

By Speed Post

F.No. 13016/39/2009-CA-I
Government of India
Ministry of Coal

New Delhi, dated 15th January, 2013

To
The Chairman & Managing Director,
M/s Madhya Pradesh State Mining Corporation Ltd.,
Prayavas Bhavan, Block No.1(A),
Second Floor, Jail Raod,
Arera Hills, Bhopal-462011.

Sub: De-allocation of Semaria/Piparia coal block in the State of Madhya Pradesh allotted to M/s Madhya Pradesh State Mining Corporation Ltd. and invoking/deduction of Bank Guarantee - Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/8/2007-CA-I dated 25th July, 2007 (**Annexure-I**) and to this Ministry's show cause notice letter No.13016/39/2009-CA-I dated 16th September, 2009 (**Annexure-II**) and to your reply to the show cause notice and the Presentation made/documents submitted by you on 10th October, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. **Semaria/Piparia** coal block located in the State of Madhya Pradesh was allocated to M/s **Madhya Pradesh State Mining Corporation Ltd.** in pursuance of the Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973 and the Revised Policy on Coal Mining by State Govt. subject to the certain terms and conditions. In the allocation letter, para 2 (xi) stipulated as under:-

“(xi) Any violation of the conditions imposed above in mining of coal from the **Semaria/Piparia** coal block will render the mining lease liable for cancellation and withdrawal of allocation.”

3. In respect of Bank Guarantee, the condition 2(ix) of allocation has clearly mentioned that **M/s Madhya Pradesh State Mining Corporation Ltd.** shall submit a bank guarantee for **Rs.2.28** crores (equal to one year's royalty amount based on mine capacity of 0.24 mtpa assessed by CMPDIL, grade of coal and the weighted average royalty @ Rs. 95 per tonne) within three months from the date of issue of this letter. Subsequently, upon approval of mining plan, the Bank Guarantee amount will be modified based on the final peak/rated capacity of the mine. Further para 2(x) of allocation letter stipulates that 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.

- (a) There shall be an annual review of progress achieved by an allocattee company. In the event of lapses, if any, in the achievements vis-à-vis the milestones set for



that year, a proportionate amount shall be encashed and deducted from the bank guarantee.

- (b) Once production commences, in case of any lag in the production of coal, a percentage of the bank guarantee amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, e.g., if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual production is 35, then $(50-35)/100 \times 100 = 15\%$ will lead to deduction of 15% of the original bank guarantee amount for that year. Upon exhaustion of the bank guarantee amount, the block shall be liable for de-allocation/cancellation of mining lease.
- (c) The allocatee shall ensure that the bank guarantee remains valid at all times till the mine reaches its rated capacity or till the bank guarantee is exhausted. Any lapses on this count shall lead to de-allocation/ cancellation of mining lease.

4. The progress of allocated coal block has been reviewed by the Ministry through a Review Committee from time to time wherein the allocatee company give presentation in respect of the development made by them 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 block is explored and all activities are pending.

ii) In the review meeting held on 15/16.10.2008, it was noted that the block was explored. All activities were pending. Representatives of the allocatee company informed that GR would be purchased by the JV Partner.

ii) In the review meeting held on 22/23.06.2009 it was noticed that the block was explored. Only copy of GR was obtained. Mining Plan is stated to be under preparation. Selected the JV partner. Chairman was dissatisfied with the slow progress of the blocks observing no substantial progress for two years. Asked the representative to submit a detailed bar chart to Ministry of Coal/Coal Controller's Organisation within a month. Chairman further observed that unless the Mining Plan is submitted by September end to Ministry of Coal, the block could be de-allocated. The company was issued a show cause notice on 16.09.2009. Based on the reply furnished to the show cause, the Review Committee recommended deduction of Bank Guarantee.

iii) In the review meeting held on 20/21.07.2010 it was noted that MP approval, FC, EMP, ML and LA are pending. MP submitted. JV partner, M/s Jaiprakash Associates Ltd., informed that block area is within the corridor of Pench Tiger Reserve Project.



iv) In the review meeting held on 11/12.01.2012, it was noticed that the progress of the block was not found satisfactory but it is seen that these blocks were delayed due to 'Go/No Go' categorization etc.

5. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairpersonship of Additional Secretary (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The IMG has been given the mandate to review the progress of development of allocated coal blocks and associated end use projects and to recommend action including de-allocation, if required.

6. The case of the allocatee company was referred to IMG. Accordingly, the IMG gave an opportunity to the allocatee company to make the Presentation before it on the progress of development of allocated coal blocks and associated end use project. The representatives of the allocatee company gave presentation on 10th October, 2012 before the IMG. The IMG considered the presentation, the status note of the **Semaria/Piparia** coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation (**Annexure-III**). The progress of development of the block with reference to the milestones and their achievement is as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as On 06/2012)	Remarks
Purchase of GR	9.9.2007 (45 days)	-	4 Yrs 9 Months	Purchase of GR deferred due to grant of Terms of Reference by MOEF.
Submission of Bank Guarantee	25.10.2007 (3 months)	1.12.2008	2Yrs 2 Months	
Mining Lease Application	25.10.2007 (3 months)	8.10.2008	1 Yr	ML:- 500 Ha
Submission of Mining Plan	25.1.2008 (6 months)	16.2.2010	2 Yrs 1 Months	
Approval of Mining Plan	25.3.2008 (8 months)	6.5.2010	2 Yrs 2 Months	Mining plan approved in principle for mine capacity of 0.5 mtpa and mine ability upto 1.2 mt thick seams. Final approval will be communicated after purchase of original GR.
Application of Previous approval	25.5.2008 (10 months)	18.2.2010	1 Yrs 9 Months	
Granting of Previous approval	25.6.2008 (11 months)	Pending	4 Yrs	Delayed due to purchase of Original GR
Application of	25.7.2008	25.2.2010	1Yr s 7 Months	Forest land:- 215.555 Ha



Forest clearance	(12 months)			
Grant of Forest Clearance	25.1.2009 (18 months)	Pending	3 Yrs 5 Months	Forest clearance proposal rejected by MOEF due to close proximity of Bandhavgarh Tiger Reserve .
Application EMP Clearance	25.7.2008 (12 months)	26.11.2009	1 Yr 4 Months	
Grant of EMP Clearance	25.1.2009 (18 months)	Pending	3 Yrs 5 months (as on .6/2012)	Approval of Terms of Reference delayed due to proximity of Bandhavgarh Tiger Reserve and Coal Block boundary.
Grant of Mining Lease	25.7.2009 (24 months)	Pending	2 yrs 11 Months	
Application of Land Acquisition	25.2.2009 (19 months)	31.3.2010	1 Yr 1 Months	
Completion of Land Acquisition	25.7.2010 (36 months)	Pending	1 Yr 11 Months	Pvt land:- 155.996 Ha Govt land:- 128.449 Ha
Application for opening permission	25.11.2011 (52 months)	Pending	7 months	
Grant of Opening permission	25.12.2011 (53 months)	Pending	6 Months	
Coal Production	25.1.2012 (54 months)	Pending	5 Months	Under Ground including forest land.

6. After detailed deliberations, the IMG made its recommendation to **de-allocate Semaria/Piparia** Coal block and deduction/forfeiture of bank guarantee which was allocated to M/s Madhya Pradesh State Mining Corporation Ltd. in its 17th meeting held on 20th November 2012. The recommendations made by the IMG are as follows:-

"M/s MP State Mining Corporation Ltd. (Semaria/Piapria)

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 a fully explored block and more than 5 years have elapsed from the date of allotment i.e. 25.7.2007. Mining plan has been approved in principal on 6.5.2010 with a condition that the final approval will be communicated after purchase of original GR. The FC and EC have both been rejected due to overlap with Bandhavgarh Tiger Reserve. The allocatee has deferred purchase of GR till grant of TOR by MOEF. As such no steps have been taken for development of the coal block so far. Only land acquisition for mining infrastructure was reported to be complete. The investment in the mining project as per the CA certificate is reported to be Rs.6.88 crores, of which Rs.2.40 crores is shown as security deposit and Rs.2.28 crores as other deposit. The expenditure towards the actual

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development of the block is thus negligible. The normative date of production as per the allocation letter is 25.1.2012.

Taking into account all factors, the IMG recommends that the coal block may be de-allocated in accordance with the terms and conditions of the letter of allocation for violation of the conditions imposed for achievement of milestones. IMG noted that as per allocation letter, 50% of the BG is linked to the milestones set for development of the coal block and the remaining 50% of the BG is linked to guaranteed production. IMG recommends that 50% of the BG linked to development of the block may be forfeited and deduction be made from the remaining 50% equal to the percentage of deficit in production as per prescribed formula in the allocation letter from the normative date of production i.e. 25.1.2012."

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

8. Accordingly, **Semaria/Piapria** coal block allocated to **M/s Madhya Pradesh State Mining Corporation Ltd.** is **de-allocated**. The company shall not be eligible for allocation of coal block in lieu of the de-allocated coal blocks. The Bank Guarantee (BG) as calculated by the Coal Controller's office to the extent of **Rs.1.14 crore** (Rupees One crore fourteen lakhs only) (i.e. **50% of the BG related to development of the coal block**) **be invoked** and be deposited with the Government in the relevant head of Account. Remaining BG may be returned. (The calculation of deduction of BG is as per **Annexure IV**).

Yours faithfully,



(A. Sanjay Sabay)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Madhya Pradesh, Vallabh Bhavan, Bhopal.
2. The CMD, Coal India Limited, 10, Netaji Subash Road, Kolkata-700001.
3. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to take necessary steps to **invoke and deduct** the Bank Guarantee and **return** the remaining Bank Guarantee.
- ✓ 4. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure - I

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

The M.P. State Mining Corporation Ltd., Bhopal
No. 207
Date 28/07/07

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 Semaria/Piparia 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 Semaria/Piparia 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	38.62 MT

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

(i) Prospecting/Detailed exploration and coal mining shall be carried out by M/s. 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) 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.

(v) Those of the conditions mentioned herein relevant at the time of grant of mining lease shall be included as additional conditions in the mining lease in addition to any further conditions imposed by or agreed to by the Central Government.

(vi) 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.

(vii) Coal produced from the allocated coal block Semaria/Piparia will not be supplied to the consumers of Coal India Limited/SCCL against their existing linkages.

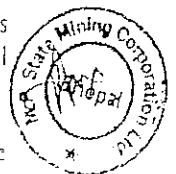
(viii) Company shall buy Geological Report from CMPDIL within six weeks from the date of this letter.

(ix) M/s. MPSPCL shall submit a bank guarantee of Rs. 2.28 crore (equal to one year's royalty amount based on mine capacity of 0.24 mtpa as assessed by CMPDIL, grade of coal and the weighted average royalty @ Rs.95 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.

(x) 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

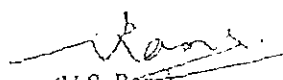


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will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, e.g., if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual production is 35, then $(50-35)/100 \times 100 = 15\%$ will lead to deduction of 15% of the original bank guarantee amount for that year. Upon exhaustion of the bank guarantee amount, the block shall be liable for de-allocation/cancellation of mining lease.

(iii) The allottee shall ensure that the bank guarantee remains valid at all times till the mine reaches its rated capacity or till the bank guarantee is exhausted. Any lapses on this count shall lead to de-allocation/cancellation of mining lease.

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


(V.S. Rana)

Under Secretary to the Government of India.

Enclosed 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.



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

No. 234
Date 16/8/07

New Delhi, the 10th August, 2007

To

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

Subject: Allocation of Marki Barka, Semaria/Piparia, Morga III, Morga IV, Bicharpur and Mandla South coal blocks to the Madhya Pradesh State Mining Corporation Ltd (MPSMCL) – regarding.

Sir,

I am directed to this Ministry's letters of even numbers dated 25th July, 2007 allocating Marki Barka, Semaria/Piparia, Morga III, Morga IV, and Bicharpur coal blocks to the Madhya Pradesh State Mining Corporation Ltd (MPSMCL) and to state that in column "Project Name", appearing in the Table in para 1 of the letter referred to above, entries may be substituted as under:

For	Read
Proposed power projects in the State of Madhya Pradesh	For non power sector/merchandise mining

Yours faithfully,

(V.S. Rana)

Under Secretary to the Government of India



Annexure II

No.13016/39/2009 -CA-I
Government of India
Ministry of Coal

.....
New Delhi, the 16th September, 2009

To,
The Managing Director,
M/s Madhya Pradesh State Mining Corporation Ltd.,
Paryavas Bhawan,
Block No. 1 (A), Second Floor.
Jail Road, Arera Hills,
Bhopal - 462 011.

Subject: Review Meeting held on 22nd and 23rd June, 2009 to review the progress of coal blocks- Show-cause notice for delay in implementation of the Morga- III, Morga IV, Marki Barka, Bicharpur, Mandla South and Semaria / Piparia coal blocks.


Sir,

I am directed to refer to this Ministry's letter of even number dated 25.7.2007 conveying allocation of Morga- III, Morga IV, Marki Barka, Bicharpur, Mandla South and Semaria / Piparia coal blocks to M/s MPSMCL under Government Company Dispensation in pursuance of Section 3(3) (a)(i) of the Coal Mines (Nationalization) Act, 1973.

2. In order to expedite the development of the coal block, review meetings were held from time to time with the representatives of the M/s MPSMCL. In this regard, in the review meeting held on 15/16.10.2008, the representatives informed that they are looking for a joint partner to develop the block. In the review meeting held on 22/23.06.2009, the progress of these blocks has not been found satisfactory. As per the guidelines on allocation of coal blocks, detailed exploration was to be completed within 2 years and not much progress has been made to develop the coal block. The progress is very slow. In para 2 (x) of the allocation letters dated 25.07.2007, it is clearly mentioned that the milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee. In spite of a passage of almost 2 years, no serious effort has been made by the companies to develop the coal block as per the milestone chart appended to the allotment letter. Consequently, the development of the coal blocks has been inordinately delayed.

3. Under the above circumstances, you are hereby called upon to show cause to this Ministry as to why delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of block, within a period of 15 days from the date of issue of the show cause notice failing which it will be presumed that the your company has no explanation to offer and action as appropriate including de allocation of blocks will be taken.

Yours faithfully,


(V.S. Kana)

o/c Under Secretary to the Government of India

Status Note

Semaria/Piparia coal block

Sl No	Item	Remarks
1	Name of the Block	Semaria/Piparia 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 and Capacity	Commercial mining
5	Important terms and conditions of allocation	A copy of allocation letter is enclosed.
6	Milestones of allocation and slippages against Milestone	Status note from CCO is enclosed
7	History Previous review / action	In the review meeting held on 22/23.06.2009 it was noticed that the progress of the block has not been found satisfactory. It was observed that inspite of passage of 2 years, no serious effort were made by the companies to develop the block as per milestone chart appended to the allocation letter. The reply received from the company was considered by the review committee and it was decided to deduct Bank Guarantee (BG). In the review meeting held on 11/12.01.2012 progress of the block was not found satisfactory but it is seen that these blocks were delayed due to 'Go/No Go' categorization etc.
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	<ul style="list-style-type: none"> • The Coal Block was in NO-GO area. • Rejection of ToR & Stage - I Forest Diversion Proposal by MoEF stating the reason, part of the Coal Block area overlaps with Buffer zone & wildlife corridor.
11	Comments of MOC with the respect to issue pertaining to delay in purchase of GR, transfer of surface rights by coal	Payment of GR cost to CMPDIL pending. Mining Plan conveyance pending due to non-payment of GR cost. MPSMCL has submitted Revised Mining Plan in June, 2012. The same is forwarded to CPAM Section/Advisor(P), Ministry of Coal for necessary action.



	companies, sanction of mining plan etc.	
12	Investment/expenditure incurred	A copy of CA certificate is enclosed

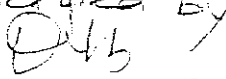


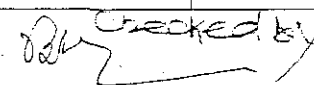
Coal Controller Office, MOC/Kolkata
Status of the captive Coal Block as on June'2012
 (as per quarterly report furnished by the Block owners)

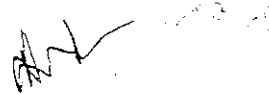
1. Name of Company:- Madhya Pradesh State Mining Corporation Ltd.
2. Name of Coal Block:- Semaria Piparia / UG Mine.
3. Date of Allocation:- 25.7.2007
4. Total Project Cost:- Not available in the status report
5. Investment Made (6/12):- 6.70 Crores (As per Status report)
6. Reserve (Mill Tonnes): Geological Reserve 38.62 MT
7. Grade of Coal :- D-E
8. Yearly Rated Capacity:- 0.50 MTPA
9. Cost of GR:- NA Crores
10. Location: Umaria Valley, MP
11. BG Amount:- 2.28 Crores
- 12 Type of EUP: Commercial (as per allocation letter)
- 13 Location of Project:- Coal supply to the project within the state
- 14 Capacity of the Project:- Not applicable
- 15 Explored/Un Explored:- Explored
- 16 Zero Date:- 25.7.2007 (as per condition of allocation letter zero date considered i.e. from the date of allocation)
- 17 Type of Mine (OC/UG/Mixed) :- Under Ground
- 18 Previous Recommendation, if any-

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

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as On .6/2012)	Remarks	Special observation
Purchase of GR	9.9.2007 (45 days)	-	4 Yrs 9 Months	Purchase of GR deferred due to grant of Terms of Reference by MOEF.	
Submission of Bank Guarantee	25.10.2007 (3 months)	1.12.2008	2Yrs 2 Months		
Mining Lease Application	25.10.2007 (3 months)	8.10.2008	1 Yr	ML:- 500 Ha	
Submission of Mining Plan	25.1.2008 (6 months)	16.2.2010	2 Yrs 1 Months		
Approval of Mining Plan	25.3.2008 (8 months)	6.5.2010	2 Yrs 2 Months	Mining plan approved in principal for mine capacity to 0.5 mtpa and mine ability upto 1.2 mt thick seams. Final approval will be	

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				communicated after purchase of original GR.	
Application of Previous approval	25.5.2008 (10 months)	18.2.2010	1 Yrs 9 Months		
Granting of Previous approval	25.6.2008 (11 months)	Pending	4 Yrs	Delayed due to purchase of Original GR	
Application of Forest clearance	25.7.2008 (12 months)	25.2.2010	1Yrs 7 Months	Forest land:- 215.555 Ha	
Grant of Forest Clearance	25.1.2009 (18 months)	Pending	3 Yrs 5 Months	Forest clearance proposal rejected by MOEF due to close proximity of Bandhavgarh Tiger Reserve.	
Application EMP Clearance	25.7.2008 (12 months)	26.11.2009	1Yr 4 Months		
Grant of EMP Clearance	25.1.2009 (18 months)	Pending	3 Yrs 5 months (as on .6/2012)	Approval of Terms of Reference delayed due to proximity of Bandhavgarh Tiger Reserve and Coal Block boundary.	
Grant of Mining Lease	25.7.2009 (24 months)	Pending	2 yrs 11 Months		
Application of Land Acquisition	25.2.2009 (19 months)	31.3.2010	1 Yr 1 Months		
Completion of Land Acquisition	25.7.2010 (36 months)	Pending	1 Yr 11 Months	Pvt land:- 155.996 Ha Govt land:- 128.449 Ha	
Application for opening permission	25.11.2011 (52 months)	Pending	7 months		
Grant of Opening permission	25.12.2011 (53 months)	Pending	6 Months		
Coal Production	25.1.2012 (54 months)	Pending	5 Months	Under Ground including forest land.	

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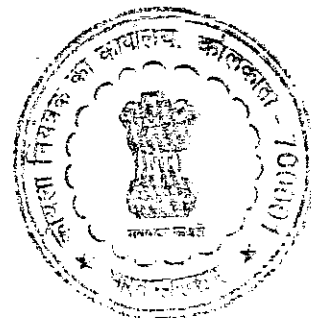
Other Information and constraint faced by the block allocates

1. GR: Purchase of GR deferred till TOR (Terms of Reference) is granted by MOEF (It is vicinity of Bhandavgarh Tiger Reserve Forest)
2. MP: MOC granted in principal approval of Mining plan for mine capacity to 0.5 mtpa and mineability upto 1.2 mt thick coal seams. Final approval will be communicated after purchase of original GR. Revised Mining plan excluding the reserve forest area submitted to MOC on 29.6.2012.
3. Forest Clearance:- Forest advisory committee of MOEF in its meeting has rejected the Forest clearance proposal citing the block's close proximity with Bhandavgarh Tiger Project.
4. EMP: PMO has constituted a committee on 3.5.2010 to re-examine 24 Tiger Reserve affected proposals. Semaria Peparia proposal has been referred to National Tiger Conservation Authority (NTCA) by MOEF on 3.6.2010. NTCA team has conducted a site visit on 30.7.2010. NTCA referred the matter to Wild Life Management Institute, Dehradun.
5. Mining Lease:- Mining lease proposal is delayed due to non receipt of Original Geological Report.
6. Land Acquisition:- Land acquisition for mining infrastructure completed.
7. JVA:- Joint venture agreement executed with AMR Ltd Mumbai on 20.6.09 and Memorandum of Article finalized on 10.10.09.

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INVESTMENT DETAILS

		(Rs in Lakhs)
Sl. No.	Description	Amount
1.	Security Deposit	240.00
2.	Preliminary Expenses	32.58
3.	Other Deposits	228.00
4.	Land Purchase	67.47
5.	Detailed Project Report by Norwest (DPR)	87.03
6.	Regulatory Clearances Expenses	24.21
7.	Administrative Expenses	9.09
	Total Investment made	688.38

- As per DPR, the estimated Expenditure for development and operation of the block is Rs. 172 Crores.
- Certificate to this effect has been obtained from CA.

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1. Name of Company:-M/s MP State Mining Corporation Ltd.
2. Name of Coal Block:- Semaria/piparia (Explored)
3. Date of Allocation:- 25.07.2007
4. Normative Date of production:-25.01.2012 (as per allotment letter)
5. Yearly Rated Capacity:- 0.24 MTPA(as per allotment letter)
6. BG Amount:-Rs. 2.28 Crore
7. Recommendation: Taking into account all factors, the IMG recommends that the coal block may be de-allocated in accordance with terms and conditions of the letter of allocation for violation of the conditions imposed for achievement of milestones. IMG noted that as per allocation letter, 50% of the BG is linked to the milestones set for development of the coal block and remaining 50% of the BG is linked to guaranteed production. IMG recommends that 50% of the BG linked to development of the block may be forfeited and deduction be made from the remaining 50% equal to the percentage of deficit in production as per prescribed formula in the allocation letter from the normative date of production i.e. 25.01.2012.

Deduction on Milestone basis

Total amount of Bank Guarantee amount: Rs.2.28 Cr.
50% of BG amount linked to milestone =Rs. 1.14 Crore

X=BG to be forfeited linked to milestone set for development of the coal block = Rs. 1.14 Crore

Deduction on Production basisDeduction for 1st year

1st year (25.01.2012 to 24.01.2013) ends on 24.01.2013 which is not reached as on Nov'2012. Hence, deduction of BG amount may not be made for this year.

Y= Amount of BG to be deducted linked to deficit of production = NIL

Total amount of BG to be deducted = X+Y = 1.14 +nil = Rs. 1.14 Crore(Rupees One crore and Fourteen lakhs only)

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4/11/12
Coal Controller

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1. Name of Company:- M/s MP State Mining Corporation Ltd.
2. Name of Coal Block:- Semaria/piparia (Explored)
3. Date of Allocation:- 25.07.2007
4. Normative Date of production:-25.01.2012 (as per allotment letter)
5. Yearly Rated Capacity:- 0.24 MTPA(as per allotment letter)
6. BG Amount:-Rs. 2.28 Crore
7. Recommendation: Taking Into account all factors, the IMG recommends that the coal block may be de-allocated in accordance with terms and conditions of the letter of allocation for violation of the conditions imposed for achievement of milestones. IMG noted that as per allocation letter, 50% of the BG is linked to the milestones set for development of the coal block and remaining 50% of the BG is linked to guaranteed production. IMG recommends that 50% of the BG linked to development of the block may be forfeited and deduction be made from the remaining 50% equal to the percentage of deficit in production as per prescribed formula in the allocation letter from the normative date of production i.e. 25.01.2012.

Deduction on Milestone basis

Total amount of Bank Guarantee amount: Rs.2.28 Cr.
50% of BG amount linked to milestone =Rs. 1.14 Crore

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Deduction on Production basisDeduction for 1st year

1st year (25.01.2012 to 24.01.2013) ends on 24.01.2013 which is not reached as on Nov'2012. Hence, deduction of BG amount may not be made for this year.

Y= Amount of BG to be deducted linked to deficit of production = NIL

Total amount of BG to be deducted = X+Y = 1.14 +nil = Rs. 1.14 Crore (Rupees One crore and Fourteen lakhs only)

Mr.

Hishu

Rohit

*4/11/12
Coal Controller*