

By Speed Post

F.No 13016/79/2008-CA-I
Government of India
Ministry of Coal

....

New Delhi, dated 23rd November, 2012

To

1. M/s Himachal EMTA Power Corp. Limited
New Himras Building
Circular Road,
Shimala

2. M/s JSW Steel Limited
UGF, NBCC Tower
15, Bikaji Cama Place,
New Delhi.

Sub: De-allocation and 50% of BG related to development of coal block may be forfeited in respect of Gourangdih ABC Coal block allocated to M/s Himachal EMTA Power Corp. Limited and M/s JSW Steel Limited- reg.

Sir,

I am directed to refer to Ministry of Coal's allocation letter No 13016/79/2008-CA-I dated 10th July, 2009 (Annexure-I) and to this Ministry's show cause notice No. 13011/26/2012-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 Gourangdih ABC 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. Gourangdih ABC coal block in Raniganj coalfields of Eastern Coalfields Limited command area of State of West Bengal for captive mining of coal was allocated on 10th July, 2007 in pursuance of Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 jointly to M/s M/s Himachal EMTA Power Corp. Limited and M/s JSW Steel Limited by working through a joint Venture company for meeting their proportionate share of requirement of coal 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.

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- (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 has clearly mentioned that The company shall submit a bank guarantee for **Rs. 13.88 crores** (equal to one year's royalty amount based on mine capacity of 2 mtpa assessed by CMPDIL, grade of coal of from E to G grades and the weighted average royalty @ Rs. 69.39 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) 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 20/21.07.2010, the Committee noted that JVC formed, BG not submitted. All other milestones are pending. Company informed that ECL is performing extensive mining activity in two patches (namely Kairabad and Gourangdih OCP within their coal block. No representative of ECL attended the meeting. It was informed that to mine coal by JV company, no notification is needed. CMPDIL informed that boundary has been defined and Khairabad is outside the block. The Committee was dissatisfied with the development of mine and asked to issue show cause notice for de-allocation. Since the block was allocated in 2009, the competent authority decided to issue advisory in this case.

ii) In the Review Meeting held on 11/12.01.2012, the Committee noted that Forest Clearance, EMP, Mining Lease and Land Acquisition are pending. FC application finalized. Selection of MDO will require 2 months. Mining Plan approved with 2.5 mtpa mine capacity. No significant progress achieved. Quarterly EUP report not being submitted to CCO.

5. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) on 21.06.2012 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 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 **8th September, 2012** before the IMG. The IMG considered the presentation, the status note of **the Gourangdih ABC** 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 | 25.08.09 | 21.12.2009 | 4 Months | |
| Submission of Bank Guarantee | 10.10.09 | 23.8.2010 | 10 Months | |
| Mining Lease Application | 10.10.09 | 26.6.12 | 2Yrs 8 Months | Delay in finalization of the land schedule |

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|------------------------------------|------------|------------|---------------|--|
| Submission of Mining Plan | 10.1.2010 | 17.11.2010 | 1yr1 Month | |
| Approval of Mining Plan | 10.3.2010 | 28.6.2011 | 1Yr 6 Months | |
| Application of Previous approval | 10.5.2010 | Pending | 2Yr 1 Month | Awaiting to State Govt. |
| Granting of Previous approval | 10.6.2010 | Pending | 2Yr | |
| Application of Forest clearance | 10.7.2010 | 20.6.12 | 2 Yrs | 50 Ha forest land purchased |
| Grant of Forest Clearance | 10.1.2011 | Pending | 1 Yr 5 Months | |
| Application EMP Clearance | 10.7.2010 | 31.12.10 | 5 months | |
| Grant of EMP Clearance | 10.1.2011 | Pending | 1Yr 2 m | TOR has been approved by MOEF 30.6.2011. |
| Grant of Mining Lease | 10.7.2011 | Pending | 11 Months | |
| Application of Land Acquisition | 10.2.2011 | Pending | 1Yr 4 Month | Land schedule is being finalised and application will be submitted shortly 214 Ha ML land acquired. 10 Crs out of 140 Crs spent. |
| Completion of Land Acquisition | 10.7.2012 | Pending | - | Survey for socio economic study is also in progress. |
| Application for opening permission | 10.11.2012 | Pending | - | |
| Grant of Opening permission | 10.12.2012 | Pending | - | |
| Coal Production | 10.1.2013 | Pending | - | 2015 |

6. The recommendations of the IMG relevant to the action to be taken are as under
"M/s Himachal EMTA Power Limited and M/s JSW Steel Limited (Gourangdih ABC)"

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 3 years have elapsed from the date of allotment i.e. 10.07.2009 and that the company has only purchased the GR, submitted BG and obtained the approved of the mining plan. There are slippages in respect of each of these milestones also. All other milestones are pending. Even application for land acquisition is pending. Investment made in the coal block as per CA Certificate submitted by the company is only Rs. 5.55 crore, the major component of which is cost of GR. The company has taken no steps for setting up the end-use plant except purchase of some land reported by one of the partners of the JV (JSW Steel Limited which is 50% share holder in the JV). CA Certificate for investment in end-use plant is not provided. During presentation, the company assured that they will be in a position to open the mine by Mid 2015, whereas normative date of coal production is 10.01.2013.

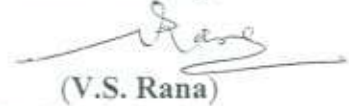
In view of the unsatisfactory progress both in development of coal mine and implementation of end-use plants and taking into account all factors, the IMG recommends that the coal block may be de-allocated in accordance with the terms and conditions of the letter of allocation. The IMG noted that the allocation letter provides for 50% deduction linked to milestones and 50% to the guaranteed production. In view of this the IMG recommends that 50% of the BG related to development of the coal block may be forfeited."

7. The recommendation of the IMG has since been considered and accepted by the Government. As the company has been given a number of opportunities to develop the coal block and the associated end use project and the allocatee company has failed to develop the same as per the milestones prescribed without any valid reasons for the delay, it has been decided **to de-allocate** the Gourangdih ABC coal block in the State of West Bengal from M/s Himachal EMTA Power Limited and M/s JSW Steel Limited. In addition, it is further decided to forfeit 50% of Bank Guarantee related to development of coal block as per recommendation of the IMG as mentioned in para 5 above. The Bank Guarantee to the extent of **Rs. 6.67 crores (Rupees six crores and sixty seven lakhs only)** be deducted and deposited with the Government (The calculation of deduction of Bank Guarantee is as per Annexure-IV). The company shall not be eligible for allocation of any alternative coal block in lieu of the de-allocated coal block.

8. M/s JSW Steel Limited has filed a W.P.(C) No. 6002/2012 vs Union of India in the Hon'ble High Court of Delhi. The Hon'ble High Court heard the matter on 21.09.2012. The Hon'ble High Court was pleased to dispose the said Writ Petition in terms of the directions contained in W.P. No. (C) 5877/2012 (Bhushan Steel Ltd. Vs UoI & Anr.) directing that " 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." In compliance of the above order, this order is made effective after a period of one week from the date of issue.

Yours faithfully,



(V.S. Rana)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of West Bengal, Writers Building, Kolkata.
2. The Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
3. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to deduct the bank guarantee as mentioned above and return the remaining bank guarantee.
4. The Chairman, Coal India Limited, 10- Netaji Subhash Road, Kolkata.
- ✓ 5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure - I

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Recd. By Speed Post
[Signature]

[Handwritten notes]
10/7/09

No 13016/79/2008-CA-I
Government of India
Ministry of Coal

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New Delhi, dated the 10th July, 2009.

To
(1) M/s Himachal EMTA Power Ltd.
New Himras Building,
Circular Road, Shimla-171005, H.P.

(2) M/s JSW Steel Ltd., Jindal Nagar,
5A, Dr. G.Deshmukh Marg,
Mumbai-400026, Maharashtra.

Subject : Allocation of Gourangdih ABC coal block in the State of West Bengal for captive mining of coal jointly by M/s Himachal EMTA Power Ltd. and M/s JSW Steel Ltd. - under Option-I.

Sir,

I am directed to refer to your application and this Ministry's offer letter No.38011/1/2007-CA-I dated 6th November, 2007 and to state that the request of the companies have been considered by the Central Government and it has been decided to allocate Gourangdih ABC non-coking coal block in Raniganj coalfields of Eastern Coalfields Limited command area in the State of West Bengal for captive mining of coal jointly by M/s Himachal EMTA Power Ltd. and M/s JSW Steel Ltd. by working through a joint Venture Company for meeting their proportionate share of requirement of coal. Based on the total geological reserves and requirement of coal as assessed by CMPDIL, tentative proportionate share of reserves is indicated in the table below :-

| Name of Company | Geological Reserves (MT) | Requirement of Coal for 30 years (MT)/Location of EUP | Proportionate of Share of reserves of coal in MT |
|---------------------------------------|--------------------------|--|--|
| 1. M/s Himachal EMTA Power Ltd. (IPP) | 131.7 | 2.3 x 30 = 69.00 for 500 MW Raniganj, West Bengal | 65.85 (on equal sharing basis) |
| 2. M/s JSW Steel Ltd. (CPP) | | 4.14 x 30 = 124.20 for 900 MW Paschim Medinipur, West Bengal | 65.85 (on equal sharing basis) |

2. 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 :-

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- i) A joint venture company be formed between M/s Himachal EMTA Power Ltd. and M/s JSW Steel Ltd. The equity holding in the joint venture company will be in proportion to the assessed coal requirement of the companies.
- ii) The joint venture company shall be formed and registered by the allocatees within 60 days from the date of allocation of this letter.
- iii) The mining lease shall be obtained in the name of the Joint Venture Company and coal extracted from the mine shall be distributed among the allocatees in the proportion of their assessed requirement.
- iv) The block is meant for captive use in their own specified end use projects to be set up as per details given in the table above. The coal produced from the block shall not replace any coal linkages given to you by the Coal India Ltd. / its subsidiary and/or by the Eastern Coalfields Limited, without prior permission of this Ministry.
- v) Coal mining shall be carried out as per the provisions of the Coal Mines (Nationalization) Act, 1973, the Mines and Minerals (Development and Regulation) Act, 1957, the Contract Labour (Regulation & Abolition) Act, 1970, all the minerals, environmental and labour laws alongwith other regulations, orders, directions governing coal industry.
- vi) 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.
- vii) 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 underground 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.
- viii) The joint venture company shall buy geological report from CMPDIL within six weeks from the date of this letter.

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- ix) The joint venture company shall submit a bank guarantee for **Rs.17.08 crore** (equal to one year's royalty amount based on mine capacity of 3.2 mtpa assessed by CMPDIL, grade of coal **D-F** and the average royalty @ **Rs 53.37 per tonne**) within three months from 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:
- (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.
- x) The Joint Venture 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.
- xi) The Joint Venture Company 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 Joint Venture Company shall be required to submit mine closure plan alongwith the mining plan as per the guidelines issued in this regard.


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- xii) 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.
 - xiii) 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.
 - xiv) 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.
3. 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 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.

4. The Joint Venture 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 / the Ministry of Surface Transport depending on the mode of transport.

Yours faithfully,


(V.S. Rana)
of India

Under Secretary to the Govt.

Encls. As above.

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To

1. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
2. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
3. Chief Secretary, Govt. of West Bengal, Writers' Buidling, Kolkata
4. 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-Managing Director, Eastern Coalfields Ltd., Sanctoria, Dishergarh, Burdwan, W.B-713333.
7. The Coal Controller, Office of the Coal Controller, 1 Council Street, Kolkatta 700001
8. CPAM Section / Guard file of CA-I Section.


(V.S.Rana)

Under Secretary to the Govt. of India

Annexure - II

SHOW CAUSE NOTICE

No.13011^{Rb}/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 3rd May, 2012

To

M/s Himachal EMTA Power Limited
13/13, 2nd Floor, Ganga Plaza,
WEA, Karol Bagh, New Delhi- 110005

M/s JSW
NBCC Tower,
Bhikaji Cama Place,
New Delhi - 110066.

Subject: Show cause notice in respect of Gourangdih ABC block.

Sir,

I am directed to refer to this Ministry's letter No.13016/79/2008-CA-I dated 10th July, 2009 conveying allocation of **Gourangdih ABC** 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 previous approval, Forest Clearance, EMP, Mining Lease and Land Acquisition are pending for **Gourangdih ABC** 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 | 25.08.09 | 21.12.2009 | 4 Months |
| Submission of Bank Guarantee | 10.10.09 | 23.8.2010 | 10 Months |
| Mining Lease Application | 10.10.09 | Pending | 2Yrs 5 Months (as on 3/2012) |
| Submission of Mining Plan | 10.1.2010 | 17.11.2010 | 10 Months |
| Approval of Mining Plan | 10.3.2010 | 28.6.2011 | 1Yr 3 Months |
| Application of Previous approval | 10.5.2010 | Pending | 1Yr 10 Months (as on 3/2012) |
| Granting of Previous approval | 10.6.2010 | Pending | 1Yr 9 Months (as on 3/2012) |
| Application of Forest clearance | 10.7.2010 | Pending | 1Yr 8 Months (as on 3/2012) |
| Grant of Forest Clearance | 10.1.2011 | Pending | 1 Yr 2 Months (as on 3/2012) |
| Application EMP Clearance | 10.7.2010 | Pending | 1Yr 8 Months (as on 3/2012) |
| Grant of EMP Clearance | 10.1.2011 | Pending | 1 Yr 2 Months (as on 3/2012) |
| Grant of Mining Lease | 10.7.2011 | Pending | 8 Months (as on 3/2012) |
| Application of Land Acquisition | 10.2.2011 | Pending | 1Yr 1 Month (as on 3/2012) |
| Completion of Land Acquisition | 10.7.2012 | Pending | - |
| Application for opening permission | 10.11.2012 | Pending | - |
| Grant of Opening permission | 10.12.2012 | Pending | - |

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| Coal Production | 10.1.2013 | Pending | - |
|-----------------|-----------|---------|---|

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 **Gourangdih ABC** 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 **Gourangdih ABC** coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

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

STATUS NOTE OF GOURANGDIH ABC COAL BLOCK

| Sl No | Items | Remarks |
|-------|--|--|
| 1 | Name Of the Block | Gourangdih ABC Coal Block |
| 2 | Name Of the allocate | M/s Himachal EMTA Power Ltd. & M/s JSW Steel Ltd. |
| 3 | Date Of allocation | 10 th July, 2009 |
| 4 | End use plant and Capacity | Captive Mining of coal Capacity : M/s Himachal EMTA Power Ltd:- 500 MW Raniganj, West Bengal M/s JSW Steel Ltd:- 900MW Paschim Medinipur, West Bengal |
| 5 | Important terms and conditions of allocation | A copy of allocation letter is enclosed. |
| 6 | Milestones of allocation | Some of the mile stones have been achieved and 13 no(s) of mile stones are pending. |
| 7 | Slippages against Milestones as stated in the SCN | A copy of status report from CCO is enclosed. |
| 8 | History Previous review / action | A show cause notice was issued based on the Review Meeting held on 20-21.07.2010. |
| 9 | 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 |
| 10 | Litigation any orders of the court , if any | NO |
| 11 | Summary of reply of the company including reasons for delay | Investment 424.57 Cr Revised MP was approved for A and C Block on 28.06.2011. Part of B of the block deleted from allocation due to encroachment. |
| 12 | 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. | In respect of removal of B Part of the block, the Ministry has not given any approval or communication. |



Annexure - III

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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.Gourangdih Coal Ltd (JVC of Himachal EMTA Power Ltd & JSW Steel Ltd.)
2. Name of Coal Block:- Gourangdih ABC (Explored)
3. Date of Allocation:- 10.7.2009
4. Location: Ranigunj, WB
5. Total investment made:-5.55 Crs (CA report)
6. Reserve (Mill tonnes):- 131.7
7. Yearly rated capacity (MTPA):- 2.5
8. Cost of GR:-4.78 Crs (20.8.12)
9. BG Amount :- 17.08 Crs Valid upto 20.8.2013
10. Type of EUP: IPP, CPP
11. Location of Project: WB
12. Capacity of Project:- 500 MW & 1000 MW
13. Explored/Un explored:-E
14. Zero Date:-10.7.09

| Mile Stones | Schedule date of Completion | Actual date of Completion | Slippage in YY/MM | Remarks |
|----------------------------------|-----------------------------|---------------------------|-------------------|--|
| Purchase of GR | 25.08.09 | 21.12.2009 | 4 Months | |
| Submission of Bank Guarantee | 10.10.09 | 23.8.2010 | 10 Months | |
| Mining Lease Application | 10.10.09 | 26.6.12 | 2Yrs 8 Months | Delay in finalization of the land schedule |
| Submission of Mining Plan | 10.1.2010 | 17.11.2010 | 1yr1 Month | |
| Approval of Mining Plan | 10.3.2010 | 28.6.2011 | 1Yr 6 Months | |
| Application of Previous approval | 10.5.2010 | Pending | 2Yr 1 Month | Awaiting to State Govt. |
| Granting of Previous approval | 10.6.2010 | Pending | 2Yr | |

checked by - D. Banerjee

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COAL CONTROLLER
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| Application of Forest clearance | 10.7.2010 | 20.6.12 | 2 Yrs | 50 Ha forest land purchased |
| Grant of Forest Clearance | 10.1.2011 | Pending | 1 Yr 5 Months | |
| Application EMP Clearance | 10.7.2010 | 31.12.10 | 5 m | |
| Grant of EMP Clearance | 10.1.2011 | Pending | 1Yr 2 m | TOR has been approved by MOEF 30.6.2011. |
| Grant of Mining Lease | 10.7.2011 | Pending | 11 Months | |
| Application of Land Acquisition | 10.2.2011 | Pending | 1Yr 4 Month | Land schedule is being finalised and application will be submitted shortly 214 Ha ML land acquired. 10 Crs out of 140 Crs spent. |
| Completion of Land Acquisition | 10.7.2012 | Pending | - | Survey for socio economic study is also in progress. |
| Application for opening permission | 10.11.2012 | Pending | - | |
| Grant of Opening permission | 10.12.2012 | Pending | - | |
| Coal Production | 10.1.2013 | Pending | - | 2015 |

Expected production target 2015.

EUP for Himachal Emta

Proposed:- 2x250 MW IPP at ranigunj W.B. is expted to be commissioned in a phased manner. U#1= Dec,2015 and U#2= 2018.

Financial closure is not yet completed.

Amount invested 5.6 Crs for EUP in r/o Himachal Emta Power Ltdas per CA Certificate.

Investment made:- 5.6 Crs (CA report)

Checked by - *[Signature]*

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[Signature]
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EUP for JSW Steel Ltd.

Proposed:- 900 MW CPP at Salboni, West Midnapore is expected to be commissioned by April.2015.

Amount invested 317.5 Crs out of 4500 crores. Financial closure is not yet completed.

Major constrain faced by the block allocates are to acquire required land for mining development and construction of EUP. Construction of EUP is main hurdle to commence mining operation.

Chief Secy - BSE



[Signature]
कोयला नियंत्रक
COAL CONTROL

Annexure I IV
7/27

1. Name of Company:- M/s. Gourangdih Coal Ltd. (JVC of Himachal EMTA Power Ltd. & JSW Steel Ltd.)
2. Name of Coal Block:- Gourangdih ABC (Explored)
3. Date of Allocation:- 10.7.2009
4. Normative Date of production:-10.01.2013(as per allotment letter)
5. Yearly rated capacity (MTPA):- 2.5 (as per approved mine plan)
6. BG Amount submitted :-17.08 Cr*
7. Recommendation: In view of the unsatisfactory progress both in development of coal mine and implementation of end-use plants and taking into account all factors, the IMG recommends that the coal block may be de-allocated in accordance with the terms and conditions of the letter of allocation. The IMG noted that the allocation letter provides for 50% deduction linked to milestones and 50% to the guaranteed production. In view of this the IMG recommends that 50% of the BG related to development of the coal block may be forfeited.

*N.B.-(The company submitted BG for Rs. 17.08 Crore based on PRC of 3.2 MTPA as per allocation letter. As per approved Mine Plan, the revised PRC is 2.5 MTPA and the BG amount should be modified as Rs. 13.34 Crore as mentioned in para-ix of the allocation letter dated 10.07.2009.)

Actual B.G. amount submitted as per allocation letter – Rs. 17.08 crores
As per revised Mine Plan B.G. should be modified as Rs. 13.34 crores.

Calculation is made based on Rs. 13.34 crores.

Total Bank Guarantee amount: 13.34 Cr.

50% of BG =6.67 Crore

Amount of BG to be forfeited =6.67 Crore

Heising
M

Palak
H.O. *x

Shri
Coal Controller

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