)
5. Yearly rated capacity (MTPA):- 2 (as per mine plan)
6. BG Amount submitted:- 17.6Cr
7. Recommendation: IMG recommends that out of the 50% BG related to achievement of Milestone, deduction may be made on the basis of milestone not achieved in terms of weightages assigned to each of the milestone in the guidelines. Out of 50% BG related to shortfall in production the IMG recommends that deduction in BG for shortfall in production from the normative date i.e. 6.5.2011 may be made as per the formula provided in the terms and conditions of allocation.

As per condition of Para(vi) (a&c) of the allocation letter No.38011/1/2007-CA-II dated 6.11.2007, in case of any lag in the production of coal, a percentage of BG amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to peak rated capacity of the mine.

In Case of Durgapur II/Sariya the amount of BG to be deducted on production basis is as under:-

Calculation

Deduction for 1st year

A= Production as per the approved mining plan for the 1st year (6.5.2011 to 5.5.2012) = 0.5 MT

B= Actual Production for the 1st year (6.5.2011 to 5.5.2012) = 0

C= Peak Rated Capacity= 2 MT

So, D= Percentage of amount of BG to be deducted for the 1st year = (A-B)/CX100 = (0.5-0)/2x100 = 25%

50% BG related to shortfall in production i.e, 50% of Rs. 17.6cr=8.8Crore

X=Amount of BG to be deducted for shortfall in Production = 8.8 Crore x 25% = Rs. 2.2 Crore

Deduction for the 2nd year

2nd year (13.05.2012 to 12.05.2013) ends on 12.05.2013 which is not reached as on Oct'2012, hence deduction of BG for the 2nd year may not be done.

H. S. Singh

B. S. Singh

Coal Controller

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Contd...

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BG deduction on the basis of achievement of Mile stone as on Oct'2012

Sl No.	Mile Stones	Weight (in %)	Actual Status	Marks	Remarks
1	Purchase of GR	5	Completed	5	
2	Submission of Bank Guarantee	8	Completed	8	
3	Mining Lease Application	7	Completed	7	
4	Submission of Mining Plan	10	Completed	10	
5	Approval of Mining Plan	10	Completed	10	
6	Application of Previous approval	6	Completed	6	
7	Granting of Previous approval	5	Completed	5	
8	Application of Forest clearance	8	Completed	8	
9	Grant of Forest Clearance	5	Not completed	0	
10	Application EMP Clearance	8	Completed	8	
11	Grant of EMP Clearance	5	Not completed	0	
12	Grant of Mining Lease	5	Not completed	0	
13	Application of Land Acquisition	8	Not completed	0	
14	Completion of Land Acquisition	4	Not completed	0	
15	Application for opening permission	2	Not completed	0	
16	Grant of Opening permission	2	Not completed	0	
17	Coal Production	2	Not completed	0	
	TOTAL	100		67	

Total Bank Guarantee amount : 17.6 Cr.

A= 50% of BG = 8.8 Crore

Score obtained for achieving of mile stone = 67%

B=Score obtained for not achieving of mile stone =(100-67)=33%

BG to be deducted for not achieving Milestones as on Oct'2012= AxB = 8.8 x33 % =2.904 Crore

Y=Total amount of BG to be deducted for not achieving Milestones =2.904 Crore

Total BG to be deducted on production and milestone basis =X+Y = 2.2+2.904 Crore = Rs.5.104 Crore

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*Blair H.O. **

Coal Controller

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