

F.No. 13016/44/2012 -CA-I

Government of India

Ministry of Coal

....

New Delhi, dated the 4th March, 2014

To

M/s West Bengal Mineral Development & Trading Corporation (WBMDTC)
13, Nellie Sengupta Sarani,
2nd Floor, Kolkata- 700 087

Sub: Deduction of Bank Guarantee (BG) in respect of Sitarampur coal block in the State of West Bengal allotted to M/s West Bengal Mineral Development & Trading Corporation (WBMDTC) - Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/23/2006-CA-I dated 27th Decmber, 2007 (Annexure-I) and to this Ministry's show cause notice letter No. 13011/35/2012-CA-I dated 4th May, 2012 (Annexure-II) and to your reply to the show cause notice and the Presentation made/documents submitted by you on 10th October, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. Sitarampur coal block located in the State of West Bengal was allocated to M/s West Bengal Mineral Development & Trading Corporation Limited (WBMDTCL) in pursuance of the Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973 and the Revised Policy on Coal Mining by Government subject to certain terms and conditions. In the allocation letter, at point No.(x) and (xii) (iii) the following is stipulated as under:-

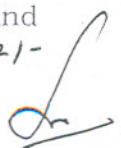
“(x) In respect of an unexplored block, the allocatee company shall apply for a prospecting license within three months of the date of issue of allotment letter. The exploration shall be completed and geological report prepared within two years from the date of issue of prospecting license. After the detailed exploration is completed the allocatee of the block shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee.”

“(xii) (iii) The allocatee shall ensure that the bank guarantee remains valid at all times till the mines 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.”

3. The progress of allocated coal block has been reviewed by the Ministry through a Review Committee from time to time wherein the allocatee company gives presentation in respect of the development made by them with reference to the milestones prescribed in the allocation letter. During these meetings following was noted:

- i. In the review meeting held on 25/26.03.2008 it was noted BG was not submitted for this Regionally explored block. Exploration was being taken up by MECL.
- ii. In the Review Meeting held on 15/16.10.2008, it was noted that the block is Regionally explored. Bank Guarantee has been submitted and applied for PL.

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- iii. Further, the Review Committee in its meeting held in 22/23.06.2009 noted that the block is Regionally explored. BG has been submitted, applied for PL on 24.03.2008. Exploration is being made by MECL. 59 bore holes in 8 Sq.Km area have been done. Representative expressed that if sub-blocking was allowed they would go ahead for development. At this Chairman advised to prepared and submit the Mine plan.
- iv. In the Review Committee meeting held in on 20/21.07.2010 it was noticed that the block is regionally explored. BG has been submitted, PL granted. MECL has started drilling. Informed about the boundary dispute as some part of the block is with BCCL. Coal will be utilized for the power plant of JSW Steel Limited.
- v. The Review Committee meeting held on 11/12.01.2012 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 was also noted that important / critical milestones such as grant of previous approval, Forest Clearance, EMP, Mining Lease are pending. The company was issued the show cause notice. The company furnished their reply to the show cause notice.

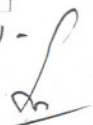
4. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) under the Chairpersonship of Additional Secretary (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The IMG has 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.

5. The case of the allocate company was referred to IMG. Accordingly, the IMG asked the allocatee company 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 10th October, 2012 before the IMG. The IMG considered the presentation, the status note of the Sitarampur coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation (June 2012) (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 as on 06/2012	Remarks
Purchase of GR	27.3.2010 (27 Months)	5.3.2012	2Yrs	Due to regionally explored
Submission of Bank Guarantee	27.3.2008 3 months from GR	29.8.2008	5 months	
Mining Lease Application	27.6.2010 3 months from GR	Pending	2 Years	



Submission of Mining Plan	27.9.2010 6 months from GR	Pending	1Years 9 Months	
Approval of Mining Plan	27.11.2010 8 months from GR	Pending	1Yr 7 Months	
Application of Previous approval	27.1.2011 10 months from GR	Pending	1Yr 5 Months	
Granting of Previous approval	27.2.2011 11 months from GR.	Pending	1Yr 4 Months	
Application of Forest clearance	27.3.2011 12 months from GR	Pending	1Yr 3 months	
Grant of Forest Clearance	27.9.2011 18 months from GR	Pending	9 Months	
Application EMP Clearance	27.3.2011 12 months from GR	Pending	1Yr 3 months	
Grant of EMP Clearance	27.9.2011 18 months from GR	Pending	9 Months	
Grant of Mining Lease	27.3.2012 24 months from GR	Pending	3 months	
Application of Land Acquisition	27.10.2011 19 months from GR	Pending	8 Months	
Completion of Land Acquisition	27.3.2013 36 months from GR	Pending	-	
Application for opening permission	27.7.2014 40 months	Pending	-	

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	from GR			
Grant of Opening permission	27.8.2014 41 months from GR	Pending	-	
Production	27.9.2014 (54 Months)	Pending	-	Underground including forest land.

6. After detailed deliberations, the IMG made the following recommendations :-

M/s West Bengal Mineral Dev. and Trading Corporation Ltd. (Sitarampur Block)

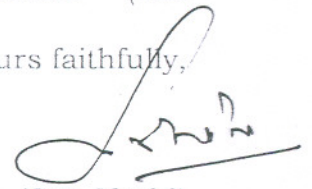
The IMG considered the terms and conditions of allocation, the show cause notice issued and the reply along with the presentation made by the allocatee and the status paper placed before the IMG. The IMG noted that this is a regionally explored block and more than 5 years have elapsed from the date of allotment i.e. 25.8.2007. Exploration has been completed and mining plan submitted in August 2012. There is no forest land involved and TOR for EC has been received on 30.11.2011. MDO has been appointed on 30.3.2010. The investment in the mining project as per the CA certificate is Rs.28.55 crores, mainly on account of exploration. The normative date of production as per the allocation letter is 27.9.2014.

The IMG noted that this is an underground mine and the mining plan has been submitted. Though there are slippages against all milestones, however, taking into account all factors, IMG does not consider it appropriate to recommend de-allocation of the coal blocks at this stage. The deduction of BG as per allocation letter is linked 50% to the achievement of milestones set for development of block and remaining 50% to the deficit in production. The IMG therefore, recommends that in view of the slippage in milestones, deduction from 50% of the BG linked to development of the block may be done as per the weightage formula adopted by the IMG for proportionate deduction.

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

8 Accordingly, the Bank Guarantee (BG) to the extent of Rs **2.064 Crore (Rupees two crores six lakhs and forty thousand only)** be invoked and deposited with the Government in the relevant head of Account. (The calculation of deduction of BG is as per Annexure IV) .


Yours faithfully,


(S.K.Shahi)
Director

Copy to:-

1. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.

2. The Chief Secretary, Government of West Bengal, Writers Building, Kolkata.
3. The CMD, Coal India Limited, 10- Netaji Subhash Road, Kolkata- 700001.
4. The CMD, ECL
5. The Coal Controller's Organisation, 1, Council House Street, Kolkata with direction to take necessary steps to deduct the Bank Guarantee amount and deposit the same with the Government.
6. CMD, CMPDIL, Ranchi.
7. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

 11/2/22

Annex - I

(31)

F.No:13016/23/2006-CA-I
Government of India
Ministry of Coal

New Delhi, the 27th December 2007

To

The Managing Director,
West Bengal Mineral Development and
Trading Corporation Ltd.,
13, Nelli Sengupta Sarani,
(Lindsay Street), 2nd Floor,
P.B.No.9026, Kolkatta 700 087

Subject: Allocation of Sitarampur coal block to West Bengal Mineral Development and Trading Corporation (WBMDTC).

Sir,

I am directed to refer to letter number as mentioned below on the above subject and to convey the 'in principle' consent of the Government of India to the working of Sitarampur (210 MT) coal block as under:

Name of the allocatee company	Reference No.	Project Name
West Bengal Mineral Development and Trading Corporation Ltd (WBMDTC)	Chief Secretary, Government of West Bengal's letter No. 132-CS/05 dated 28.10.2005	Commercial mining

2. The above allocation has been made under the Government Company dispensation in pursuance of the provisions of Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act 1973 and the Revised Policy on Coal Mining by State Government (copy enclosed), subject to further following conditions:

(i) Prospecting/Detailed exploration and coal mining shall be carried out by M/s WBMDTC or a separate company to be created with participation of M/s WBMDTC provided that the separate created company is a Government company eligible to do coal mining as per the provisions of the Coal Mines (Nationalisation) Act, 1973.

(ii) The mining lease will be executed between the State Government and the allocatee as per the provisions of the MMDR Act 1957 and the rules framed there under.

(iii) The allocatee will do exploration and coal mining in accordance with the provisions of the Coal Mines (Nationalisation) Act 1973, the Mines and Minerals (Development & Regulation) Act, 1957, the Contract Labour (Regulation & Abolition) Act, 1970, all the minerals, environmental and labour laws alongwith other regulations governing coal industry.

(iv) Detailed exploration shall be carried out on their own, subject to guidelines laid down in consultation with the CMPDIL.

(v) Mining of coal from the allocated coal block shall be carried out in accordance with the applicable Statutes/Rules/Orders/Directions governing the mining of coal in the country so as to extract the reserve to the maximum extent possible.

(vi) Those of the conditions mentioned herein 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 agree to by the Central Government.

(vii) 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.

(viii) Coal produced from the allocated of Sitarampur will not be supplied to the consumers of Coal India Limited/SCCL against their existing linkages.

(ix) M/s WBMDTC may approach CIL/CMPDIL/GSI to obtain the available geological data on the block on payment of necessary exploration cost.

(x) In respect of an unexplored block, the allocatee company shall apply for a prospecting license within three months of the date of issue of allotment letter. The exploration shall be completed and geological report prepared within two years from the date of issue of prospecting license. After the detailed exploration is completed the allocatee of the block shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee.

(xi) M/s WBMDTC shall submit a bank guarantee of Rs. 9.6 crore (equal to one year's royalty amount based on the tentative mine capacity of 1 mtpa and taking grade of coal as E & F and the weighted average royalty @ Rs 96.00 per tonne) within three months from the date of this letter. Subsequently, upon approval of mining plan, the Bank Guarantee amount will be modified on the basis of peak/rated capacity of the mine.

(xii) 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:

(i) 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.

(ii) 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.

(iii) The allottee 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.

(iv) The allottee 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 allottee shall be required to submit mine closure plan alongwith the mining plan as per the guidelines issued in this regard.

(xiii) Any violation of the conditions imposed above in mining of coal from the Sitarampur coal block will render the mining lease liable for cancellation and withdrawal of allocation.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Government of India.

Copy to

1. The Chief Secretary, Government of West Bengal, Kolkatta.
2. Coal Controller, Kolkatta
3. Chairman, CIL, Kolkatta
4. CMD, CMPDIL, Ranchi CIL
5. CMD, ECL
6. Office Folder.

MILESTONES CHART

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

SHOW CAUSE NOTICE

No.13011/35/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 4 May, 2012

To

M/s West Bengal Mineral Development & Trading Corporation (WBMDTC)
13, Nillie Sengupta Sarani, Lindsay Street,
2nd Floor, P.B.NO. 9026,
Kolkata- 700 087

Subject: Show cause notice in respect of Sitarampur block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/8/2007-CA-I dated 25.07.2007 conveying allocation of Sitarampur 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 are pending for Sitarampur 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	27.3.2010 (27 Months)	5.3. 2012	2Yrs
Submission of Bank Guarantee	27.3.2008	Yes	
Mining Lease Application	27.6.2010	Pending	1Yr 9 Months
Submission of Mining Plan	27.9.2010	Pending	1Yr 6 Months
Approval of Mining Plan	27.11.2010	Pending	1Yr 4 Months
Application of Previous approval	27.1.2011	Pending	1Yr 2 Months
Granting of Previous approval	27.2.2011	Pending	1Yr 1 Months
Application of Forest clearance	27.3.2011	Pending	1Yr
Grant of Forest Clearance	27.9.2011	Pending	6 Months
Application EMP Clearance	27.3.2011	Pending	1Yr
Grant of EMP Clearance	27.9.2011	Pending	6 Months
Grant of Mining Lease	27.3.2012	Pending	-
Application of Land Acquisition	27.10.2011	Pending	5 Months
Completion of Land Acquisition	27.3.2013	Pending	-
Application for opening permission	27.7.2014	Pending	-
Grant of Opening permission	27.8.2014	Pending	-
Coal Production	27.9.2014 (54 Months)	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 **Sitarampur** 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 **Sitarampur** coal block.


(Sandeep Gupta)

Under Secretary to the Govt. of India

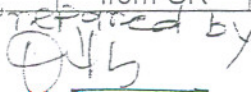
Copy to The Coal Controller, Coal Controller Organisation, Kolkata

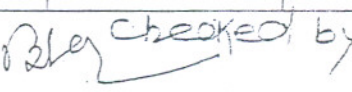
Coal Controller Office, MOC/Kolkata
Status of the captive Coal Block as on June'2012
 (as per quarterly report furnished by the Block owners)


- | | |
|--------------------------------------|---|
| 1. Name of Company | :- M/s. West Bengal Mineral Development & Trading Corp. Ltd |
| 2. Name of Coal Block | :- Sitarampur (RE) |
| 3. Date of Allocation | :- 27.12.2007 |
| 4. Location | :- Ranigunj, WB |
| 5. Total investment | :- Not yet estimated |
| 6. Investment Made (6/12) | :- Rs. 29 Cr |
| 7. Reserve (Mill tonnes) | :- Geological:- 210 MT |
| 8. Grade of coal | :- St-I to W-IV |
| 9. Yearly rated capacity (MTPA) | :- 1 MTPA |
| 10. Cost of GR | :- Not mentioned in the status report |
| 11. BG Amount | :- Rs. 9.60 Cr BG for M/s. WBMDTCL had submitted the State Government Guarantee dated 29.08.2008 of Rs. 9.60 Cr and forwarded the same to the MOC vide letter no.476-CI/O/MDTC-Coal/05/08/Mines dated 29.08.2008. |
| 12. Type of EUP | :- Commercial |
| 13. Location of Project | :- Coal supply to the project within the state. |
| 14. Capacity of Project | :- Not applicable |
| 15. Explored/Un explored | :- Regionally explored |
| 16. Zero Date | :- 27.12.2007 (As per allocation letter zero date considered 27.12.2007 i.e. from the date of allocation of coal block). |
| 17. Types of mine (OC/UG/Mix) | :- UG |
| 18. Previous Recommendation, if any- | |

Details of milestone to be achieved and time lapsed against each milestone are as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM as on 06/2012	Remarks	Special observation
Purchase of GR	27.3.2010 (27 Months)	5.3. 2012	2Yrs	Due to regionally explored	
Submission of Bank Guarantee	27.3.2008 3 months from allocation	29.8.2008	5 months		
Mining Lease Application	27.6.2010 3 months from GR	Pending	2 Years		
Submission of Mining Plan	27.9.2010 6 months from GR	Pending	1Years 9 Months		
Approval of Mining Plan	27.11.2010 8 months from GR	Pending	1Yr 7 Months		

Prepared by


By checked by


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Application of Previous approval	27.1.2011 10 months from GR	Pending	1Yr 5 Months		
Granting of Previous approval	27.2.2011 11 months from GR	Pending	1Yr 4 Months		
Application of Forest clearance	27.3.2011 12 months from GR	Pending	1Yr 3 months		
Grant of Forest Clearance	27.9.2011 18 months from GR	Pending	9 Months		
Application EMP Clearance	27.3.2011 12 months from GR	Pending	1Yr 3 months		
Grant of EMP Clearance	27.9.2011 18 months from GR	Pending	9 Months		
Grant of Mining Lease	27.3.2012 24 months from GR	Pending	3 months		
Application of Land Acquisition	27.10.2011 19 months from GR	Pending	8 Months		
Completion of Land Acquisition	27.3.2013 36 months from GR	Pending	-		
Application for opening permission	27.7.2014 52 months from GR	Pending	-		
Grant of Opening permission	27.8.2014 53 months from GR	Pending	-		
Production	27.9.2014 (54 Months)	Pending	-	Underground including forest land.	

GR Completed.

Preparation of Mining Plan is reportedly been complete.

L.A. will be taken up after Approval of Mining Plan

Prepared by
[Signature]

Checked by
[Signature]

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20.10.2014

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Jaganathpur A & B and Sitarampur

SI No	Items	Remarks
1	Name Of the Block	Jaganathpur A & B coal blocks
2	Name Of the allocate	M/s West Bengal Mineral Development & Trading Corporation Limited (WBMDTCL).
3	Date Of allocation	25 TH August, 2007
4	End –use Plant	As per the agreement signed by WBMDTC M/s JSW Bengal Ltd is the purchaser of 80% coal from Sitarampur coal block and M/s Jai Balaji Industries Ltd is the purchaser of 100% coal from Jaganathpur A and 80% from Jaganathpur B coal blocks.
5	Important terms and conditions of allocation	The allocation letter dated 27 th August, 2007.
6	Milestones of allocation /Slippages against Milestones as stated in the SCN	Status of CCO, Kolkata is enclosed.
7	History Previous review / action	In Review Meeting held on 25/26.03.2008 it was noted that BG not submitted, asked to submit by 31.03.2008. MECL to explore. In Review Meeting held on 15/16.10.2008 it was noted that all pending except submission of BG. MECL to explore but representative informed that MECL is busy. In Review Meeting held on 22/23.06.2009 it was noted that all pending except submission of BG. MECL to explore. 1000 meter drilling completed so far. In Review Meeting held on 20/21.07.2010 it was noted that WBMDTCL to furnish coal utilization/ or to whom coal will be supplied to CCO within 15 days.
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	Geological exploration work in respect of above cola blocks has been completed and mining plan submitted to MOC. Production would start subject to approval of Mining Plan and environment clearance.
10	Comments of MOC with the respect to issue	Approval of Mining Plan pending. No



	pertaining to delay in purchase of GR, transfer of surface rights by coal companies, sanction of mining plan etc.	mention has been made about land acquisition. Forest clearance pending.
11	Investment made in mining and end use plant	CA certificate is enclosed.

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1. Name of Company:-M/s West Bengal Mineral Dev. And Trading Corporation Ltd.
2. Name of Coal Block:- Sitarampur (Regionally Explored)
3. Date of Allocation:- 27.12.2007
4. Normative Date of production:- 27.09.2014 (as per IMG)
5. Yearly Rated Capacity:- 1 MTPA
6. Grade of Coal:- St-I to W-IV
7. BG Amount:- Rs. 9.6 Crore
8. Recommendation: The IMG noted that this is an underground mine and the mining plan has been submitted. Though there are slippages against all milestones, however, taking into account all factors, IMG does not consider it appropriate to recommend de-allocation of the coal blocks at this stage. The deduction of BG as per allocation letter is linked 50% to the achievement of milestones set for development of block and remaining 50% to the deficit in production. The IMG therefore, recommends that in view of the slippage in milestones, deduction from 50% of the BG linked to development of the block may be done as per the weightage formula adopted by the IMG for proportionate deduction.

BG deduction on the basis of non-achievement of Mile stone as on Nov'2012

Sl No.	Mile Stones	Weight (in %)	Actual Status	Marks	Remarks
1	Purchase of GR	5	Completed	5	
2	Submission of Bank Guarantee	8	Completed	8	
3	Mining Lease Application	7	Completed	7	
4	Submission of Mining Plan	10	Completed	10	
5	Approval of Mining Plan	10	Not Completed	0	
6	Application of Previous approval	6	Not Completed	0	
7	Granting of Previous approval	5	Not Completed	0	
8	Application of Forest clearance	8	No Forest	8	
9	Grant of Forest Clearance	5	No Forest	5	
10	Application EMP Clearance	8	Completed	8	
11	Grant of EMP Clearance	5	Not completed	0	
12	Grant of Mining Lease	5	Not completed	0	
13	Application of Land Acquisition	8	Not Completed	0	
14	Completion of Land Acquisition	4	Not completed	0	
15	Application for opening permission	2	schedule date not yet reached	2	
16	Grant of Opening permission	2	schedule date not yet reached	2	
17	Coal Production	2	schedule date not yet reached	2	
	TOTAL	100		57	

Total Bank Guarantee amount: Rs. 9.6 Cr.

A= 50% of BG =Rs. 4.8 Crore

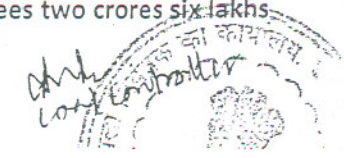
Score obtained for achieving of mile stone = 57%

B=Score obtained for not achieving of mile stone = (100-57) =43%

BG to be deducted for not achieving Milestones as on Nov'2012= AxB = Rs. 4.8 x43%= Rs. 2.064 Crore

Total amount of BG to be deducted for not achieving Milestones = Rs. 2.064 Crore (Rupees two crores six lakhs and forty thousand only)

[Handwritten signatures and marks]



1. Name of Company:-M/s West Bengal Mineral Dev. And Trading Corporation Ltd.
2. Name of Coal Block:- Sitarampur (Regionally Explored)
3. Date of Allocation:- 27.12.2007
4. Normative Date of production:- 27.09.2014 (as per IMG)
5. Yearly Rated Capacity:- 1 MTPA
6. Grade of Coal:- St-I to W-IV
7. BG Amount:- Rs. 9.6 Crore
8. **Recommendation:** The IMG noted that this is an underground mine and the mining plan has been submitted. Though there are slippages against all milestones, however, taking into account all factors, IMG does not consider it appropriate to recommend de-allocation of the coal blocks at this stage. The deduction of BG as per allocation letter is linked 50% to the achievement of milestones set for development of block and remaining 50% to the deficit in production. The IMG therefore, recommends that in view of the slippage in milestones, deduction from 50% of the BG linked to development of the block may be done as per the weightage formula adopted by the IMG for proportionate deduction.

BG deduction on the basis of non-achievement of Mile stone as on Nov'2012

Sl No.	Mile Stones	Weight (in %)	Actual Status	Marks	Remarks
1	Purchase of GR	5	Completed	5	
2	Submission of Bank Guarantee	8	Completed	8	
3	Mining Lease Application	7	Completed	7	
4	Submission of Mining Plan	10	Completed	10	
5	Approval of Mining Plan	10	Not Completed	0	
6	Application of Previous approval	6	Not Completed	0	
7	Granting of Previous approval	5	Not Completed	0	
8	Application of Forest clearance	8	No Forest	8	
9	Grant of Forest Clearance	5	No Forest	5	
10	Application EMP Clearance	8	Completed	8	
11	Grant of EMP Clearance	5	Not completed	0	
12	Grant of Mining Lease	5	Not completed	0	
13	Application of Land Acquisition	8	Not Completed	0	
14	Completion of Land Acquisition	4	Not completed	0	
15	Application for opening permission	2	schedule date not yet reached	2	
16	Grant of Opening permission	2	schedule date not yet reached	2	
17	Coal Production	2	schedule date not yet reached	2	
	TOTAL	100		57	

Total Bank Guarantee amount: Rs. 9.6 Cr.

A= 50% of BG =Rs. 4.8 Crore

Score obtained for achieving of mile stone = 57%

B=Score obtained for not achieving of mile stone = (100-57) =43%

BG to be deducted for not achieving Milestones as on Nov'2012= Ax B = Rs. 4.8 x 43% = Rs. 2.064 Crore

Total amount of BG to be deducted for not achieving Milestones = Rs. 2.064 Crore (Rupees two crores six lakhs and forty thousand only)

Bear

M

Coal Committee