

By Speed Post

F.No 47011/7(20)/93-CPA/CPAM/CA-I (Vol - IV)
Government of India
Ministry of Coal

New Delhi, dated 20th November, 2012

To
M/s Jayaswal Neco
F-8, MIDC Industrial Area
Hingna Road,
Nagpur- 440016

Sub: Deduction of Bank Guarantee in respect of Moitra coal block allocated to M/s Jayaswal Neco.

Sir,

I am directed to refer to Ministry of Coal's allocation letter No 47011/7(20)/93-CA dated 13.05.2005 (Annexure-I) and to this Ministry's show cause notice number 13011/34/2012-CA-I (Pt) dated 4th May 2012 (Annexure-II) and to your reply to the show cause notice and the Presentation made/documents submitted by you before the Inter Ministerial Group (IMG) on the above subject.

2. **Moitra** coal block was allocated on 13th May, 2005 under Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 to M/s Jayaswal Neco Limited to meet their part coal requirement of 1.8 million tonnes subject to the terms and conditions of the said allocation letter. In 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.
- (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 allocation has clearly mentioned that the company shall submit a bank guarantee for Rs. 12.50 crores (Parameters: mine capacity assessed by CMPDIL at 1 mtpa grade of coal W-1 to W-IV average weighted royalty @ Rs. 124.91 per tonne) within three months from the date of issue of allocation 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) The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. 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.
- (b) 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 25/26.03.2008, The committee noted that the representative of M/s Jayaswal Neco intimated that there application for previous approval was pending with Govt. of Jharkhand since March, 2006 for forwarding it to MOC. Representative of the State Govt. was requested to expedite it. It was noted that no progress is made since the last review meeting. The company still assured to start production in December, 2008.
- ii) In the Review Meeting held on 15/16.10.2008, FC, ML execution and Land Acquisition are pending. The company intimated that previous approval is pending with MOC. Some Land (10.72 hec) has been encroached by TVNL. EUP existing.
- iii) In the Review Meeting held on 22/23.06.2009, EMP cleared. DC, ML and LA are pending. ML pending at State level. The representative informed that Gazette notification for acquisition of land under Section 4(6) is expected soon. Chairman expressed dissatisfaction that even after four years from the date of allocation notification for land acquisition has not yet been issued, asked the Coal Controller to review intensively.
- iv) In review meeting held on 20/21.07.2010, EMP cleared. Forest Clearance, Mining Lease & Land Aquisition are pending. Secretary (Env. & Forest), Govt. of Jharkhand has written to Govt. of India to take holistic view in the matter of forest clearance. Grant of forest clearance in Karanpura coal fields will be a great threat of Wild life. Company states that forest clearance is pending with Secretary (Forest) , GOJH. The State Govt. is awaiting reply of MOEF. Representatives asked to provide clarification regarding change of location of EUP. The committee was dissatisfied with the development of mine and asked to issued show-cause notice for de-allocation.

- v) The Committee examined the replies on 28th January, 2011 and 4th February, 2011, submitted by the allocatees against the show cause notice issued to the allocatees vide letter dated 08.10.2012 and recommended deduction of Bank Guarantee.
- (vi) In review meeting held on 22/12.01.2012, Forest Clearance (Stage-I), Mining Lease and Land Acquisition were pending. Moitra is a coking coal block. Company informed that forest application made in 2005 and is still pending. Forest clearance is the main hurdle to develop the project. Representative from Govt. of Jharkhand stated that forest proposal forwarded to MOEF by State in Sept. 2011. Govt. of Jharkhand stated that forest issue is pending with MoEF. Satellite maps (DGPS maps) to be submitted. Company deposited Rs. 8 crores towards purchase of land to State Govt. Mining lease will not be granted unless grant of forest clearance. The company was issued the show cause notice. The company furnished their reply to the show cause notice.

5. In the meantime, the Government has set up 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. The case of the allocatee company was referred to the IMG. Accordingly, the IMG asked 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 6th September, 2012 before the IMG. The IMG considered the presentation, the status note of the Moitra 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	27.6.2005	18.7.2005	Advance	
Submission of Bank Guarantee	13.8.2005	19.1.2006	Advance	
Mining Lease Application	13.8.2005	11.9.2006	7 months	
Submission of Mining Plan	13.11.2005	20.6.2005	Advance	
Approval of Mining Plan	13.1.2006	11.11.2005	Advance	
Application of Previous approval	13.3.2006	Y	-	
Granting of Previous approval	13.4.2006	29.7.2009	2Yrs 9 months	Delayed more than 26 months since State Govt

				forwarded application to MOCon 29.5.07. Delay mainly due to boundary dispute with badam block.
Application of Forest clearance	13.5.2006	20.7.2005	Advance	
Grant of Forest Clearance	13.11.2006	N	4Yrs 10 Months	PCCF JH raised the issue of concern on wild life conservation in the forest of Hazaribagh if FC granted for 40 application in N karranpura field. FC application recommended on 24.9.11. CF inspected the area on 6/7.5.12 FC application is pending at MOEF.
Application EMP Clearance	13.5.2006	26.10.2005	Advance	
Grant of EMP Clearance	13.11.2006	16.5.2007	-	EMP granted for 1 MTPA coal washery
Grant of Mining Lease	13.5.2007	N	4Yrs 4 Months	ML can not be executed till the approval of Central Govt for realse of Forest land.
Application of Land Acquisition	13.12.2006	10.7.2005	Advnace	
Completion of Land Acquisition	13.5.2008	N	3Yrs 4 months	JNL deposited 8 crores for LA. During May 12 proposal for LA cleared by State Level Committee. 188 acres land purchased direct negotiation.
Application for opening permission	13.9.2008	N	2Yrs	
Grant of Opening permission	13.10.2008	N	2Yrs 1 Month	
Coal Production	13.11.2008 (42 Months)	N	1Yr 10 months	

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

M/s Jayaswal Neco Ltd. (Moitra Coking Coal)

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 more than 7 years have elapsed from the date of allotment i.e. 13.5.2005. IMG also noted that the company has purchased the GR and the mining plan is approved, EC has been obtained and proposal for Stage-I clearance has recently been forwarded by the State Govt. 188 acres of land is already in possession and 80% of the land cost (Rs. 8 crore) has been deposited on 6.5.2008 for acquisition of 275 ha. Investment made in the coal block as per CA certificate submitted by the company is Rs. 118.67 crore including washery. The company has an existing end-use plant and has also undertaken expansion plan. As per CA certificate, Rs. 1653.15 crore investment has been reported on the end-use plant. IMG noted that at the time of granting prior approval in July 2009, the ministry has sought firm commitment against pending milestones from the allocatee and he had committed vide letter dated. 12.1.2009 that all efforts shall be made to start production in 2009-10. 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 June, 2014. The normative date for start of production is 13.11.2008.

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. However IMG recommends deduction of BG for shortfall in production from the normative date of production i.e. 13.11.2008 as per formula provided in the terms and conditions of allocation.

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

8. It is decided to deduct proportionate Bank Guarantee furnished by the allocatee companies. The Bank Guarantee (BG) to be the extent of Rs 10.00 Crore (Rupees ten crore) be deducted and deposited with the Government. (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.

9. It may be stated that M/s Jayaswal Neco Ltd. has filed Writ Petition No. 6856/2012 and CM No. 1761/2012 v/s Union of India in the Hon'ble High Court of Delhi on which the court has passed the following order on 31.10.2012.

By an order dated 21/09/2012, I had disposed of the writ petition being: WP(C) 5975/2012 titled M/s SKS Ispat and Power Limited vs Union of India on the following lines:

"In a connected writ petition being WP(C) 5877/2012, I had passed the following order:-

".. After some arguments, Mr Sorabjee, learned senior counsel, on instructions, seeks leave to withdraw the writ petition with liberty to approach this Court in case an order adverse to the interest of the petitioner is passed. He further

prays that if an adverse order is passed, the same may not be given effect to for a short period of time.

The petition is dismissed as withdrawn with liberty as prayed for. In case an adverse order is passed, the same will not be given effect for a period of one week.

Accordingly, the captioned writ petition is disposed of in terms of directions contained in WP(C) 5975/2012."

10. In compliance of the above order, this order is made effective after a period of one week.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Jharkhand
2. The Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
3. Chairman, Coal India Limited, Kolkatta.
3. The Coal Controller's Organisation, 1, Council House Street, Kolkata.
4. ✓ NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

No. 47011/7(20) 1993-CA
GOVERNMENT OF INDIA
MINISTRY OF COAL

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Annexure-I

New Delhi, dated 13.5.2005

To

M/s. Jayaswal Neco Ltd.,
F-8, MIDC Industrial Area, Hingna Road,
Nagpur- 440016.

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Subject: Allocation of the Moitra block in the State of Jharkhand for captive mining of coal by M/s. Jayaswal Neco Ltd. for their 1 mtpa pig iron project.

Sir,

I am directed to refer to your letters No. Ref: Jnl/ISP/04 dated 28.7.2004 and letter No. JNL/Coking coal/04/186 dated 7.7.2004 requesting for allocation of the Moitra block in the State of Jharkhand in place of Choritand Tilaiya and Jogeswar blocks allotted earlier vide letter No. 47011/23/99-CPAM dated 25.04.2000 to meet the coal requirement for your 1 mtpa pig iron project at Siltara and to state that the Screening Committee has considered your request in its 24th meeting held on 9.12.2004 and has decided to allocate Moitra block which will meet part of your coal requirement of about 1.8 million tones. With the allocation, the earlier allocation of Choritand Tiliya and Jogeswar blocks stands cancelled. This allocation is in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 and is subject to the following conditions:-

- i) The coal produced from the block shall not replace any coal linkage given to M/s. Jayaswal Neco Ltd. by the Coal India Limited/its subsidiary companies and/or by the Singareni Collieries Company limited.
- ii) The block is meant for captive use in your own specified end use projects i.e. pig iron project.
- iii) The end-use pig iron project is already in existence and in operation with 0.40 mtpa capacity. It is proposed to be expanded to 1 mtpa. The coal production shall commence within 30 months of the date of this letter (As per the bar chart/schedule of implementation given by the allocatee).
- iv) The Company shall buy the Geological report from CMPDIL within 6 weeks of the date of this letter.
- v) The company shall submit a bank guarantee for Rs. 12.50 crore. (Parameters: mine capacity assessed by CMPDIL at 1 mtpa, grade of coal W-I to W-IV average weighted royalty @ Rs. 124.91 per tonne) within 3 months of the date of this letter. Subsequently, upon approval of the

- mining plan the Bank Guarantee amount will be modified based on the final peak/rated capacity of the mine.
- vi) 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.
- vii) The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. 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 the year. Upon exhaustion of the Bank Guarantee amount the block shall be liable for de-allocation/cancellation of mining lease. M/s Jayaswal Neco 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.
- viii) The company will use the middlings generated in the process of washing for power generation in their own power plant i.e. the useable middlings/rejects generated during beneficiation shall be used captively by the allocatee. The modalities of disposal of surplus coal/middlings/rejects, if any, would be as per the prevailing policy/instructions of the Government at the relevant points in time and could also include handing over such coal middlings/rejects to the local CIL subsidiary or to any person designated by it at a transfer price to be determined by the Government.
- ix) No coal shall be sold, delivered, transferred or disposed off except for the stated captive mining purposes 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 Govt.
- 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 Govt. The final mining lease shall be as vetted/modified by the Central Govt. 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, interalia, on the following grounds: -

- a. Unsatisfactory progress of implementation of their end use sponge iron plant / power plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation mentioned at (i) to (xi) above.

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The De-allocation/cancellation of mining lease shall be without any liability to the Government or its agencies, whatsoever. Any expenses incurred by the allottee or any right or liability arising on the allottee 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.

3. The company may approach CMPDIL for the geological report and contract the State Government authorities concerned for the necessary permissions/ clearances etc. for obtaining mining rights and related matters. The arrangement of transport of coal will have to be worked out by the company.

Yours faithfully,



(S.K.Kakkar)
Under Secretary

Annexure - II

SHOW CAUSE NOTICE

No.13011/34/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 4th May, 2012

To

M/s Jayaswal Neco Ltd.,
F-8, MIDC Industrial Area,
Hingna Road, Nagpur - 440 016

Subject: Show cause notice in respect of Moitra coal block.

Sir,

I am directed to refer to this Ministry's letter No.47011/7(20)/93-CA dated 13.05.2005 conveying allocation of Moitra 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 Forest Clearance, Mining Lease and Land Acquisition are pending for Moitra coal block. The company has repeatedly failed to keep its promises made to the 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	27.6.2005	18.7.2005	1 Months
Submission of Bank	13.8.2005	19.1.2006	5 Months



Guarantee			
Mining Lease Application	13.8.2005	11.9.2006	1 Yr 1 Month
Submission of Mining Plan	13.11.2005	20.6.2005	Advance
Approval of Mining Plan	13.1.2006	11.11.2005	Advance
Application of Previous approval	13.3.2006	Y	-
Granting of Previous approval	13.4.2006	29.7.2009	3 Yrs 3 Months
Application of Forest clearance	13.5.2006	20.7.2005	Advance
Grant of Forest Clearance	13.11.2006	Pending	5 Yrs 4 Months (as on Mar.12)
Application EMP Clearance	13.5.2006	26.10.2005	Advance
Grant of EMP Clearance	13.11.2006	16.5.2007	6 Months
Grant of Mining Lease	13.5.2007	Pending	4 Yrs 10 Months (as on Mar.12)
Application of Land Acquisition	13.12.2006	10.7.2005	Advance
Completion of Land Acquisition	13.5.2008	Pending	3 Yrs 10 Months (as on Mar.12)
Application for opening permission	13.9.2008	Pending	3 Yrs 6 Months (as on Mar.12)
Grant of Opening permission	13.10.2008	Pending	3 Yrs 5 Months (as on Mar.12)
Coal Production	13.11.2008 (42 Months)	Pending	3 Yrs 4 Months (as on Mar.12)

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 as to why the delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of Moitra 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 de-allocation of Moitra coal block.


(Sandeep Gupta)

Under Secretary to the Govt. of India

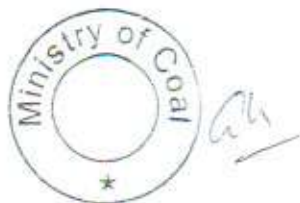
Copy to The Coal Controller, Coal Controller Organisation, Kolkata.

Moitra coal block

Sl No	Items	Remarks
1	Name Of the Block	Moitra coal block
2	Name Of the allocate	M/s Jayaswal Neco Ltd
3	Date Of allocation	13.05.2005
4	Terms and conditions of allocation	Terms and conditions of allocation is enclosed as Annexure-I
5	Milestones of allocation & slippages against Milestones as stated in the SCN	Detail given in the statement of CCO is enclosed as Annexure -II
6	History Previous review / action	In the review meeting held on 19 & 29.01.2007, it was noted that FC,EMP,ML and land acquisition were pending. The company was asked to expedite the matter. In the review held 25.03.2008, it was noticed that no progress had been made since the last review meeting. In the review meeting held on 22 & 23.06.2009, the assured to produce coal in 2009-10. In the review meeting held on 20/21.07.2010, it was noticed that no serious efforts had been made by the allocatee. Hence a show cause notice was issued to 08.10.2010
7	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
8	Litigation any orders of the court , if any	No
9	Summary of reply of the company including reasons for delay	MoC had allotted Moitra Coking Coal block on 13.5.2005 for meeting Coking Coal requirement for our existing Pig Iron Plant. This delay is due to Bank Guarantee clause being newly introduced and due to delay on account of non-availability of Proforma for Bank Guorantee.



		<p>Mining Lease application was submitted on 1.8.2005 to District Mining Officer, Hazaribagh and not on 11.9.2006.</p> <p>During the year 2009-2011 no popular Government was in the State of Jharkhand, hence no decisions with regard to proposal for forest clearances were taken though we made several representations and met personally to Principal Secretary (Forest and Environment), Hon'ble Governor of Jharkhand and Advisor to Hon'ble Governor.</p> <p>Forest Clearance was also delayed due to issue raised by MoEF of "Go" and "No Go" Area.</p> <p>The District Land Acquisition Officer, Hazaribagh, vide letter dated 31st January, 2008 intimated JNIL to deposit 80% price of the total land, i.e. Rs. 8 crores, to initiate the entire Land Acquisition Process for Moitra Coal Mining Project.</p> <p>Government of Jharkhand has forwarded our application for previous approval on 29.5.2007. Prior approval under section 5 (1) of MMDR Act was granted by MoC on 29.7.2009, after more than 26 months.</p>
10	<p>Comments of MOC with the respect to issue pertaining to delay in purchase of GR, transfer of surface rights by coal companies, sanction of mining plan etc.</p>	<p>The Mine Plan was approved by Standing Committee in its meeting held on 28.03.2008 and same was conveyed to party on 21st May 2008.</p> <p>The proposal dated 29.05.2007 for prior approval of mining lease had been received from the State Govt. of Jharkhand on 17.06.2007. Due to lack of proper area as well as boundary, the Ministry took up the issue with the State Govt. on 11th Sept.2007. The State Govt.</p>



		furnished the required clarificate on 08.09.2008. In response to Show cause notice, the Ministry sought firm commitment against pending milestones from the allocatee. The commitments was put up on 03.02.2009. After obtaining approval from competent authority, the prior approval of Central Govt. was conveyed to State Govt. on 29 th July 2009.
	Expenditure incurred as per CA certificate	JNIL is running its Blast Furnace for production of Pig Iron since 1996. JNIL has invested Rs.1653.15 crores in its Steel Plant at Raipur. The Company is further investing Rs.3837.75 crores in Iron & Steel making plants along with development of Mines. Financial Closure for the above has already been achieved long back and the Projects are in full swing.



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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 Jayaswal Neco Ltd.,
2. Name of Coal Block:- Moitra Coking coal (Explored)
3. Date of Allocation:- 13.5.2005 ✓
4. Location: North Karanpura, Jharkhand
5. Total investment made (as on 3/2012):- 118.67 Crores (CA report)
6. Reserve (Mill Tonnes): 215.78
7. Yearly Rated Capacity:- 1 MTPA
8. Cost of GR:- 2.11 Crores
9. Location: North Karanpura, Jharkhand
10. BG Amount:- 12.5 Crores Valid upto 17/18.1.2013
11. Type of EUP:- ~~Steel & CPP~~ *Pig Iron Plant*
12. Location of Project:- Pig Iron Plant at Siltara Raipur, Chhatisgarh & CPP at Hazaribagh, JH.
13. Capacity of the Project:- Existing 0.75mtpa pig iron and 0.25 mtpa SIP and expansion of 1 MTPA Pig Iron Plant and 135 MW Captive Power Plant is going on.
14. Explored/Un Explored:- Explored
15. Zero Date:- As per allotment letter Para No(vii) zero date considered **11.11.2005** i.e. from the date of approval of Mining Plan.
16. Previous recommendation: BG deduct..

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Purchase of GR	27.6.2005	18.7.2005	Advance	The above said delay of one month is due to adjustment of cost of Geological Report paid by us for Choritand Tilaiya and Jogeshwar Coking coal block towards Moitra Coking Coal block.
Submission of Bank Guarantee	13.8.2005	19.1.2006	Advance	
Mining Lease Application	13.8.2005	1.8.2005	-	Mining Lease application was submitted on 1.8.2005 to District Mining Officer, Hazaribagh

checked by - *Beena*

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Submission of Mining Plan	13.11.2005	20.6.2005	Advance	
Approval of Mining Plan	13.1.2006	11.11.2005	Advance	
Application of Previous approval	13.3.2006	1.8.05	-	
Granting of Previous approval	13.4.2006	29.7.2009	2Yrs 9 months	Delayed more than 26 months since State Govt forwarded application to MOC on 29.5.07. Delay mainly due to boundary dispute with Badam block.
Application of Forest clearance	13.5.2006	20.7.2005	Advance	
Grant of Forest Clearance	13.11.2006	N	4Yrs 10 Months	PCCF, JH raised the issue of concern on wild life conservation in the forest of Hazaribagh if FC granted for 40 application in N karranpura field. FC application recommended on 24.9.11. CF inspected the area on 6/7.5.12 FC application is pending at MOEF. CF, Eastern zone inspected the area on 6 th and 7 th May, 2012.
Application EMP Clearance	13.5.2006	26.10.2005	Advance	
Grant of EMP Clearance	13.11.2006	16.5.2007	-	EMP granted for 1 MTPA coal washery
Grant of Mining Lease	13.5.2007	N	4Yrs 4 Months	ML can not be executed till the approval of Central Govt for release of Forest land.

checked by *Rajan*

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[Signature]
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Application of Land Acquisition	13.12.2006	10.7.2005	Advnace	
Completion of Land Acquisition	13.5.2008	N	3Yrs 4 months	• JNL deposited 8 crores for LA .DuringMay 12 proposal for LA cleared by State Level Committee. 188 acres land purchased direct negotiation. The Deputy Commissioner was directed to process the proposal for Land Acquisition under Emergency Clause and send the same to Government.
Application for opening permission	13.9.2008	N	2Yrs	
Grant of Opening permission	13.10.2008	N	2Yrs 1 Month	
Coal Production	13.11.2008 (42 Months)	N	1Yr 10 months	

Investment on Moitra:

Total investment:- 198.75 Crs

Amount Spent:- 118.67

Investment on EUP:

a) JNIL is running its Blast Furnace for production of Pig Iron since 1996.

1653.15 Crs invested in Steel Plant at Raipur.

Major Constraint faced by the block allocates

1. PCCF, Jharkhand had raised the issue of concern on wildlife conservation in the forest of Hazaribagh if the forest clearance is granted to all the 40 applicants of North Karanpura Coalfield.

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2. It is unfortunate that despite our sincere & concerted efforts, the Land Acquisition file was kept pending for 4 full years.
3. Our various follow-up meetings with the State Government, including at the level of The Chief Secretary, did not bear any positive result.

Coal block development is hindered due to delay in part of State Govt and MOEF level which is beyond the control of the allocates.

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कार्यवाही नियंत्रक
COAL CONTROL

Annexure-16/27

Deduction calculation as per IMG recommendation in the meeting held on 19.09.2012

1. Name of Company:- M/s Jayaswal Neco Ltd..
2. Name of Coal Block:- Moitra / OC Mine.
3. Date of Allocation:- 13.5.2005
4. Normative Date of production:-13.11.2008 (as per allotment letter)
5. Yearly Rated Capacity:- 1 MTPA (as per mine plan)
6. BG Amount submitted :-12.5 Crores
7. Recommendation: IMG recommends deduction of BG for shortfall in production from the normative date of production i.e. 13.11.2008 as per formula provided in the terms and conditions of allocation.

As per condition of Para-(vii) of the allocation letter No.47011/7(20)/1993-CA-I dated 13.5.2005, 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 Moitra, the amount of BG to be deducted on production basis is as under:-

Calculation

Deduction for the 1st year

A= Production as per the approved mining plan for the 1st year (13.11.2008 to 12.11.2009) = 0

B= Actual Production for the 1st year (13.11.2008 to 12.11.2009) = 0

C= Peak Rated Capacity= 1 MT

So, D= Percentage of amount of BG to be deducted for the 1st year (13.11.2008 to 12.11.2009) = $(A-B)/CX100 = (0-0)/1 \times 100 = 0$

X=Amount of BG to be deducted for the 1st year = $12.5 \text{ Crore} \times 0/100 = 0$

Deduction for the 2nd year

A= Production as per the approved mining plan for the 2nd year (13.11.2009 to 12.11.2010) = 0.20 MT

B= Actual Production for the 2nd year (13.11.2009 to 12.11.2010) = 0

C= Peak Rated Capacity= 1 MT

So, D= Percentage of amount of BG to be deducted for the 2nd year (13.11.2009 to 12.11.2010) = $(A-B)/CX100 = (0.20-0)/1 \times 100 = 20\%$

Y=Amount of BG to be deducted for the 2nd year = $12.5 \text{ Crore} \times 20/100 = \text{Rs. } 2.5 \text{ Crore}$

Deduction for the 3rd year

A= Production as per the approved mining plan for the 3rd year (13.11.2010 to 12.11.2011) = 0.60 MT

B= Actual Production for 3rd year (13.11.2010 to 12.11.2011) = 0

C= Peak Rated Capacity= 1 MT

So, D= Percentage of amount of BG to be deducted for the 3rd year (13.11.2010 to 12.11.2011) = $(A-B)/CX100 = (0.60-0)/1 \times 100 = 60\%$

Z=Amount of BG to be deducted for the 3rd year = $12.5 \text{ Crore} \times 60/100 = \text{Rs. } 7.5 \text{ Crore}$

Deduction for the 4th year

4th year (13.11.2011 to 12.11.2012) ends on 12.11.2012 which is not reached as on Oct'2012, hence deduction of BG for the 4th year may not be done.

Total amount of BG to be deducted on production basis = $X+Y+Z = 0+2.5+7.5 = 10 \text{ Crore}$

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Account Controller