

**By Speed Post**

**F.No. 47011/7(6)/93-CPAM/ CA  
Government of India  
Ministry of Coal**

New Delhi, dated 9<sup>th</sup> July, 2013

To

(i) The CMD, Mahanadi Coalfields Limited (MCL) Jagrut Vihar Burla, Distt. Sambalpur	(ii) M/s JSW Steel Ltd. (Formerly the Jindal Vijaynagar Steel Limited) NBCC Tower, Bhikaji Cama Place, New Delhi - 110066.
(iii) M/s Jindal Thermal Power Comp. Limited(JTPCL) Jindal Centre, 12, Bikaji Cama Place, New Delhi -66	(iv) M/s Jindal Stainless Limited Jindal Centre 12, Bikaji Cama Place, New Delhi -66
(v) M/s Shyam Metallics Pvt. Limited S S Chamber, 5 C.R. Avenue, Kolkata- 700 072	

**Sub: Deduction of Bank Guarantee (BG) in respect of Utkal –A and Gopal Prasad West (West) coal block in the State of Odisha allotted to M/s MCL, JSW Steel Limited, Jindal Thermal Power Company Limited(JTPCL), Jindal Stainless Limited (JSSL) and Shyam DRI Limited- Regarding.**

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/19/2003-CB-CA-I dated 29<sup>th</sup> November, 2005 (**Annexure-I**) and to this Ministry's show cause notice letter No. 13011/41/2012-CA-I dated 4<sup>th</sup> May, 2012 (**Annexure-II**) and to your reply to the show cause notice and the Presentation made/documents submitted by you on 10<sup>th</sup> October, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. Utkal-A and Gopal Prasad West (West) combined coal blocks has been allocated for working by a Joint Venture Company of MCL, JSW Steel Limited, Jindal Thermal Power, Jindal Stainless Steels Limited, Shyam DRI Ltd in pursuance of the Section 3(3)(a) of the Coal Mines (Nationalisation) Act, 1973 subject to certain terms and conditions mentioned in point 2 (i) to (v). One of the condition of the allocation letter is stipulated as under:-

"3 .Violation of any of the decisions/conditions on the part of any of MCL, JSW Steel Limited, Jindal Thermal Power Limited, Jindal Stainless Steels Limited and Shyam DRI Limited and the JV company shall render the mining lease liable for cancellation. "



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 that the JVC with MLC is expected by April, 2008 and Utkal -A to ensure timely developmental activities by MCL.
- ii. In the Review Meeting held on 15/16.10.2008, it was noted that the block allocatees mainly MCL was advised to take up developmental activities on priority basis. JVC among the allocatees have been formed. Representative of JSW Steel stated the Chairman of MCL should be CEO of Joint Venture Company and Director of the Joint Venture Company should be nominated from MOC. The issue being internal of company, Chairman did not agree to pass any direction.
- iii. Further, the Review Committee in its meeting held in 22/23.06.2009 noted the blocks is an explored block. All pre-mining activities are pending. Joint Venture Company formed only in 2008. Land acquisition is continuing. EMP expected by November, 2009.
- iv. In the Review Committee meeting held in on 20/21.07.2010, the company was asked to submit details of EUPs of the joint allocatees to the CCO quarterly and was asked to deposit Bank Guarantee within 15 days for the combined capacity of the two blocks. The committee was dissatisfied with the development of the mine.
- v. The Review Committee meeting held on 11/12.01.2012 noted that Forest Clearance(Stg-I), EMP, Land Acquisition are pending. Company has stated that Stage-I FC is expected by June 2012 and Stage II within 3-4 months thereafter. 240 Ha land acquired and balance land will be acquired in a phased manner. EMP will be granted 3-4 months after forest clearance. MCL is facilitation all the clearance process. 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 been given the mandate to review the progress of development of allocated coal blocks and associated end use projects and to recommend action including de-allocation, if required.

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 **10<sup>th</sup> October, 2012** before the IMG. The IMG considered the presentation, the status note of the Utkal-A & Gopal Prasad coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation as per 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	Remarks
Purchase of GR	13.1.2006 (45 days)	Yes	-	
Submission of Bank Guarantee	29.2.2006 (3 months)	18.11.2010	3 Yrs 9 Months	
Mining Lease Application	29.2.2006 (3 months)	Not applicable	Land to acquire under CBA Act	ML 1026 Ha
Submission of Mining Plan	29.5.2006 (6 months)	13.4.2009	2 Yrs 11 Months	
Approval of Mining Plan	29.7.2006 (8 months)	24.4.2009	2 Yrs 9 Months	
Application of Previous approval	29.9.2006 (10 months)	Not applicable	Land to acquire under CBA Act.	
Granting of Previous approval	29.10.2006 (11 months)	Not applicable	Land to acquire under CBA Act	
Application of Forest clearance	29.11.2006 (12 months)	20.8.2009	2 Yrs 11 Months	
Grant of Forest Clearance	29.5.2007 (18 months)	Pending	5 Yrs 1 months	Forest Land- 90.81 Ha Delayed by Forest Department for wanting of notification of Utkal-A which was done in June, 10.
Application EMP Clearance	29.11.2006 (12 months)	31.12.2008	2 Yrs 1 Months	
Grant of EMP Clearance	29.5.2007 (18 months)	Pending	5 Yrs 1 Months	Delayed due to MOEF not entertained

				because to impose of moratorium as critically polluted area.
Grant of Mining Lease	29.11.2007 (24 months)	Not applicable	Land to acquire under CBA Act	
Application of Land Acquisition	29.6.2007 (36 months)	23.6.2010	3 Yrs	Govt. land 253 Ha
Completion of Land Acquisition	29.11.2008 (36 months)	Pending	3 Yrs 7 months	4(1), & 7(1) notification CBA Act completed.
Application for opening permission	29.3.2009 (40 months)	Pending	3 Yrs 3 Months	
Grant of Opening Permission	29.4.2009 (41 months)	Pending	3 Yrs 2 Months	
Coal Production	29.5.2009 (42 months)	Pending	3 Yrs 1 Months	Open cast mine with forest land.

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

**M/s Mahanadi Coalfields Ltd., JSW steel Ltd., JTPCL, JSSL, Shyam DRI Mining (Utkal-A and Gopalprasad)**

*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 fully explored block and almost 7 years have elapsed from the date of allotment i.e. 29.11.2005. The block was allotted for the end-use plant of the respective companies except in case of MCL where it was allotted for commercial use. An amount of Rs.71.30 crores has been spent on the coal block as per the CA certificate submitted by the JV company. Further, M/s JSW Steel Ltd. has reported investment of Rs.25,474 crore, M/s JSW Energy Ltd. reported investment of Rs.1815 crore, M/s Jindal Stainless Ltd. reported investment of Rs.8685.86 crore and M/s Shyam Metalics and Energy Ltd. reported investment of Rs.705.91 crores in their end-use plants which is inclusive of their investment in their existing capacities. The JV company has applied for EMP clearance and forest clearance. Regarding the land acquisition, it was stated that the land would be acquired under CBA Act. Notification under Section 11(1) has been completed for Gopalprasad West and 4(1) notification for Utkal-A has been completed. 423 acres of Government land and 128 acres of tenancy land has been acquired. Public hearing for EC has been completed and FC proposal is submitted to State Government after completion of Gram Sabha in ten villages. The normative date for start of production was 29.5.2009.*

*The IMG noted that during review of 2010, the Committee had reviewed the progress and recommended issue of show-cause notice for de-allocation. Based on the reply received the committee had then recommended deduction of BG. Taking into account all factors, including substantial progress and investment made since then, the IMG did not consider it appropriate to recommend de-allocation of the coal block at this stage. The provision for deduction of BG as per allocation letter is linked to shortfall in production. The IMG therefore, recommends that in view of the slippage in milestones, the BG may be deducted for shortfall in production since normative date of production i.e. 29.5.2009 as per the formula contained in the allocation letter.*

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

8 Accordingly, it is ordered that proportionate Bank Guarantee furnished by the allocatee companies be deducted. The Bank Guarantee (BG) as calculated by Coal Controller's Office to the extent of **Rs. 22.248 crore (Rupees twenty two crores twenty four lakhs and eighty thousand only)** be deducted after 4 weeks from the date of issue of this letter keeping in view the order of Hon'ble High Court at Calcutta dated 15<sup>th</sup> May, 2013 in the case TA No. 68 of 2013 filed by Sh. Shyam Metallics & Energy Limited and order dated 11.04.2013 of Hon'ble High Court of Delhi in WP ( C ) No. 938 of 2013 & CM No. 1784/2013 filed by Jindal Stainless Limited and deposited with the Government in the relevant Head of Account. (The calculation of deduction of BG is as per Annexure -IV). This order is without prejudice to any other action which the Ministry of Coal may take/consider appropriate.

Yours faithfully,

  
(S.K. Shahi)  
Director

Copy to:-

1. The Chief Secretary, Government of Odisha, Bhubaneswar.
2. The CMD, Coal India Limited, 10- Netaji Subhash Road, Kolkata- 700001.
3. The Coal Controller's Organisation, 1, Council House Street, Kolkata for necessary action.
- ✓ 4. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

13016/19/2003-CB-CA-1  
Government of India  
Ministry of Coal

New Delhi, dated 29.11.2005

To

1. The Chairman-cum-Managing Director,  
Mahanadi Coalfields Ltd.(MCL)  
Jagruti Vihar, Burla,  
Distt. Sambalpur.

2. M/s JSW steel Ltd.  
(Formerly Jindal Vijaynagar Steels Ltd.)  
Jindal Centre,  
12, Vicaji Cama Place,  
New Delhi-66/

M/s Jindal Thermal Power,  
Company Ltd., (JTPCL).  
Jindal Centre,  
12, Vicaji Cama Place,  
New Delhi- 1

3. M/s Jindal Stainless Steels Ltd., (JSSL),  
Jindal Centre,  
12, Vicaji Cama Place.  
New Delhi-66

4. M/s Shyam DRI Ltd.,  
Biswakarma 86-C,  
Tophia Road,  
Calcutta-46  
(Fax No. 03322852212)

Subject Allocation of the combined block of Utkal-A and Gopal Prasad West ( West)  
for working by a joint venture company of MCL, JSW steel Ltd., JTPCL, JSSL  
and Shyam DRI Ltd.

Sir,

I am directed to refer to the request of M/s JSW Steel Ltd. ( Formerly the Jindal Vijaynagar Steel Ltd.), JTPL, JSSL, SDL for allocation of coal blocks in the MCL area and to state that the requests of these companies have been considered by the Central Government & it has been decided to allot the combined block of utkal-A and Gopal Prasad West( West) jointly to the Mahanadi Coalfields Ltd., a Government company under the administrative control of the Ministry of Coal, JSW Steel Ltd., Jindal Thermal Power Company Ltd., Jindal Stainless Steel Ltd., and M/s Shyam DRI Ltd.,

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for working through a joint venture company. (Subject to clearance approval of the CCEA) subject to the following conditions:

- i) Gopal Prasad West (West) and Utkal-A shall be mined as one mine.
- ii) A joint venture be formed between MCL, JSW Steel Ltd., JTPCL, JSSL and Shyam DRI. The equity holding by MCL in the joint venture company will be 60% whereas M/s JSW Steel Ltd., JTPCL, JSSL and Shyam DRI will hold 22%, 9% and 9% equity in the joint venture respectively.
- iii) Mining in the block shall be done through outsourcing for which the joint venture shall invite global tenders and select the mine operator through competitive bidding. MCL, JSW Steel, JTPCL, JSSL and Shyam DRI would be free to participate in this tendering process.
- iv) 60% of the annual production from the mine will be retained by MCL and the remaining 40% would be shared between JSW Steel Ltd. / JTPCL, JSSL and Shyam DRI in proportion to their respective equity holdings.
- v) In the above arrangement the coal barrier between Utkal-A and Gopal Prasad West (West) amounting 96 million tonnes approximately would get shared in the proportion of 60 : 40 between MCL and the three private sector companies.

2. The allocation will, further, be subject to the following conditions:

- i) The 40% coal of annual production to be shared between the three private sector companies in the joint venture in proportion to their equity holdings shall be used by these companies in their end-use plants as the case may be.
- ii) Coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of opencast mine and in 48 months (54 months in case the area fall under forest land) from the date of this letter in case of UG mine. The end-use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of this letter.
- iii) The joint venture company shall submit a bank guarantee equal to one year's royalty amount based on mine capacity of Utkal-A and Gopal Prasad West (West) coal blocks within three months from the date on which communication to allocatee is sent by the Ministry. Subsequently upon approval of the mining plan the bank guarantee amount will be modified.
- iv) 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.
- v) The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. In case of any lag in the production of coal, a percentage of the bank guarantee amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, e.g., if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual


production is 35, then  $(50-35)/100 \times 100 = 15\%$  will lead to deduction of 15% of the original bank guarantee amount for that year. Upon exhaustion of the Bank Guarantee amount, the block shall be liable for de-allocation/cancellation of mining lease. The joint venture company 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.

3. Violation of any of the above decisions/conditions on the part of any of MCL, JSW Steel Ltd., Jindal Thermal Power Ltd., M/s Jindal Stainless Steels Ltd. and M/s Shyam DRI Ltd. and the Joint Venture company shall render the mining lease liable for cancellation.

4. 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 this vetted/modified draft shall render the mining lease deed abinitio null and void and without effect.

5. Necessary details and geological report in respect of the block may be obtained from CIL, CMPDIL and the State Government authorities concerned may be contacted for necessary formalities for attaining mining lease rights and related matters. The joint venture company will be required to apply for mining lease containing the above relevant conditions to the concerned State Government within a period of six months. The arrangement of transport of coal, if any, etc. will have to be worked out by the company in consultation with the Ministry of Railways/ Ministry of Surface Transport depending on the mode of transport.

Yours faithfully,

  
(Premraj Kumar)  
Section Officer



Annexur- II  
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SHOW CAUSE NOTICE

No.13011/4/2012-CA-I  
Government of India  
Ministry of Coal

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

To

(i) The CMD, Mahanadi Coalfields Limited (MCL) Jagrut Vihar Burla, Distt. Sambalpur	(ii) M/s JSW Steel Ltd. NBCC Tower, Bhikaji Cama Place, New Delhi - 110066.
(iii) M/s Jindal Thermal Power Comp. Limited(JTPCL) Jindal Centre, 12, Bikaji Cama Place, New Delhi -66	(iv) M/s Jindal Stainless Limited Jindal Centre 12, Bikaji Cama Place, New Delhi -66
(v) M/s Shyam Metallics Pvt. Limited S S Chamber, 5 C.R. Avenue, Kolkata- 700 072	

**Subject:** Show cause notice in respect of Utkal-A & Gopalprasad block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/19/2003-CA-I dated 29.11.2005 conveying allocation of Utkal-A & Gopalprasad 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

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36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) in case of UG mine from the date of allocation letter. The end- use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of allocation.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of the company. In the review meeting held on 11/12.01.2012, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that all the important/critical milestones such as Forest Clearance, EMP and Land Acquisition are pending for Utkal-A & Gopalprasad 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:-

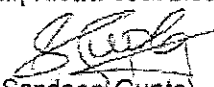
Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	13.1.2006	Yes	-
Submission of Bank Guarantee	29.2.2006	18.11.2010	3 Yrs 9 Months
Mining Lease Application	29.2.2006	Not applicable	-
Submission of Mining Plan	29.5.2006	13.3.2009	2Yrs 11 Months
Approval of Mining Plan	29.7.2006	23.4.2009	2Yrs 10 Months
Application of Previous approval	29.9.2006	Not applicable	
Granting of Previous approval	29.10.2006	Not applicable	
Application of Forest clearance	29.11.2006	6.12.2008	2Yrs 1 Month
Grant of Forest Clearance	29.5.2007	Pending	4Yrs 10 Months (as on Mar.12)
Application EMP Clearance	29.11.2006	Oct.2010	4 Yrs

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Grant of EMP Clearance	29.5.2007	Pending	4 Yrs 10 Months (as on Mar.12)
Grant of Mining Lease	29.11.2007	Not applicable	-
Application of Land Acquisition	29.6.2007	23.6.2010	3 Yrs
Completion of Land Acquisition	29.11.2008	Pending	3 Yrs 4 Months
Application for opening permission	29.3.2009	Pending	3 Yrs
Grant of Opening permission	29.4.2009	Pending	2 Yrs 11 Months
Coal Production	29.5.2009	Pending	2 Yrs 10 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 Utkal-A & Gopalprasad 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 – Utkal-A & Gopalprasad coal block.

  
(Sandeep Gupta)

Under Secretary to the Govt. of India

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

Utkal-A and Gopal Prasad West

Sl No	Items	Remarks																				
1	Name Of the Block	Utkal-A and Gopal Prasad West ( Utkal -A (merged with MCL block Gopal Prasad & MCL share 60%).																				
2	Name Of the allocatee	M/s MCL, JSW Steel, JTPCL, JSSL and Shyam DRI Ltd.																				
3	Date Of allocation	29.11.2005																				
4	End use plant and Capacity	<table border="1"> <thead> <tr> <th>Sl No</th> <th>Company</th> <th>EUP Proposed</th> <th>EUP In Operation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>JSW Steel Ltd</td> <td>To expand steel facilities from 2.5 mtpa to 4 mtpa and Captive Power Plant of 500 MW</td> <td>Fully operational, in fact plant installed capacity currently exceeds EUP Current Steel Capacity : 9.6 mtpa Captive Power Plant : 830 MW</td> </tr> <tr> <td>2</td> <td>JSW Energy Ltd</td> <td>IPP 500 MW</td> <td>Fully operational, in fact plant installed capacity currently exceeds EUP at 860 MW</td> </tr> <tr> <td>3</td> <td>Jindal Stainless Ltd</td> <td>Stainless Steel 1.6 mtpa CPP 4x125 MW</td> <td>Stainless Steel 0.8 mtpa CPP 2x125 MW</td> </tr> <tr> <td>4</td> <td>Shyam Metallics &amp; Energy Ltd</td> <td>ISP 1.0 mtpa CPP 135 MW</td> <td>DRI Plant 900 tpd CPP 85 MW</td> </tr> </tbody> </table>	Sl No	Company	EUP Proposed	EUP In Operation	1	JSW Steel Ltd	To expand steel facilities from 2.5 mtpa to 4 mtpa and Captive Power Plant of 500 MW	Fully operational, in fact plant installed capacity currently exceeds EUP Current Steel Capacity : 9.6 mtpa Captive Power Plant : 830 MW	2	JSW Energy Ltd	IPP 500 MW	Fully operational, in fact plant installed capacity currently exceeds EUP at 860 MW	3	Jindal Stainless Ltd	Stainless Steel 1.6 mtpa CPP 4x125 MW	Stainless Steel 0.8 mtpa CPP 2x125 MW	4	Shyam Metallics & Energy Ltd	ISP 1.0 mtpa CPP 135 MW	DRI Plant 900 tpd CPP 85 MW
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4	Shyam Metallics & Energy Ltd	ISP 1.0 mtpa CPP 135 MW	DRI Plant 900 tpd CPP 85 MW																			
5	Important terms and conditions of allocation	As per Allocation Letter enclosed																				
6	Milestones of allocation and slippages against Milestones as stated in the SCN	Status of CCO, Kolkata as on June, 2012 is enclosed as Annexure																				
7	History Previous review / action	In Review Meeting held on 25/26th March, 2008 it was noted that all milestones were pending including submission of BG.																				



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		<p>Request of waiver of BG is not agreed to .</p> <p>In Review Meeting held on 15<sup>th</sup> &amp; 16<sup>th</sup> October, 2008 the committee noted that the block allocatees mainly MCL is advised to take up developmental activities on priority basis. JVC among the allocatees have been formed. Representative of JSW Steels Limited stated that the Chairman of MCL should be the CEO of JVC and Director of the JVC should be nominated from MOC. The issue being internal of company. Chairman did not agree to pass any direction.</p> <p>In the Review meeting held on 22/23.06.2009, the committee noted that all pre mining activities are pending. JVC formed only in 2008. Land acquisition is continuing. EMP expected by Nov, 2009. Need to take up with MCL for early development of the block.</p> <p>In the Review Meeting held on 20/21.07.2010 the Committee asked to submit details of EUPs of the joint allocatees to the CCO quarterly. Asked to deposit BG within 15 days for the combined capacity of the two blocks. The committee was dissatisfied with the development of mine and asked to issue show-cause notice for de-allocation.</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



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Summary of reply of the company including reasons for delay		Purchase of G.R	23.06.2009	Completed in time	Achieved
1	Submission of BG	23.10.2009		18.11.2010	Achieved
2	Mining Lease Application	-		NA	Under CBA Act
3	Submission of Mining Plan	13.03.2009		31.12.2008	Achieved
4	Approval of Mining Plan	13.05.2009		23.04.2009	Achieved
5	Application of Previous Approvals of ML	-		NA	Under CBA Act
6	Grant of Previous Approval of ML	-		NA	Under CBA Act
7	Grant of Mining Lease	-		NA	Under CBA Act
Land acquisition					
SI No.	Particulars	Status	Land (Ha)		
1	West of Gopal Prasad west Under CBA Act 1957	Acquired	615.78		



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		2	Utkal - A Section 9(i) under CBA Act, 1957	Application submitted to MOC on 04.05.2012	410.22
		3	R & R Site	Approved by RDC, Sambalpur on 19.04.2011	36.00
		4	Under I.A Act (for other infrastructure)	Under Process at District Collector Level from 12.03.2012	50.35
		EMP Clearance			
		Sl No.	Sub-milestones		Date
		1	Formation of JV Company		13.08.2008
		2	ToR Prescribed by MOEF		31.12.2008
		3	Public Hearing		18.12.2009
		4	Proposal submitted to MOEF for EC clearance		13.10.2010
		5	Proposal not considered in the EAC due to Talcher coalfield falling under Critically Polluted Area		22.11.2010
		6	Proposal appraised by EAC & it sought additional information, studies and response from Odisha State Government		29.03.2011
11	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.				
12	Investment made in mining and end-use plant		CA certificate is enclosed.		

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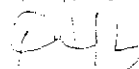
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Coal Controller Office, MOC/Kolkata  
Status of the captive Coal Block as on June'2012  
(as per quarterly report furnished by the Block owners)

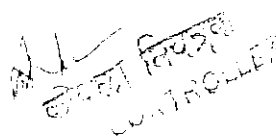
1. Name of Company:- MJSJ Coal Ltd (JVC of MCL, JSW (Energy), JSW (Steel), Jindal Stainless, Shyam Metaliks) (MCL having 60% coal share, JSW (Energy) having 11 % coal share, JSW (Steel) having 11% coal share, Shyam Metaliks & Energy Ltd having 9 % coal share and Jindal Stainless Ltd having 9% coal share)
2. Name of Coal Block:- Utkal A & Gopal Prasad(W)/ OC Mine.
3. Date of Allocation:- 29.11.2005
4. Total Project Cost:- 395.87 Crores
5. Investment Made as on (6/12):-71.34 Crores (as per Status report)
6. Reserve (Mill Tonnes):- Geological 951.68 MT
7. Grade of Coal:- C-G
8. Yearly Rated Capacity:- 15 MTPA
9. Cost of GR:- 0.68859 Crores
10. Location:- Talcher, Odisha
11. BG Amount:- 111.24 Crores
12. Type of EUP:- 60% coal to MCL for sale and 40 % Coal for Power & Sponge Iron Production of Private allocatees.
13. Location of Project:- Torangallu (Karnataka) and Raigarh (CG) for JSW Energy, Rengali, Sambalpur for Shyam Metaliks, Duburi, Jajpur Odisha for Jindal Stainless Ltd.
14. Capacity of the Project:- MCI utilized to the power plant supply, 860 MW IPP of JSW Energy, 1MTPA ISP and 135 MW CPP of Shyam Metaliks, 500 MW IPP of Jindal Stainless Ltd.
15. Explored/Un Explored:- Explored
16. Type of Mine (OC/UG/Mixed):- Open cast mine
17. Zero Date:- 29.11.2005 (as per condition of allocation letter)
18. Previous Recommendation, if any- Recommended to issue show case notice in the review meeting held in June, 2010.

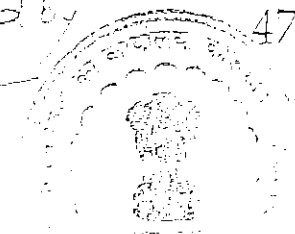
Details of milestone to be achieved and time lapsed against each milestone are as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on 6/2012)	Remarks	Special Observation
Purchase of GR	13.1.2006 (45 days)	Yes	-		
Submission of Bank Guarantees	29.2.2006 (3 months)	18.11.2010	3 Yrs 9 Months		
Mining Lease Application	29.2.2006 (3 months)	Not applicable	Land to acquire under CBA Act.	ML - 1026 Ha	
Submission of Mining Plan	29.5.2006 (6 Months)	13.3.2009	2Yrs 11 Months		
Approval of Mining Plan	29.7.2006 (8 months)	23.4.2009	2Yrs 9 Months		
Application of	29.9.2006	Not	Land to		

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 COAL CONTROLLER





... approval	(10 months)	... applicable	acquire under CBA Act	
wanting of ... previous approval	29.10.2006 (11 months)	Not applicable	Land to acquire under CBA Act	
Application of Forest clearance	29.11.2006 (12 months)	20.8.2009	2 Yrs 11 Months	
Grant of Forest Clearance	29.5.2007 (18 months)	Pending	5Yrs 1 Months	Forest Land - 90.81 Ha Delayed by Forest Department for wanting of notification of Utkal_A which was done in June.10.
Application EMP Clearance	29.11.2006 (12 months)	31.12.2008	2 Yrs 1 Months	
Grant of EMP Clearance	29.5.2007 (18 months)	Pending	5Yrs 1 Months	Delayed due to MOEF not entertained because to impose of moratorium as critically polluted area.
Grant of Mining Lease	29.11.2007 (24 months)	Not applicable	Land to acquire under CBA Act.	
Application of Land Acquisition	29.6.2007 (19 months)	23.6.2010	3 Yrs	Govt land:- 253.59 Ha
Completion of Land Acquisition	29.11.2008 (36 months)	Pending	3 Yrs 7 Months	4(1), &7(1) notification under CBA Act completed.
Application for opening permission	29.3.2009 (40 months)	Pending	3 Yrs 3 months	
Grant of Opening permission	29.4.2009 (41 months)	Pending	3 Yrs 2 Months	
Coal Production	29.5.2009 (42 months)	Pending	3 Yrs 1 Months	Open cast mine with forest land.

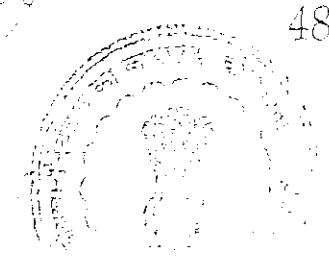
Other Information and constraint faced by the block allocates

- 1) Forest Clearance:- Field job like tree enumeration & field demarcation and compensatory afforestation completed. The proposal is with State Govt. Gram Sabha in 10 villages completed. Forest proposal is with DFO for wanting of "No objection Certification" under Forest Right Act from Distt. Collector.

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Environment Clearance:- EMP submitted to MOEF in Oct. 10. Presentation made before EAC of MOEF on 29.3.2011 for Environment clearance based on TOR dt. 31.12.2008. Public hearing completed.

- 3) Land Acquisition:- Gram Sabha for 10 villages completed. 11(1) under CBA completed for Gopal Prasad west. 4(1) under CBA for Utkai-A (410.22 Ha) done. 7(1) application submitted to MOC in Aug.2011 and is not yet published. 423 Acres Govt land and 128 Acres tenancy land acquired.

Prepared by  
PJL

Checked by  
AB



AB  
Joint Secretary  
Ministry of Environment and Forests  
Government of India

1. Name of Company:- M/s Mahanadi Coalfields Ltd., JSW Steel Ltd., JTPCL, JSSL, Shyam DRI Mining
2. Name of Coal Block:- Utkal-A and Gopalprasad (Explored) .
3. Date of Allocation:- 29.11.2005
4. Normative Date of production:- 29.05.2009 (as per allotment letter)
5. Yearly Rated Capacity:- 15 MTPA (as per approved mine plan)
6. Grade of Coal:-
7. BG Amount:- Rs. 111.24 Crore
8. **Recommendation:** Taking into account all factors, including substantial progress and investment made since then, the IMG did not consider it appropriate to recommend de-allocation of the coal block at this stage. The provision for deduction of BG as per allocation letter is linked to shortfall in production. The IMG therefore, recommends that in view of the slippage in milestones, the BG may be deducted for shortfall in production since normative date of production i.e. 29.05.2009 as per the formula contained in the allocation letter.

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As per condition of Para-2(v) of the allocation letter No.13016/19/2003-CB-CA-I dated 29.11.2005, in case of any lag in the production of coal, a percentage of BG amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to peak rated capacity of the mine.

Amount of Bank Guarantee submitted by the company= Rs.111.24 Crore

Deduction for 1<sup>st</sup> year

A= Production as per the approved mining plan for the 1<sup>st</sup> year (29.05.2009 to 28.05.2010) = 0 MT  
 B= Actual Production for the 1<sup>st</sup> year (6.5.2011 to 5.5.2012) = 0  
 C= Peak Rated Capacity= 15 MT (as per mine plan)  
 So, D= Percentage of amount of BG to be deducted for the 1<sup>st</sup> year = (A-B)/CX100 = (0-0)/15x100 = 0%  
 X=Amount of BG to be deducted for shortfall in Production for the 1<sup>st</sup> year = Rs.111.24 crore x 0% = Nil

Deduction for 2<sup>nd</sup> year

A= Production as per the approved mining plan for the 2<sup>nd</sup> year (29.05.2010 to 28.05.2011) = 0 MT  
 B= Actual Production for the 1<sup>st</sup> year (6.5.2011 to 5.5.2012) = 0  
 C= Peak Rated Capacity= 15 MT (as per mine plan)  
 So, D= Percentage of amount of BG to be deducted for the 2<sup>nd</sup> year = (A-B)/CX100 = (0-0)/15x100 = 0%  
 Y= Amount of BG to be deducted for shortfall in Production for the 2<sup>nd</sup> year = Rs. 111.24 crore x 0% = Nil

Deduction for 3<sup>rd</sup> year

A= Production as per the approved mining plan for the 3<sup>rd</sup> year (29.05.2011 to 28.05.2012) = 3 MT  
 B= Actual Production for the 1<sup>st</sup> year (6.5.2011 to 5.5.2012) = 0  
 C= Peak Rated Capacity= 15 MT (as per mine plan)  
 So, D= Percentage of amount of BG to be deducted for the 3<sup>rd</sup> year = (A-B)/CX100 = (3-0)/15x100 = 20%  
 Z= Amount of BG to be deducted for shortfall in Production for the 3<sup>rd</sup> year = Rs.111.24 crores x 20% = Rs. 22.248 Crore

Deduction for the 4<sup>th</sup> year

4<sup>th</sup> year (29.05.2012 to 28.05.2013) ends on 28.05.2013 which is not reached as on Nov'2012, hence deduction of BG for the 4<sup>th</sup> year may not be done.

Total Bank Guarantee amount be deducted = X+Y+Z = 0+ 0+22.248 Crore = Rs.22.248 Crore (Rupees twenty two crores twenty four lakhs and eighty thousand only)

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3.5.17.

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