

By Speed Post

F.No 13016/41/2008-CA-I  
Government of India  
Ministry of Coal

....

New Delhi, dated 8<sup>th</sup> November, 2013

To

The Managing Director,  
M/s NSL Power & Infratech Limited,  
NSL Icon, 8-2-684/2/A  
Road No. 12, Banjara Hills,  
Hyderabad- 500 034

**Sub: De-allocation and forfeiture of Bank Guarantee in respect of Merta Road Lignite block allotted to M/s NSL Power & Infratech Limited.**

Sir,

I am directed to refer to Ministry of Coal's allocation letter No. 38011/3/2006-CA-I dated 7<sup>th</sup> February, 2007 (Annexure-I), Show cause notice No. 13016/46/2012-CA-I dated 4<sup>th</sup> May, 2012 (Annexure-II), your reply to the show cause notice dated 23<sup>rd</sup> May, 2012 in respect of Merta Road Lignite block.

2. Merta Road Lignite block in located in State of Rajasthan was allocated to M/s NSL Power & Infratech Limited in pursuance of the Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973, subject to the certain terms and conditions. In the allocation letter, para 2 stipulated as under:-

"2. Allocation /mining lease of the Lignite 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 lignite mining project.



(c) For breach of any of the conditions mentioned at (i) to (xi) of the allocation letter.”

3.4. The progress of allocated **Lignite** block has been reviewed by the Ministry through a Review Committee from time to time wherein the allocatee company gave presentation in respect of the development made by the company with reference to the milestones prescribed in the allocation letter during which it was noted as following:-

i) In the Review Meeting held on 25/26.03.2008, it was noticed that the BG was not submitted. All activities were pending except GR. Progress was not satisfactory.

ii) In the Review Meeting held on 15/16.10.2008 it was noted that all activities were pending except GR. Progress was very slow. No representative was present.

iii) In the review Meeting held on 22/23.06.2009 company wanted to surrender the block and also requested for a substitute block. It was clarified the substitution of block would not be possible.

iv) In the review meeting held on 20/21.07.2010 company intimated that delineation of mine boundary in the Merta Road lignite block is a serious problem. Department of Geology and Mines of State Government would help to sort out the boundary issue. The Committee was dissatisfied with the development of mine. Warning was issued to the company vide letter No. 13016/41/2008-CA-I dated 24<sup>th</sup> June, 2011.

v) In the review meeting held on 11/12.01.2012 the progress of the block was found to be cause of concern. Committee expressed concern over the progress and recommended that the allocatees be served with show cause notice. The company was issued the show cause notice. The company furnished their reply to the show cause notice.

5. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) 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 blocks and associated end use projects and to recommend action including de-allocation, if required.

6. 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 did not appear before the IMG on 25<sup>th</sup> June, 2013. In the absence of representative of block allocatee, IMG deliberated upon the status, keeping in view of the terms and conditions of allocation, the show cause notice (SCN) issued, the reply to the SCN by the allocatee along with the status note of the Merta Road Lignite block 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 (as on Mar.13) | Remarks  | Special Observation  |
|------------------------------|---------------------------------|---------------------------|----------------------------------|--|--|
| Purchase of GR               | 23.3.2007<br>(45 days)          | 9.3.2007                  | -                                |  |  |
| Submission of Bank Guarantee | 7.5.2007<br>(3 months from DOA) | 9.12.2009                 | 2Yrs 7 Months                    |  |  |
| Mining Lease Application     | 7.5.2007<br>(3 months)          | 14.12.2010                | 3Yrs 7 Months                    | ML area:-<br>1645.3 Ha<br><br>Revenue land:-<br>1642.7 Ha<br><br>Forest land :- 2.6 Ha | Proposal forwarded to Director, DGM, Govt of Rajasthan on 23.4.12 which is kept on hold due to pending decision on |

|                                  |                          |                |                |  |  |
|----------------------------------|--------------------------|----------------|----------------|--|--|
|                                  |                          |                |                |  | exclusion of grazing lands from mine lease area. |
| Submission of Mining Plan        | 7.8.2007<br>(6 months)   | 1.2.2010       | 2Yrs 6 Months  | The MP has been reviewed by MOC in its meeting on 24.7.12. MOC raised some comments. Revised MP submitted to MOC on 22.9.12. |  |
| Approval of Mining Plan          | 7.10.2007<br>(8 Months)  | Pending        | 5Yrs 5 Months  |  |  |
| Application of Previous approval | 7.12.2007<br>(10 months) | Not applicable | -              |  |  |
| Granting of Previous approval    | 7.1.2008<br>(11 months)  | Not applicable | -              |  |  |
| Application of Forest clearance  | 7.2.2008<br>(12 months)  | 20.9.2011      | 3Yrs 10 Months | Stage-I forest clearance granted on 10.4.2012  | NOC for FC obtained from DFO, Naguar On 10.4.12. |
| Grant of Forest                  | 7.8.2008<br>(18 months)  | Pending        | 4Yrs 7 months  |  |  |

|                                    |                         |           |                |                                    |  |
|------------------------------------|-------------------------|-----------|----------------|------------------------------------|--|
| Clearance                          |                         |           |                |                                    |  |
| Application EMP Clearance          | 7.2.2008<br>(12 months) | 29.9.2011 | 3Yrs 10 Months |                                    |  |
| Grant of EMP Clearance             | 7.8.2008<br>(18 months) | Pending   | 4Yrs 7 Months  |                                    |  |
| Grant of Mining Lease              | 7.2.2009<br>(24 months) | Pending   | 4Yrs 1 Months  | Processing is kept on hold.        |  |
| Application of Land Acquisition    | 7.9.2008<br>(19 months) | 29.9.2011 | 3 Yrs          |                                    | Pvt land:-<br>1645.3 Ha<br><br>Govt land:-<br>215.65 Ha<br><br>Forest land:-<br>2.6 Ha |
| Completion of Land Acquisition     | 7.2.2010<br>(36 months) | Pending   | 3 Yrs 1Months  | Land acquisition is under progress |  |
| Application for opening permission | 7.6.2010<br>(40 Months) | Pending   | 2Yrs 9 months  |                                    |  |
| Grant of Opening permission        | 7.7.2010<br>(41 months) | Pending   | 2Yrs 8 Months  |                                    |  |
| Lignite Production                 | 7.8.2010<br>(42 Months) | Pending   | 2Yrs 7 Months  | OC mine with forest land involved. |  |

7. After detailed deliberation, the IMG made its recommendation to **de-allocate Merta Road Lignite block** which was allocated to M/s NSL Power &



Infra teach Limited in its 19<sup>th</sup> meeting held on 25<sup>th</sup> July, 2013. The recommendations made by the IMG are as follows:-

*IMG has stated that,*

*“ No representative of NSL Power & Infratech Pvt. Ltd. the allocatee of Merta Road Lignite Block attended the meeting. Director (CA-I) informed that M/s NSL vide its letter dated 21st June, 2013 had intimated that due to its pre-occupation with some other urgent matter and short notice period, it would not be able to attend the meeting. Further, the company in the same letter had also informed that it had not renewed the BG of Rs.8.85 Crores which expired on 07.12.2012 due to un-viability of the lignite project allocated to them.*

*In the absence of representative block allocatee, IMG deliberated upon the status, keeping in view of the terms and conditions of allocation, the show cause notice (SCN) issued, the reply to the SCN by the allocatee alongwith the latest status paper presented to the IMG. IMG noted that more than 6 years had elapsed from the date of allocation (7th February, 2007) of this lignite block, allocated for 125 MW Power Project in district Nagaur. IMG also noted that the company had purchased the GR but the mining plan was yet to be approved. As allocatee company wrote its inability to make presentation before the IMG due to pre-occupation, investment made by the allocatee could not be ascertained. The normative date of production as per the letter of allocation was 07.08.2010 and most of the milestones of block development such as approval of mining plan, grant of forest clearance, grant of EMP clearance, mining lease, land acquisition etc., were still pending. IMG noted that the geological reserves amounting to 83.25 MT with extractable reserves of 27.99 MT were available in the block. The representative of the Government of Rajasthan was also of the view that this block could be de-allocated due to failure of the allocatee in developing the block.*

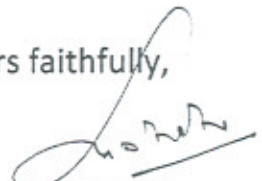
*IMG, taking into account the fact that there was no substantial progress in development of the lignite block even after issue of show cause notice on 4th May, 2012 and the disinterest shown by the allocatee by not renewing the BG, recommended that the block should be de-allocated. IMG further recommended forfeiture of BG in this case and keeping in view the*

fact that BG had expired, IMG also recommended that the Ministry of Coal should effect the recovery of BG amount by adopting revenue recovery/proceedings.

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

9. Accordingly **Merta Road Lignite** block allocated to M/s NSL Power & Infratech Limited is **de-allocated**. The company shall not be eligible for allocation of any block in lieu of the de-allocated block. The Bank Guarantee (BG) as per recommendation of the IMG as mentioned in para 7 above to the extent of **Rs 8.85 crore ( Rupees Eight crore and eighty five lakhs only)** shall be recovered by Coal Controller's Organisation by adopting revenue recovery/proceedings.

Yours faithfully,

  
(S.K. Shahi)

Director

Tel:23382807

Copy to:-

1. The Chief Secretary, Government of Rajasthan, Secretariat, Jaipur.
2. Chairman, Neyveli Lignite Corporation Limited, Neyveli, Tamil Nadu.
3. Coal Controller, Officer of Coal Controller, 1- Council House Street, Kolkata – 700 001. Kolkata with the direction to take necessary steps to forfeit the Bank Guarantee by adopting revenue recovery/proceedings.
4. Ministry of Power , Shram Shakti Bhawan, New Delhi.
5. Department of Mine & Geology, Govt. of Rajasthan, Khanij Bhawan, Shastri , Udaipur – 313 001 Rajasthan.
6. The CMD, Coal India Limited, 10- Netaji Subhash Road, Kolkata.
7. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.



Amex 02 - I

No. 38011/3/2006-CA-1  
Government of India  
Ministry of Coal

New Delhi, dated the 7<sup>th</sup> February, 2007

To

M/s NSL Power & Infratech Limited,  
7C, Surya Towers, S.P. Road,  
Sunderabad- 500003.

Subject: Allocation of the Merta Road lignite block in the State of Rajasthan for captive mining of lignite.

Sir,

I am directed to refer to the request of M/s NSL Power & Infratech Limited for allocation of lignite block in the State of Rajasthan for captive mining for their 1X125 MW lignite based power plant in District Naguar, Rajasthan and to state that the request of the company have been considered by the Central Government and it has been decided to allocate the Merta Road lignite block which will meet your lignite requirement of about 1.77 million tones per annum. This allocation is in pursuance of the provisions contained in Section 3 (3) (a) (iii) of the Coal Mines (Nationalisation) Act, 1973 and is subject to the following conditions.

- i) The allocation of Merta Road lignite block to M/s NSL Power and Infratech Limited has been made to meet the lignite requirement for their 1X125 MW power project in District Naguar, Rajasthan.
- ii) The block is meant for captive use in their own specified end use project i.e. power generation.
- iii) The lignite production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in open cast mine and in 48 months (54 months in case the area falls under forest land) from the date of this letter in case of UG mine. In view of prevailing shortage of coal/lignite and non-availability of linkages, the end-use project can be synchronized with the lignite mine development project should no other source of lignite be available.
- iv) The Company shall buy the Geological report from Department of Mine and Geology Government of Rajasthan within six weeks from the date of this letter.



- v) The company shall submit a bank guarantee for Rs.8 85 crore (equal to one year's royalty amount based on annual requirement of 1.77 mtpa assessed by Ministry of Power and the royalty rate being Rs: 50 per tonne of lignite) within 3 months of the date of this letter. Subsequently, upon approval of the mining plan the Bank Guarantee amount will be modified based on the final peak/rated capacities of the mines.
- vi) The company shall submit a mining plan for approval by the competent authority under the Central Government within six months from the date of this letter.
- vii) The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. In case of any lag in the production of 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. M/s NSL Power & Infratech Limited shall ensure that the Bank Guarantee remains valid at all times till the mine reaches its rated capacity or till the Bank Guarantee is exhausted.
- viii) No lignite shall be sold, delivered, transferred or disposed of except for the stated captive mining purposes except with the previous approval of the Central Government.
- ix) Mining of lignite from the allocated captive lignite block shall be carried out in accordance with the applicable Statutes/Rules/Orders/Directions governing the mining of coal/lignite in the country.
- x) Those of the above conditions relevant at the time of grant of mining lease shall be included as additional conditions in the mining lease, in addition to any further conditions imposed by or agreed to by the Central Govt.
- xi) The State Government at the time of seeking previous approval for the grant of mining lease shall submit a draft of the mining lease containing the above relevant conditions for vetting by the Central Govt. The final mining lease shall be as vetted/modified by the Central Govt. Any deviation from the vetted/modified draft shall render the mining lease deed *ab-initio* null and void and without effect.

2. Allocation / mining lease of the lignite block may be cancelled, inter-alia, on the following grounds:-

- 10
- (a) Unsatisfactory progress of implementation of their end use power plant.
  - (b) Unsatisfactory progress in the development of lignite mining project.
  - (c) For breach of any of the conditions of allocation mentioned at (i) to (xj) 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 on his account and in no way be transferred to or borne by the Government or its agencies.

3. The company may approach Department of Mine and Geology Government of Rajasthan 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 to transport lignite will have to be worked out by the company


Yours faithfully,

  
( V.S. Rana)

Undersecretary to the Govt. of India

Copy to:-

1. Chairman, Neyveli Lignite Corporation Limited, Neyveli, Tamil Nadu.
2. Coal Controller, Office of the Coal Controller, 1, Council Street, Kolkata - 700 001.
3. Ministry of Power (Shri Punit Goyal, Director), Shram Shakti Bhawan, New Delhi.
4. Chief Secretary, Government of Rajasthan, Secretariat, Jaipur.
5. Department of Mine & Geology, Govt. of Rajasthan Khanij Bhawan, Shastri Circle, Udaipur-313 001 Rajasthan
6. CPAM Section

  
( V.S. Rana)

Undersecretary to the Govt. of India

Annexure - II

SHOW CAUSE NOTICE

No.13011/46/2012-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 4<sup>th</sup> May, 2012

To

M/s NCL Power & Infratech Pvt. Limited

NSL ICON 4<sup>th</sup> Floor

8-2-684/ A, Road No. 12,

Banjara Hill, Hyderabad- 500 034

**Subject: Show cause notice in respect of Merta Road Lignite block.**

Sir,

I am directed to refer to this Ministry's letter 38011/3/2006-CA-I dated 07.02.2007 conveying allocation of Merta Road Lignite 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 approval of Mining Plan, grant of previous approval, EMP, Mining Lease and land acquisition are pending for Merta Road Lignite 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                     | 21.3.2007                   | 9.3.2007                  | -                 |
| Submission of Bank Guarantee       | 7.5.2007                    | 9.12.2009                 | 2Yr 7 Months      |
| Mining Lease Application           | 7.5.2007                    | 14.12.2010                | 3 Yrs 7 Months    |
| Submission of Mining Plan          | 7.8.2007                    | 1.2.2010                  | 2 Yrs 5 Months    |
| Approval of Mining Plan            | 7.10.2007                   | Pending                   | 4Yrs 5 Months     |
| Application of Previous approval   | 7.12.2007                   | NA                        |                   |
| Granting of Previous approval      | 7.1.2008                    | NA                        |                   |
| Application of Forest clearance    | 7.2.2008                    | 20.9.2011                 | 3 Yrs 7 Months    |
| Grant of Forest Clearance          | 7.8.2008                    | Pending                   | 3Yrs 7 Months     |
| Application EMP Clearance          | 7.2.2008                    | Pending                   | 4 Yrs 1 Months    |
| Grant of EMP Clearance             | 7.8.2008                    | Pending                   | 3 Yrs 7 Months    |
| Grant of Mining Lease              | 7.2.2009                    | Pending                   | 3 Yrs 1 Months    |
| Application of Land Acquisition    | 7.9.2008                    | Pending                   | 3Yrs              |
| Completion of Land Acquisition     | 7.2.2010                    | Pending                   | 2 Yrs 1 Month     |
| Application for opening permission | 7.6.2010                    | Pending                   | 1 Yr 9 MOnths     |
| Grant of Opening permission        | 7.7.2010                    | Pending                   | 1Yr 8 MOnths      |
| Coal Production                    | 7.8.2010                    | Pending                   | 1Yr 7 Months      |

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 Merta Road Lignite 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 Merta Road Lignite block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

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

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

1. Name of Company:- M/s. NSL Power & Infra tech Ltd
2. Name of Coal Block:- Merta Road (Explored)
3. Name of Onwer/Address etc:- The Sr. Vice President, M/s. NSL Power & Infratech Ltd, NSL Icon, 8-2-684/2/A, Plot No. 1-4, Rd. NO. 2 Banjara Hills, Hyderabad-500 034.
4. Date of Allocation:- 7.2.2007
5. Location: Rajasthan
6. Project cost :- 1169.26 Crs
7. Total investment made (As per Status report) 4.528 Crs (Dec. 2012)
8. Reserve (Mill tonnes):- 83.25 (Geological)
9. Mineable Reserve in MT:- 27.99 MT
10. Yearly rated capacity (MTPA):- 1.00 MTPA
11. Grade of Coal:- 2540 K.Cal/Kg.
12. Cost of GR:- Not available
13. BG Amount :- 8.85 Crores
14. Type of EUP:- Lignite based power project
15. Location of Project:- Vill palodi, Mokalpur, Tehsil:- Merta, Nagaur, Raj
16. Capacity of Project:- 1x125 MW Power Plant
17. Explored/Un explored:- Explored
18. Type of Mine:- (OC) Mine
19. Zero Date:- 7.2.2007 (As per block allocation letter)

20. Previous Recommendation, if any:- Show Cause notice issued by MOC as per decision of review meeting dated 11/12.1.2012

| Mile Stones                  | Schedule date of Completion     | Actual date of Completion | Slippage in YY/MM (as on Mar.13) | Remarks   | Special Observati on   |
|------------------------------|---------------------------------|---------------------------|----------------------------------|---|--|
| Purchase of GR               | 23.3.2007<br>(45 days)          | 9.3.2007                  | -                                |   |  |
| Submission of Bank Guarantee | 7.5.2007<br>(3 months from DOA) | 9.12.2009                 | 2Yrs 7 Months                    |   |  |
| Mining Lease Application     | 7.5.2007<br>(3 months)          | 14.12.2010                | 3Yrs 7 Months                    | ML area:-<br>1645.3 Ha<br><br>Revenue land:-<br>1642.7 Ha<br><br>Forest land :-<br>2.6 Ha | Proposal forwarded to Director, DGM, Govt of Raj on 23.4.12 which is kept on hold due to pending decision on exclusion of grazing lands from |

|                                  |                          |                |                |  |   |
|----------------------------------|--------------------------|----------------|----------------|--|---|
|                                  |                          |                |                |  | mine lease area.  |
| Submission of Mining Plan        | 7.8.2007<br>(6 months)   | 1.2.2010       | 2Yrs 6 Months  | The MP has been reviewed by MOC in its meeting on 24.7.12. MOC raised some comments. Revised MP submitted to MOC on 22.9.12. |   |
| Approval of Mining Plan          | 7.10.2007<br>(8 Months)  | Pending        | 5Yrs 5 Months  |  |   |
| Application of Previous approval | 7.12.2007<br>(10 months) | Not applicable | -              |  |   |
| Granting of Previous approval    | 7.1.2008<br>(11 months)  | Not applicable | -              |  |   |
| Application of Forest clearance  | 7.2.2008<br>(12 months)  | 20.9.2011      | 3Yrs 10 Months | Stage-I forest clearance granted on 10.4.2012  | NOC for FC obtained from DFO, Naguar On 10.4.12.                                    |
| Grant of Forest Clearance        | 7.8.2008<br>(18 months)  | Pending        | 4Yrs 7 months  |  |   |
| Application EMP Clearance        | 7.2.2008<br>(12 months)  | 29.9.2011      | 3Yrs 10 Months |  |   |
| Grant of EMP Clearance           | 7.8.2008<br>(18 months)  | Pending        | 4Yrs 7 Months  |  |   |
| Grant of Mining Lease            | 7.2.2009<br>(24 months)  | Pending        | 4Yrs 1 Months  | Processing is kept on hold.  |   |
| Application of Land Acquisition  | 7.9.2008<br>(19 months)  | 29.9.2011      | 3 Yrs          |  | Pvt land:-<br>1645.3 Ha<br><br>Govt land:-<br>215.65 Ha<br><br>Forest land:- 2.6 Ha |
| * Completion of Land             | 7.2.2010                 | Pending        | 3 Yrs 1Months  | Land   |   |

|                                    |                         |         |               |                                    |  |
|------------------------------------|-------------------------|---------|---------------|------------------------------------|--|
| Acquisition                        | (36 months)             |         |               | acquisition is under progress      |  |
| Application for opening permission | 7.6.2010<br>(40 Months) | Pending | 2Yrs 9 months |                                    |  |
| Grant of Opening permission        | 7.7.2010<br>(41 months) | Pending | 2Yrs 8 Months |                                    |  |
| Coal Production                    | 7.8.2010<br>(42 Months) | Pending | 2Yrs 7 Months | OC mine with forest land involved. |  |

**Other details and constraint faced by the block allocates**

- **MP approval** :- Mine plan submitted to MOC on 1.2.2010. The revised mining plan also submitted on 10.5.2012. Presentation before standing committee of MOC held on 24.7.2012. The Mining plan reviewed by MOC and corrected MP with the comments raised by standing committee duly incorporated has been submitted to MOC on 22.9.12. Approval is awaited.
- **Forest clearance** :- NOC for FC obtained from DFO Naguar, Raj on 10.4.2012.
- **EMP clearance** :- As per De.12 status report the company attended meeting with MOEF for approval of TOR on 19.3.2012.
- **Mining Lease**:- Processing is kept on hold. Pending decision on exclusion of grazing land in mining area, even though all pre-mining activities for grant approval have been completed.
- **Land Acquisition**:- Application for LA submitted to Distt collector Naguar on 29.9.2011. Land acquisition is yet to commence.

## Status Note (Merta Road Lignite block)

| Sl No | Item   | Remarks   |
|-------|--|---|
| 1     | Name Of the Block  | Merta Road  |
| 2     | Name Of the allocate   | M/s NSL Power & Infratech Ltd.  |
| 3     | Date Of allocation   | 7 <sup>th</sup> February, 2007  |
| 4     | End use plant and Capacity   | Lignite based 1 X 125 MW Power Project in District Nagaur, Rajasthan.   |
| 5     | Important terms and conditions of allocation                                   | <p>The allocation has been made to meet the lignite requirement of their proposed power plant.</p> <p>Coal extracted from the block is meant for captive use in the specified EUP.</p> <p>The company has to buy the GR from Department of Mines &amp; Geology, Govt. of Rajasthan with six months from allocation.</p> <p>The 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 cart mine and in 48 months (54 months in case the area falls under forest land) from the date of allotment letter in case of UG mine. The EUP schedule and the coal mine development schedule should be synchronized.</p> <p>Company shall submit a bank guarantee for Rs. 8.85 crores within 3 months.</p> <p>ML is to be submitted within 6 months.</p> <p>The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. In case of any lag in the production of lignite, a percentage (equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine) of the bank guarantee amount will be deducted for the year.</p> |
| 6     | Milestones of allocation and Slippages against Milestones as stated in the SCN | Status of the block is enclosed as <b>Annexure – I</b> (As per CCO Report- March, 2013.).   |



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| 8  | History Previous review / action   | <p>During the Review Meeting held in June, 2009, it was noted that the company wanted to surrender the block and also requested for a substitute block. However, it was clarified that substitution of block would not be possible.</p> <p>In the Review meeting held on 20/21.07.2010 it was noticed that Mining Lease, Forest Clearance, EMP &amp; Land Acquisition were still pending. The company was issued a show cause notice on 30<sup>th</sup> November, 2010. Company furnished its reply to the show cause notice on 24.12.2010. Company pointed out the discrepancy in the lignite reserves as the estimated reserves as per the GR report of Govt. of Rajasthan was only 32.412 MT.</p> <p>In the Review Meeting held on 11/12<sup>th</sup> January, 2012, it was noticed that all the major milestones were pending including Mining Plan, Mining lease, EMP and LA. The company was issued a show cause notice on 4<sup>th</sup> May, 2012. The company has furnished its reply on 23.05.2012. In its reply the company has informed that mine boundary was provided on 16.9.2011 by the Govt. of Rajasthan and the lignite reserves are only 32.412 MT, which may not be able to sustain the lignite requirement of the proposed power plant.</p> |
| 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  | <p>The company has furnished its reply on 23.05.2012. In its reply the company has informed that mine boundary was provided on 16.9.2011 by the Govt. of Rajasthan and the lignite reserves are only 32.412 MT, which may not be able to sustain the lignite requirement of the proposed power plant.</p>   |
| 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.        | <p>Delay in development of lignite block is mainly attributed to the availability of less reserves as per the GR of the DGM, Govt. of Rajasthan which as per company's statement could not sustain its end use project linked with the block. However, all the major milestones towards development of the block are pending. Mining Plan (MP) is not yet approved and the revised MP was submitted on 22.9.2012 which is under</p>   |

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|  |  | consideration. The company has delayed in submission of mining lease application as late as on 14.12.2010 to the state government. Delay is 3 years and 7 months. EMP and FC are pending. |
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