

By Speed Post

No.13016/34/2011-CA-I
Government of India
Ministry of Coal

New Delhi, dated 6th February,
January, 2014

To,
The Managing Director,
The Madhya Pradesh State Mining Corporation Ltd.,
Paryavas Bhawan, Block No. 1(A),
Second Floor, Jail Road, Arera Hills,
Bhopal-462011.

Subject: Deduction and encashment of Bank Guarantee (BG) in respect of Marki Barka coal block allocated to M/s Madhya Pradesh State Mining Corporation Ltd.- regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No. 13016/8/2007-CA-I dated 25.07.2007 conveying allocation of **Marki Barka** coal block in pursuance of the provisions contained in Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions (**Annexure-I**). One of the conditions of allocation was that in respect of an unexplored block, the allocatee company had to apply for a prospecting license within three months of the date of allocation. The exploration was to be completed and geological report prepared within two years from the date of issue of prospecting license. After the detailed exploration was completed the allocatee of the block had to proceed for ensuring earliest commencement of production. The milestone chart appended to the allocation letter was to be adhered to. Any slippage would render the allocation liable for cancellation, and withdrawal of block from the allocatee. Allocation letter also stipulates that any violation of the conditions in mining of coal from the block will render the mining lease liable for cancellation and withdrawal of allocation.

2. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 22/23.06.2009 it was stated that PL was filed, BG was submitted. JV partner was finalized & agreement was under progress. No other progress was noticed. Chairman was dissatisfied with the slow progress of block observing that no substantial progress was made for two years. Representative of the company was asked to submit a detailed bar chart to MOC/CCO within a month. It was further observed that unless the MP is submitted by Sept. end to MOC, the blocks could be de-allocated. In the review meeting held on 20/21.07.2010 it was noticed that it is RE block. PL was granted. JV partner is ACC Ltd. as MDO. Company assured that GR would be completed within 10 weeks after completion of prospecting.

3. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Marki Bakra** coal block allocated to the company is not satisfactory. The Committee



expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated. It was also intimated that the progress would be monitored regularly and if the development of the coal block and associated end use plant is not as per the schedule furnished and if any willful delay is noticed, appropriate action including deduction of bank guarantee/de-allocation of block would be considered.

4. In the meantime, the Government has constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairmanship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic Affairs. 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. IMG in its 18th meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Marki Barka** Coal Block prepared by the Coal Controller's Organisation (CCO) as on December, 2012 and noted that no significant progress was made by the company towards development of the coal block. It was noticed that a number of important/critical milestones were pending. Keeping in view the unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. Accordingly a show cause notice dated 10.06.2013 was issued (**Annexure-II**).

5. Subsequently, on receipt of reply in response to show cause notice, the IMG asked the allocatee company to make a presentation before it on the progress of development of allocated coal block and associated end use project(s). The representatives of the company gave presentation on 25.10.2013 before the IMG in its 23rd meeting. The IMG considered the presentation, the status of the **Marki Bakra** coal block and associated end use project(s) prepared by the Ministry of Coal and Coal Controller's Organisation (**Annexure-III**). The details of milestones to be achieved and the time lapsed against each milestone, as reported by the Office of Coal Controller, are given in the table below:

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as June'13)	Remarks	Special Observation
Purchase of GR	25.10.2009 (27 Months from DOA)	31.3.2011	1yr 5 months	Drilling completed in Dec.10.	
Submission of Bank Guarantee	25.10.2007 3 months from DOA)	Yes			
Mining Lease Application	30.6.2011 (3 months from GR preparation)	30.6.2011	-	ML area 700 Ha	Zero date taken from GR preparation i.e. 31.3.11
Submission of	30.9.2011 (6	24.11.2011	2 months		

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Mining Plan	months from GR preparation)				
Approval of Mining Plan	30.11.2011 (8 months from GR preparation)	22.2.2013	1Yr 3 months		
Application of Previous approval	31.1.2012 (10 months from GR preparation)	27.12.2012	11 months	Govt of MP recommended the ML proposal to MOC for previous approval	
Granting of Previous approval	28.2.2012 (11 months from GR preparation)	Penidng	1 yr 4months		
Application of Forest clearance	31.3.2012 (12 month from GR preparation)	4.8.2011	-	Mainly forest land.	
Grant of Forest Clearance	30.9.2012 (18 months from GR preparation)	Penidng	1 yr 9 months		
Application EMP Clearance	31.3.2012 (12 month from GR preparation)	29.11.2011	4 Months		
Grant of EMP Clearance	30.9.2012 (18 months from GR preparation)	Pending	1 yr 9 months		
Grant of Mining Lease	31.3.2013 (24 months)	Pending	3 months		
Application of Land Acquisition	31.10.2012 (19 months)	21.8.2012	-		
Completion of Land Acquisition	(31.3.2014) 36 months	Pending	-		
Application for	31.7.2015	Pending	-		

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opening permission	52 Months				
Grant of Opening permission	31.8.2015 (53 months)	Pending	-		
Coal Production	30.9.2015 (54 Months from GR preparation)	Pending	-	UG mine with Forest land.	

6. After detailed deliberations, IMG recommended deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter. The recommendations made by the IMG are as follows:-

"The IMG considered the terms and conditions of allocation, the show cause notice issued, reply of the block allocatee to the show cause notice issued, comments of the Government of Madhya Pradesh vide their letter No.439/2013/12-2 dated 15.10.2013, status report of CCO, presentation made by the allocatee company on 25.10.2013 along with the status paper presented to the IMG. IMG noted that as per CCO's status report, GR purchased, BG submitted, mining plan approved; however, there have been delays in achieving milestone. Grant of previous approval, EC, FC, land acquisition and coal production are pending.

The IMG considered the reply of the allocatee to the show cause notice wherein the allocatee has mainly stated that there is substantial progress made in respect of most of the milestones that were particularly complained about not having been accomplished in the show cause notice. As regards Forest Clearance, the FAC was held on 10th June, 2013 and the same is pending with MoEF. In case of EMP clearance the EAC hearing is awaited in MoEF. Mining Lease application is pending with Ministry of Coal.

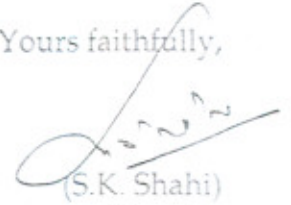
As regards pendency of Mining Lease application with the Ministry of Coal, it is clarified since the SCN was recommended by the IMG; the same was taken first before the ML is examined. As per CA certificate submitted by the company, investment in coal block is Rs. 1886.11 lakhs. As the block is for commercial mining, no requirement of investment in EUP.

Recommendation: Taking into account the facts brought before it including the fact that all requisite clearance are pending, IMG noted that it was a regionally explored block and hence detailed exploration had to be done by the allocatee. After detailed exploration, the allocatee prepared the GR and obtained approval of mining plan in February 2013. EC/FC are pending at MoEF. IMG recommends deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter."

develop the coal block and the associated end use project and the company has failed to develop the same as per the milestones prescribed without any valid reasons for the delay, it has been decided to deduct and encash an amount of Rs. 0.552 crore (Repees fifty five lakhs twenty thousand only) from Bank Guarantee and be deposited with the Government in the relevant head of Account. (The calculation of deduction of BG is as per Annexure-IV).

Yours faithfully,

Encls: As above



(S.K. Shahi)

Director

Tel: 23382807

Copy to:

- (i) The Chief Secretary, Government of Madhya Pradesh, Vallabh Bhawan, Bhopal.
- (ii) The Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Udyog Bhawan, New Delhi.
- (iii) Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
- (iv) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata with the direction to take necessary steps to deduct the Bank Guarantee and deposit the same with the Govt.
- (v) The Chairman, Coal India Ltd, 10 - Netaji Subhash Road, Kolkata - 700 001.
- (vi) NIC, Ministry of Coal for uploading the letter on Ministry's website.



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Anne

F.No. 13016/8/2007-CA-1
Government of India
Ministry of Coal

New Delhi, the 25th July, 2007

To

The General Manager (Operation),
The Madhya Pradesh State Mining Corporation Ltd.,
Paryavas Bhawan,
Block No. 1(A), Second Floor,
Jail Road, Arera Hills,
Bhopal 462 011

Subject: Allocation of Marki Barka, coal block to the Madhya Pradesh State Mining Corporation Ltd (MPSMCL).

Sir,

I am directed to refer to letter number as mentioned below from The Madhya Pradesh State Mining Corporation Ltd. (MPSMCL) on the above subject and to convey the 'in principle' consent of the Government of India to the working of Marki Barka block as under:

Sl.No.	Name of the applicant company	Reference No.	Project Name	Share of reserves (MT)
1	The Madhya Pradesh State Mining Corporation Ltd.	Geology/2006/281 dated 27.11.2006, Geology/2007/329 dated 16.01.2007 and Geology/2007/331 dated 16.01.2007	Proposed power projects in the State of Madhya Pradesh	80 MT

2. The above allocation has been made under 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. MPSMCL or a separate company to be created with participation of M/s. MPSMCL 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.

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(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 along with 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 attention 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 coal block Marji Barka coal block will not be supplied to the consumers of Coal India Limited/SCCL against their existing linkages.

(ix) M/s. MPSMCL 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. MPSMCL shall submit a bank guarantee of Rs. 4.60 crore (equal to one year's royalty amount based on mine capacity of 0.38 mtpa as assessed by CMPDIL, grade of coal and the weighted average royalty @ Rs.121 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 final 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 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.

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


(V.S. Rana)

Under Secretary to the Government of India.

Encl: as above.

Copy to

1. The Chief Secretary, Government of Madhya Pradesh, Bhopal
2. Chairman, CIL, Kolkatta
3. CMD, CMPDIL, Ranchi CIL.
5. CMD, SECL
6. Coal Controller, Kolkatta
7. Office Folder.

Annex II

SHOW CAUSE NOTICE
By Speed Post

No.13016/34/2011-CA-I
Government of India
Ministry of Coal

New Delhi, dated ^{10th} June, 2013

To,
The Managing Director,
The Madhya Pradesh State Mining Corporation Ltd.,
Paryavas Bhawan, Block No. 1(A),
Second Floor, Jail Road, Arera Hills,
Bhopal-462011.

Subject: Show Cause Notice to The Madhya Pradesh State Mining Corporation Ltd. in respect of Marki Barka Coal block – regarding.

Sir,

I am directed to refer to this Ministry's letter No. 13016/8/2007-CA-I dated 25.07.2007 conveying allocation of **Marki Barka** coal block in pursuance of the provisions contained in Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions. One of the conditions of allocation was that in respect of an unexplored block, the allocatee company had to apply for a prospecting license within three months of the date of allocation. The exploration was to be completed and geological report prepared within two years from the date of issue of prospecting license. After the detailed exploration was completed the allocatee of the block had to proceed for ensuring earliest commencement of production. The milestone chart appended to the allocation letter was to be adhered to.

2. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Marki Barka** block allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

3. In the meantime, the Government constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the chairpersonship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic Affairs. IMG has been given mandate to review the progress of development of allocated



coal/lignite blocks and associated end use projects and to recommend action including de-allocation, if required. IMG in its 18th meeting held on 01.05.2013 *inter alia* considered the status of the development of the Coal Block prepared by the Coal Controller's Organisation (CCO) as on 31st December, 2012 and noted that no significant progress has been made by your company towards development of the **Marki Barka** coal block. The IMG noted that grant of previous approval, grant of forest clearance, grant of EMP clearance & grant of mining lease are still pending in your case. Keeping in view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

4. Under the above circumstances, you are hereby called upon to show cause, on various stages for development of coal block, to this Ministry within a period of **20 days** from the date of issue of this 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 **Marki Barka coal block** failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken for de-allocation of **Marki Barka coal block**.

Yours faithfully,



(S.K. Shahi)

Director

Tel: 23382807

Copy to:

(i) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata.

(ii) NIC, Ministry of Coal for uploading the letter on Ministry's website.

Status Note

Sl. No.	Items	Remarks
1	Name of the Block	Marki Barka Coal Block
2	Name of the allocate	M/s Madhya Pradesh State Mining Corporation Ltd.
3	Date of allocation	25.07.2007
4	End Use Plant & Capacity	Power Projects in the State of Madhya Pradesh. Capacity not specified.
5	Important terms and conditions of allocation	Copy of allocation letter enclosed as Annexure-I
6	Milestones of allocation and slippages against milestone	Copy of status note from CCO enclosed as Annexure-II
7	History Previous review / action	<p>In the review meeting held on 20/21.07.2010 it was noted that it is a RE block. PL granted. JV partner is ACC Ltd. as MDO. Company assured that GR will be completed within 10 weeks after completion of prospecting. The committee noted that the company is lagging behind the normative time schedule of development. Advisory may be issued.</p> <p>In the review meeting held on 11/12.01.2012, it was noticed that MP approval, FC, EMP, ML & LA were pending. MP approval was pending with MoC since Dec.11. ML was pending with State Govt. Committee noticed that the progress was not satisfactory and advised to expedite the development of the coal block and be cautioned to be careful in future w.r.t. the milestones stipulated.</p> <p>The progress of the block has been further reviewed by IMG in its meeting held on 01.05.2013. The IMG noted that grant of previous approval, grant of forest clearance, grant of EMP clearance & grant of mining lease are still pending. Keeping in view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block.</p>
8	Condonation of delay or extension of Zero date granted if any and permissible grace period if any whether any request for Condonation is pending with the Ministry	No

9	Litigation any orders of the court , if any	No
10	Summary of reply of the company including reasons for delay	Show cause notice is based on status report of CCO dated 31.12.2012 and not on the submissions in Qtr ending March, 2013 and companies letter dated 14.05.2013. Delay in approval of Mine Plan occurred as the Standing Committee cleared Mine Plan on 06.06.2012 and final communication released on 22.02.2013. Previous approval of Mining Lease is pending with MoC since 27.12.12. FAC held on 10 th June, 2013. Proposal was pending with MoEF since 10.7.2012. Final communication awaited. Application for land acquisition filed after approval of mine plan. For completion of land acquisition State Govt. approval obtained. Land acquisition under process. Company has stated there is substantial progress made in most of the milestones that were particularly complained about not having been accomplished in the show cause notice.
11	Comments of State Govt. on reply of the allocattee on SCN	A copy of the comments of State Govt. is at Annexure IV .
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.	Application for previous approval of Mining Lease was received in the Ministry in the Month of January 2013. The application was examined and sent to Advisor (P) for confirming coal bearing area. The confirmation was received from Advisor (P) in this regard. In the meantime block was received by IMG wherein it was recommended to issue show cause notice. Accordingly show cause notice was issued. After issue of show cause notice matter was further examined and it was found that CPAM unit in the Ministry has indicated total coal bearing area as 700 hectare whereas State Govt. of Madhya Pradesh vide its letter dated 27.12.12 requested for previous approval for over an area of 670.11 Hectare. Matter was considered and it was decided that we may expedite the disposal of Show Cause Notice by IMG.

Coal Controller Office, Kolkata
Updated Status of Coal Block as on June 2013
(As per Status report submitted by the company)

1. Name of Company:- Madhya Pradesh State Mineral Dev Corporation Ltd.
2. Name of Coal Block:- Marki Barka (UG)/Govt
3. Name of Owner/Address:- G.M., Paryavas Bhawan, Block No. 1(A), 2nd Floor, jail Road, Arera Hills, Bhopal-462011.
4. Date of Allocation:- 25.7.2007
5. Location: Singrauli/MP
6. Project cost :- Not available
7. Total investment made Cr (As per CA report) :- Rs. 18.76 Cr
8. Reserve (Mill tonnes):- 80.06 (Geological)
9. Mineable Reserve in MT:- 30.79
10. Yearly rated capacity (MTPA):- 1.00
11. Grade of Coal:- B-F
12. Cost of GR:- Regionally explored
13. BG Amount :- Rs. 4.6 Cr.
14. Type of EUP:- Commercial (Power project in the state of MP)
15. Location of Project:- Within State
16. Capacity of Project:- -
17. Explored/Un explored:- Regionally explored
18. Type of mine:- UG
19. Zero Date:- 31.3.2011 (date of preparation of GR)
20. Previous Recommendation, if any:- Caution notice issued by MOC as per decision of review meeting dated 11/12.1.2012. Again in 18th IMG held on 01.05.2013 advised to issue show cause notice.

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as June'13)	Remarks	Special Observation
Purchase of GR	25.10.2009 (27 Months from DOA)	31.3.2011	1yr 5 months	Drilling completed in Dec.10.	
Submission of Bank Guarantee	25.10.2007 (3 months from DOA)	Yes			
Mining Lease Application	30.6.2011 (3 months from GR preparation)	30.6.2011	-	ML area 700 Ha	Zero date taken from GR preparation i.e.31.3.11
Submission of Mining Plan	30.9.2011 (6 months from GR preparation)	24.11.2011	2 months		
Approval of Mining Plan	30.11.2011 (8 months from GR)	22.2.2013	1Yr 3 months		

	preparation)				
Application of Previous approval	31.1.2012 (10 months from GR preparation)	27.12.2012	11 months	Govt of MP recommended the ML proposal to MOC for previous approval.	43
Granting of Previous approval	28.2.2012 (11 months from GR preparation)	Pending	1 yr 4 months		
Application of Forest clearance	31.3.2012 (12 month from GR preparation)	4.8.2011	-	Mainly forest land.	
Grant of Forest Clearance	30.9.2012 (18 months from GR preparation)	Pending	1 yr 9 months		
Application EMP Clearance	31.3.2012 (12 month from GR preparation)	29.11.2011	4 Months		
Grant of EMP Clearance	30.9.2012 (18 months from GR preparation)	Pending	1 yr 9 months		
Grant of Mining Lease	31.3.2013 (24 months)	Pending	3 months		
Application of Land Acquisition	31.10.2012 (19 months)	21.8.2012	-		
Completion of Land Acquisition	(31.3.2014) 36 months	Pending	-		
Application for opening permission	31.7.2015 52 Months	Pending	-		
Grant of Opening permission	31.8.2015 (53 months)	Pending	-		
Coal Production	30.9.2015 (54 Months from GR preparation)	Pending	-	UG mine with Forest land.	

Observation of Field Office of CCO during inspection of the block

Date of Inspection	30.11.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that no infrastructure has been developed
Activities related to coal transportation	<ul style="list-style-type: none"> No

Presence of mining equipment.	• NO	
Any sign of mining activities.	• No	
Escrow A/c for mine closure	• No	44
Other activities	• No	
Engagement of MDO	• No information	

Other details and constraint faced by the block allocates

MP: Mining plan and Mine closure plan approved by MOC on 22.2.2013.

FC: - Site visit completed by MOEF in Sept. 2012. MOEF has directed to submit Digital Maps of the forest area of coal block in Nov 2012. The directives by MOEF *have been submitted to DFO on 28.3.2013 for onward transmission to MOEF. The Forest proposal was discussed in FAC meeting on 10.6.2013. Stage-I clearance is awaited.*

EMP:- Final EMP report submitted in 16.4.2013. EAC presentation is awaited in July, 13.

LA: Land application submitted to Collector Singrauli on 21.8.2012 for 11.360 Ha Pvt land and 5.690 ha Govt land. R & R survey have been completed. *4(1) notification proposal has been recommended by Commissioner, Rewa to Chief Secy, Revenue Govt of MP on Jan, 2013. Govt of MP approved the LA proposal on 30.5.13.*

Total land:- 17 Ha Pvt land:- 11.36 Ha Govt land :- 5.69 Ha

Commercial Uses:- Captive uses for cement and power plant of M/s. ACC Ltd. at Bargarh (Orissa), Gagal (HP) and Lakheri (Rajasthan).

Commissioning Schedule: Bargar- 31.12.2012 ii) Kymore Cement: 31.12.2013 Gagal Cement: 31.12.2014 Lakheri Cement: Already running.

☎ : 033-2248-9612 to 16
Fax : 033-2248-2459
E-mail: coalcont-wb@nic.in

By 6 Dir (CA)
22/1/14

Annex-IV
Speed Post

No F.CC/MCBA/102/46/2012-BG/16/10
GOVERNMENT OF INDIA
MINISTRY OF COAL
OFFICE OF THE COAL CONTROLLER
1, Council House Street,
Kolkata - 700 001,

Dated: 16.01.2014

To
The Director (CA-I)
Government of India,
Ministry of Coal, Shastri Bhawan,
New Delhi -110115.

Subject: Bank Guarantee Calculation in respect of 6(six) coal blocks subsequent to the recommendations of the IMG – reg.
Ref: MOC's letter No.13016/10/2013-CA-I (Part), dated, 25.11.2013


Reference to the above, please find herewith calculation of Bank Guarantee amount to be deducted/imposed in respect of 6(six) coal blocks as per the recommendation of 23rd meeting of IMG for your perusal and necessary action if agreed at your end please.


Please do the needful.

Yours faithfully,

Enclosure: As above


Dy.Asstt. Coal Controller & H.O.


21/01/2014
VJ (CA-I)

22-11
Socra (A)
Socra (B) 
22/1/2014
Smt. Mala

(Calculation of bank guarantee is done as per previous practice and on basis of information supplied by the company)

1. Name of Company:-M/s Madhya Pradesh State Mining Corporation Ltd.
2. Name of Coal Block:-Marki Barka
3. Date of Allocation:- 25.07.2007
4. Normative Date of production:-25.04.2014
5. BG Amount:-Rs. 4.6 Crore
6. **Recommendation:** The IMG recommends deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter.
7. **Allocation condition:** 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.
Therefore, in view of the slippage in milestones, deduction from 50% of the BG linked to development of the block is done as per the weightage formula adopted by the IMG for proportionate deduction.

Calculation of BG deduction has been made on the basis of non-achievement of Milestones as on IMG Meeting held on 24.10.2013

Sl No.	Mile Stones	Weight (in %)	Actual Status	Marks	Remarks
1	Purchase of GR	5	Completed	5	
2	Submission of Bank Guarantee	8	Completed	8	
3	Mining Lease Application	7	Completed	7	
4	Submission of Mining Plan	10	Completed	10	
5	Approval of Mining Plan	10	Completed	10	
6	Application of Previous approval	6	Completed	6	
7	Granting of Previous approval	5	Not Completed	0	
8	Application of Forest clearance	8	Completed	8	
9	Grant of Forest Clearance	5	Not Completed	0	
10	Application EMP Clearance	8	Completed	8	
11	Grant of EMP Clearance	5	Not completed	0	
12	Grant of Mining Lease	5	Not completed	0	
13	Application of Land Acquisition	8	Completed	8	
14	Completion of Land Acquisition	4	Not completed	0	
15	Application for opening permission	2	schedule date not yet reached as on Oct'2013	2	
16	Grant of Opening permission	2	schedule date not yet reached as on Oct'2013	2	
17	Coal Production	2	schedule date not yet reached as on Oct'2013	2	
	TOTAL	100		76	

Total Bank Guarantee amount: Rs. 4.6 Cr.

A= 50% of BG =Rs. 2.3 Crore

Score obtained for achieving of milestone = 76%

B=Score obtained for not achieving of mile stone = (100-76) =24%

BG to be deducted for not achieving Milestones as on Oct'2013= $A \times B$ = Rs. 2.3 x 24% = Rs. 0.552 Crore

Total amount of BG may be deducted for not achieving Milestones = Rs. 0.552 Crore (Rupees fifty five lakhs twenty thousand only)

Q4b
13.01.2014

Jr
13/1/14

Bor
13/1/14

Ar
16/1/14

