

By Speed Post

F.No 13016/20/2008-CA-I
Government of India
Ministry of Coal

.....

New Delhi, dated 20th November, 2012

✓ To

M/s Jindal Steel & Power Limited,
Jindal Centre,
12- Bhikaji Cama Place,
New Delhi - 110066.

Sub: Deduction of Bank Guarantee in respect of Jitpur Coal block allocated to M/s Jindal Steel & Power Limited.

Sir,

I am directed to refer to Ministry of Coal's allocation letter No 13016/11/2006-CA-I dated 20th February, 2007 (Annexure-I) and to this Ministry's show cause notice number 13011/30/2012-CA-I dated 3rd May 2012 (Annexure-II) and to your reply to the show cause notice, your presentation made / documents before the Inter-Ministerial Group (IMG) in respect of Jitpur coal block and the status note on the development of the block prepared by Coal Controller and Ministry of Coal on the above subject.

2. **Jitpur** coal block was allocated on 38011/11/2006-CA-I dated 20.02.2007 in pursuance to the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 to M/s Jindal Steel & Power Limited to meet their coal requirement of 1000 MW power plant in East Singhbhum, Jharkhand 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 allocatees 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 letter has clearly mentioned that The company shall submit a bank guarantee for Rs. 13.28 crores (equal to one year's royalty amount based on mine capacity of 2 mtpa assessed by CMPDIL, grade of coal of E to G Grades and the weighted average royalty @ Rs.66.39 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) 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. M/s Jindal Steel and Power Limited 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.

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 Committee meeting held on 25th and 26th March, 2008, it was noted that M/s JSPL had submitted the Mining Plan but all the milestones were pending except Geological Report and Bank Guarantee.

ii) In the Review Committee Meeting held on 15/16.10.2008, it was noted that GR has been purchased, Bank Guarantee had been submitted, the Mining Plan had been approved and MOEF had cleared TOR. Representative of the company informed that 2.5 MT coal is not sufficient for EUP hence EUP will be in two phases. EUP will be commissioned by 2010 end.

iii) In the Review Committee Meeting held on 22/23.06.2009 it was noted that the block was explored. The Grant of Previous Approval, Forest Clearance, Mining Lease and Land Acquisition were pending. Land Acquisition notification was to be issued shortly. 139 Ha of FDP submitted to Forest Deptt. For EUP site identified, applied for LA, verification by State Govt. for Govt. land is done, state Government's approval for water connection obtained, for putting pipeline, area has been surveyed. Tender issued for equipment. As committed, EUP may not come up in 2010 and may delay the development of mine.

iii) The Review Committee meeting held in 20th and July, 2010, it was noted that the block was explored. Grant of prior approval, Forest Clearance, Mining Lease and Land Acquisition are pending. Land Acquisition notification under 4(1) is awaited. State -I Forest Clearance reached to State Government from MOEF recently. Land acquisition will take one year time. The company changed the site of the EUP without informing MOC. Now matter is under examination in the Ministry. There was no progress since the last meeting. The Committee expressed dissatisfaction on overall progress of the block as well as EUP.

iv) The Committee examined the replies on 28th January, 2011 and 4th February, 2011, submitted by the allocatees against the show cause notice issue to the allocatees vide letter dated 28.10.2010 and recommended deduction of Bank Guarantee.

vi) In the Review Meeting held on 11/12.01.2012, it was noted that Forest Clearance (Sgt-II), Mining Lease, Land Acquisition are pending. Queries raised by Stage Government has been replied. Mine Closure Plan approved. Forest Clearance application made in 2008. Stage -I Clearance is pending at State level. Process to set up End use power plant of 2 x 600 MW is going on. Land and water tied up. MOU signed with State Govt. 139 Ha forest land for which money has been deposited. 65 acres are tenancy land and 365 acres Pvt. Land. Required amount deposited for Govt. and Pvt. Land. Location of EUP is 10-20 Kms away from pit head. The company was issued the show cause notice vide this Ministry's letter No. 13016/30/2012-CA-I dated 3rd May, 2012. 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 7th September, 2012 before the IMG. The IMG considered the presentation, the status note of the Jitpur 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
Status of Exploration	20.5.2009 (27 Months)	Not applicable	-	-
Purchase of GR	6.4.2007	5.7.2007	3 Months	Forest:- Stage -I forest clearance for 139 ha recommended by FAC, MOEF. 24 Crs to be paid .
Submission of Bank Guarantee	20.5.2007	21.7.2007	2 Months	
Mining Lease Application	20.5.2007	2.7.2007	1 Months	Land:- Consent taken from villagers for land acquisition under consent award and PESA Act compliance completed. Land Agreement
Submission of Mining Plan	20.8.2007	13.3.2008	7 Months	
Approval of Mining Plan	20.10.2007	12.8.2008	10 Months	

				signed with GOJ U/S Section 40 (2) on 6.9. 2012.
Application of Previous approval	20.12.2007	14.11.2008	1 Yr	Section IV(1) to be issued shortly.
Granting of Previous approval	20.1.2008	18.5.2011	2 Ys 10 Months	Money distribution-Rs. 79 Cr. Will be completed by end Dec. 2012 and land possession by Feb. 2013
Application of Forest clearance	20.2.2008	7.7.2008	5 Months	Gram Sabha was held in 5 villages on 10.10.2011,
Grant of Forest Clearance	20.8.2008	N	3 Yrs 7 Months	24.03.2012, 26.03.2012 and 28.03.2012 and PESA Act
Application EMP Clearance	20.2.2008	21.3.2008	1 Month	compliance completed with 2/3 rd majority of
Grant of EMP Clearance	20.8.2008	18.5.09	9 Months	villages agreeing to Land acquisition
Grant of Mining Lease	20.2.2009	N	3 Yrs 1 Months	63 families have to be resettled
Application of Land Acquisition	20.9.2008	25.4.2008	Advance	Grant of ML-
Completion of Land Acquisition	20.2.2010	N	2Yrs	This will be done after grant of Stage-II forest
Application for opening permission	20.6.2010	N	1Yrs 9 Months	clearance by Ministry of Environment & Forest
Grant of Opening permission	20.7.2010	N	1Yr 8 Months	
Coal Production	20.8.2010	N	1Yr 7 Months	

9. The final recommendations of the IMG, relevant to the action to be taken are as under:

M/s Jindal Steel & Power Ltd. (Jitpur)

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 5 years and 7 months have elapsed from the date of allotment i.e. 20.2.2007. IMG also noted that the company has purchased the GR and the mining plan is approved, EC has been obtained and FC recommendation for Stage I clearance has been made by FAC on 17.8.2012 as reported by the company. Rs. 10.89 crores has been deposited in 2009 for land acquisition which got delayed because in July 2011, the State Govt. declared that the land in question requires compliance under PESA. After due process agreement with State Govt. of Jharkhand has been signed on 6.9.2012. As per CA certificate, an investment of Rs. 20.96 crores has been made in the coal block of which Rs. 16.59 crores is the BG. The company has not yet set up its end-use power plant. Land agreement has been signed on 16.5.2012 with State Govt. of Jharkhand and notification for land acquisition has been issued. As per CA certificate, Rs. 13.33 crores investment has been reported on the captive power plant. The company further reported that they are setting up an integrated steel plant at Patratu and they have already commissioned rolling mill of capacity of 1.6 MT with an investment of Rs. 1893 crores as per CA certificate. The prior approval has already been granted by Ministry of Coal on 18.5.2011. During presentation, the company argued that the delay was not attributable to them and they assured that they will be in a position to open the mine by June, 2013. The normative date of coal production was 20.8.2010. Under the terms of allocation, deduction of BG related to shortfall in production as per mining plan has been provided for.

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, in view of the time elapsed, IMG recommends that BG may be deducted for shortfall in production from the normative date of production i.e. 20.8.2010 in accordance with the terms and conditions of the allocation letter.

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

10. It has been decided to deduct the proportionate Bank Guarantee for shortfall in production furnished by the allocatee companies. The Bank Guarantee (BG) to be the extent of Rs 16.59 (Rupees Sixteen crores fifty lakhs and nine thousand only) be deducted and deposited with the Government. (The calculation of deduction of BG is as per Annexure-IV).

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, UdyogBhavan, New Delhi.
3. Chairman, Coal India Ltd., Kolkatta
4. The Coal Controller's Organisation, 1, Council House Street, Kolkata.
5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure-I

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No 38011/11/2006-CA-I (Part)
Government of India
Ministry of Coal

New Delhi, the 28th February, 2007.

To

M/s. Jindal Steel & Power Ltd.,
Jindal Centre,
12, Bhikaji Cama Place,
New Delhi - 110 066.

Subject: Allocation of Jitpur coal block in the State of Jharkhand for captive mining of coal by M/s Jindal Steel & Power Ltd., for their 1000 MW power plant in East Singhbhum, Jharkhand.

Sir,

I am directed to refer to the request of M/s. Jindal Steel & Power Ltd., for allocation of coal block in the State of Jharkhand and to state that the request of the company has been considered by the Central Government and it has been decided to allot Jitpur coal block in CCL command area to M/s. Jindal Steel & Power Ltd., to meet the coal requirements for their 1000 MW power plant in East Singhbhum, Jharkhand. 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 the Jitpur coal block to M/s Jindal Steel & Power Ltd. has been made to meet the coal requirement of their 1000 MW power plant in East Singhbhum, Jharkhand
- 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. Jindal Steel & 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 captively 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 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) from the date

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(9)

of this letter in case of UG mine. 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 this letter.
- vi) The company shall submit a bank guarantee for Rs. 13.28 crores (equal to one year's royalty amount based on mine capacity of 2 mtpa assessed by CMPDIL, grades of coal from E to G grades and the weighted average royalty @ Rs. 66.39 per tonne) within three months from the date 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.
- 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 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. M/s. Jindal Steel & Power Ltd. 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.
- 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 :-

- 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 above.

The De-allocation/cancellation of mining lease shall be without any liability to the Government 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 Government or its agencies.

3. The company may approach CMPDIL for the geological report and contact the State Government authorities concerned for the necessary permissions/clearances etc. for attaining mining rights and related matters. 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. The Chairman, Coal India Ltd., 10 Netaji Subash Marg, Kolkata-700001
2. Chairman-cum-Mng.-Director, Central Mine Planning and Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi, Jharkhand.
3. Chairman-cum-Mng.-Director, Central Coalfields Ltd., Darbhanga House, Ranchi.
4. Ministry of Power (Shri Harish Chandra, Joint Secretary), Shram Shakti Bhawan, New Delhi.
5. The Chief Secretary, Government of Jharkhand, Secretariat, Ranchi.
6. The Coal Controller, Office of the Coal Controller, 1 Council Street, Kolkata-700001
7. CPAM Section.


(V.S. Rana)

Under Secretary to the Govt. of India.

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Annexure-II

SHOW CAUSE NOTICE

No.13011/30/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 3rd May, 2012

To

Jindal Steel and Power Ltd.
Jindal Centre,
12- Bikaji Cama Place,
New Delhi - 110 066.

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

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I dated 20.02.2007 conveying allocation of Jitpur 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 Jitpur 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	6.4.2007	5.7.2007	3 Months
Submission of Bank Guarantee	20.5.2007	21.7.2007	2 Months
Mining Lease Application	20.5.2007	2.7.2007	1 Months
Submission of Mining Plan	20.8.2007	13.3.2008	7 Months
Approval of Mining Plan	20.10.2007	12.8.2008	10 Months
Application of Previous approval	20.12.2007	2.7.2007	1 Yr
Granting of Previous approval	20.1.2008	18.5.2011	3Yrs 4 Months
Application of Forest clearance	20.2.2008	7.7.2008	5 Months
Grant of Forest Clearance	20.8.2008	N	3Yrs 7 Months (as on 3/2012)
Application EMP Clearance	20.2.2008	25.8.2008	6 Month
Grant of EMP Clearance	20.8.2008	18.5.2009	9 Months
Grant of Mining Lease	20.2.2009	N	3Yrs 1 Months (as on 3/2012)
Application of Land Acquisition	20.9.2008	25.4.2008	Advance
Completion of Land Acquisition	20.2.2010	N	2Yrs 1 Months (as on 3/2012)
Application for opening permission	20.6.2010	N	1Yrs 9 Months (as on 3/2012)
Grant of Opening permission	20.7.2010	N	1 Yr 8 Months (as on 3/2012)
Coal Production	20.8.2010 (42 Months)	N	1Yr 7 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 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 Jitpur 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 Jitpur coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

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

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JITPUR

Sl No	Items	Remarks
1	Name Of the Block	Jitpur Coal block
2	Name of the allocatee	M/s Jindal Steel & Power Ltd.
3	Date Of allocation	29.02.2007
4	Important terms and conditions of allocation	A copy of the allocation letter containing terms and conditions of allocation is enclosed.
5	Milestones of allocation/Disputes against Milestones as stated in the SCN	The status of ECC, Kolkata is enclosed.
6	History/Previous review / Action:	<p>In the review meeting held on 26/03/2008, it was noticed that except submission of BG and obtaining GR, other milestones were pending. And in Review meeting taken by MOS to on 22.05.2008 it was decided to issue advisory. Advisory was issued to M/s JSP, on 29.08.2008.</p> <p>In the Review meeting held on 22/08.08.2009 it was noted that company is lagging behind the normative milestones as they have not taken various effort to develop the coal block within the normative milestones. The allocatee company then assured to take steps to develop the block within time frame.</p> <p>In the Review meeting held on 20/12/2010 under the important critical milestones such as grant of iron equipment licence, EIA clearance, ME and LA were still pending. The allocatee has even changed the size of end use plant without informing the Ministry and it was seen that company has repeatedly failed to meet its promises made on earlier occasions to the Ministry. A show cause notice was issued on 25th October, 2010.</p>
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	Standing Committee approved the mining plan of Jitpur in its meeting held on 17.05.2005. The MP was conveyed to the allocatee on 12 th August, 2008 and in respect of development of allocatee coal block, letter with Advisory was issued to the allocatee for pick up the pact and to achieve milestones within stipulated period keeping in view of the decision of Review Meeting held on 25.08.2008 and review meeting taken by MOS to on 22.05.2008.
8	Litigation any orders of the court, if any.	Nil
9	Summary of reply of the company including reasons for delay	<p>Late receiving of GR from CMPDI (8 months)</p> <p>Late submission of mining plan to MOC (8 months) and clarification sought by MOC regarding proposal. Mining plan proposal was first considered in the meeting dated 22/04/2008 and subsequent clarifications related to the proposal sought by Ministry of Coal on 25/04/2008 & 22/05/2008. Query reply submitted on 05/06/2008 & 23/06/2008.</p> <p>Difficulty in obtaining land records from District authorities as Sunder Pahar is under SPA Act and land is not acquire & transferable. Limited land records are available.</p>
10	Comments of MOC with the respect to issue pertaining to delay in purchase of GR, transfer of surface rights by coal companies, sanction	The proposal dated 14.01.2008 for prior approval of ME was received from the State Govt. of Jharkhand. During the scrutiny of the proposal, it was noted that the company has changed the location of end-use plant from Distt. East Singhbhum to Distt. Godda, Jharkhand. This issue was



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of mining plan etc

taken up with the Min. of Power for their advice. After obtaining comments from the Ministry of Power with letter dated 17th January, 2011 the proposal has been considered and conveyed prior approval of the Central Govt. by the State Govt. on 16th May, 2011.



Status of Coal Block as on June, 2012

1. Name of Company:- M/s JSPL
2. Name of Coal Block:- Jitpur - IX Mine.
3. Date of Allocation:- 20.2.2007
4. Total Investment:- 20.96 Crores (upto Aug-12)
5. Reserve (Mill Tonnes):- 81.095
6. Yearly Rated Capacity:- 2.5 Mtpa
7. Cost of CR:- 1.58 Cr/tp
8. Location:- Rajmahal, JH
9. BCI Amount:- 16.59 Crores Valid upto 20.7.2013
10. Type of I.P:- Power Plant
11. Location of Project:- Gosda, Jharkhand
12. Capacity of the Project:- 1320 MW
13. Explored / In Explored:- Explored
14. As per allotment letter Para No. (1), date considered 20.2.2007 from the date of allocation of coal block.
15. Previous recommendation: Directly

Mile Stone	Schedule date of Completion	Actual date of Completion	Slippage in Yr. Mtd	Remarks
Start of Exploration	20.5.2009 (27 Months)	Not applicable	-	
Purchase of CR	6.4.2007	5.7.2007	3 Months	Forest- Stage of forest clearance for 139 ha recommended by FMO. MoU of 24 Crs to be paid.
Submission of Bank Guarantee	20.5.2007	21.7.2007	2 Months	Land - Consent stage from all stages for land acquisition under consent award and PISA Act compliance completed.
Mining Lease Application	20.5.2007	2.7.2007	1 Month	Land Agreement signed with GOI, U.S Section 4(d) on 6.9.2012.
Submission of Mining Plan	20.8.2007	13.3.2008	7 Months	Section IV(c) to be issued shortly.
Approval of Mining Plan	20.10.2007	13.8.2008	10 Months	Above distribution Rs. 50 Cr. Will be completed by end Dec. 2012 and land Acquisition by Feb 2013.
Application of Pres. Inv.	20.12.2007	14.1.2008	1 Mo	Gram Sabha was held on

approval				
Granting of Previous approval	20.1.2008	18.3.2011	2 Yrs 0 Months	Villages on 10.10.2011, 24.03.2012, 26.03.2012 and 28.03.2012 and PISA Act compliance completed with 2/3 rd majority of villages agreeing to Land acquisition.
Application of Forest clearance	20.2.2008	7.7.2008	5 Months	63 families have to be resettled.
Grant of Forest Clearance	20.8.2008	N	3 Yrs 0 Months	Grant of ML- This will be done after grant of Staged forest clearance by Ministry of Environment & Forest
Application EMP Clearance	20.2.2008	21.3.2008	1 Month	
Grant of EMP Clearance	20.8.2008	18.5.10	9 Months	
Grant of Mining lease	20.2.2008	N	3 Yrs 1 Months	
Application of Land Acquisition	20.9.2008	25.4.2008	Advance	
Completion of Land Acquisition	20.2.2010	N	2 Yrs	
Application for opening permission	20.6.2010	N	1 Yr 9 Months	
Grant of Opening permission	20.7.2010	N	1 Yr 8 Months	
Coal Production	20.8.2010	N	1 Yr 7 Months	

• Coal production is expected to start by Sept. 2013 subject to grant of ML.

EUP

ISPL

Proposed: 1320 MW TPP at Godda. It is expected to be commissioned in 2016-17. U#1 by 20.2.2015 and U#2 by 31.3.2016. Land acquisition to be completed in 2012. Financial tie up is going on. EMP

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clearance obtained. Transportation through pipe conveyor. FSA exists. Balance coal will be catered through long term coal linkage. MOC has accorded change of location of 1000 MW EIP from East Singhbhum to Godda (H) as per MOP's consent.

Project cost:- 7800 Crores
Investment made:- 13.33 Crores

Major Constraint faced by the block allocates

The company representative stated that the block area contains 500 hectare land out of which 139 hectare is forest land. Company submitted FL application in the year 2008 and the same is now pending at MOEF. He also pointed out that Panchayet Extension Schedule Act (PEEA) is in force in the area and no transfer of land is possible there under the said Act. As a result LA is very difficult in that region. Ml. is pending for want of FC. Conditional EIP clearance obtained. Expected date of coal production is June 2013.

Annexure-IV
13/27 306Auction calculation as per IMG recommendation in the meeting held on 18.09.2012

1. Name of Company:- M/s Jindal Steel & Power Ltd.
2. Name of Coal Block:- Jitpur / OC Mine.
3. Date of Allocation:- 20.2.2007
4. Normative Date of production:- 20.08.2010 (as per allotment letter)
5. Yearly Rated Capacity:- 2.5 MTPA (as per approved mine plan)
6. BG Amount submitted:- 16.59 Crores
7. Recommendation: IMG recommends that BG may be deducted for shortfall in production from the normative date of production i.e. 20.8.2010 in accordance with the terms and conditions of the allocation letter.

As per condition of Para-(viii) of the allocation letter No.38011/11/2006-CA-I(Part-I) dated 20.02.2007, 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 Jitpur, the amount of BG to be deducted on production basis is as under:-

CalculationDeduction for the 1st year

A= Production as per the approved mining plan for the 1st year (20.8.2010 to 19.8.2011) = 1 MT

B= Actual Production for the 1st year (20.8.2010 to 19.8.2011) = 0

C= Peak Rated Capacity= 2.5 MT

So, D= Percentage of amount of BG to be deducted = $(A-B)/C \times 100 = (1-0)/2.5 \times 100 = 40\%$

Amount of BG to be deducted for the 1st year = $16.59 \text{ Crore} \times 40/100 = 6.636 \text{ Crore}$

Deduction for the 2nd year

A= Production as per the approved mining plan for the 2nd year (20.8.2011 to 19.8.2012) = 2.5 MT

B= Actual Production for the 2nd year (20.8.2011 to 19.8.2012) = 0 (as on 31.03.2012)

C= Peak Rated Capacity= 2.5 MT

So, D= Percentage of amount of BG to be deducted = $(A-B)/C \times 100 = (2.5-0)/2.5 \times 100 = 100\%$

Amount of BG to be deducted for the 2nd year = $16.59 \text{ Crore} \times 100/100 = 16.59 \text{ Crore}$

Total amount of BG to be deducted = $6.636 + 16.59 = 23.226 \text{ Crore}$

N.B. Total amount of BG is Rs. 16.59 Crore on production basis.

Amount calculated for deduction is Rs.23.226 Crore which is more than the amount of BG on that account. Hence, entire BG amount pertaining to production i.e. Rs.16.59 Crore is liable for deduction.

H. Singh
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Bhargava
H.O.

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Coal Controller

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