

BY SPEED POST

F. No. 13016/31/2011-CA-I

Government of India
Ministry of Coal

Shastri Bhawan, New Delhi,
Dated, the 17th February, 2014

To

1. The CMD,
M/s. SKS Ispat and Power Ltd.,
A/18C, Naraiana Industrial Area,
Phase-II, New Delhi.
2. The CMD,
M/s. Prakash Industries Ltd.,
Near I.O.C.L. Depot, Main Najafgarh Road,
Bijwasan, New Delhi-110061.

Sub: Review of coal blocks by the Inter-Ministerial Group (IMG) in its 24th meeting held on 7-8th February, 2014-Regarding

Sir,

I am directed to refer to this Ministry's notice dated **15th January, 2014** (copy enclosed) wherein it was decided to review the captive coal blocks allocated to Private Companies for specified end-use based on the recommendation of the Screening Committee, which have not come under production on the basis of specified criteria as mentioned in the notice.

2. Your reply Letter no. nil dated 04.02.2014 (Reply of the JV Company) in response to the said notice dated 15.01.2014 in respect of **Fatehpur** (CH.) coal block allocated to your company, was placed before the IMG in its 24th meeting held on 7th and 8th February, 2014. IMG noted that the review of **61** coal blocks [including this coal block] allocated to private companies which had not come under production would be undertaken in the context of the 'Statement' submitted to the Hon'ble Supreme Court of India by Ld. Attorney General for India (AGI) wherein the conditions for review were mentioned. Accordingly, the allocatees of these 61 coal blocks were issued notice by Ministry of Coal (MoC) on **15.01.2014** requiring them to submit explanation with requisite documents by **05.02.2014** on the basis of which the review would be undertaken. IMG also took into account the written comments of Ministry of Environment & Forests (MoEF) regarding the status of Environment and Forest Clearance and Ministry of Power (MoP) regarding status of end use plants in power sector as well as comments of Government of West Bengal which were received.

3. After due deliberation and taking into account all material facts including your reply *ibid*, IMG recommended **de-allocation** of the coal block



allocated to your company. The recommendations of IMG in respect of your coal block is reproduced below:-

"40. FATEHPUR [ALLOCATED TO SKS ISPAT & POWER LTD. AND PRAKASH INDUSTRIES LTD.]

Regionally explored block at the time of allocation. No PL has been obtained and consequently no exploration has been undertaken.

IMG further noted that the MoEF in their status report has informed "Proposal seeking Stage-I FC has not been received by the MoEF".

Ministry of Power in their written comments has informed that SKS Ispat has made an investment of Rs.2486 crores in its end-use plant.

In an earlier review by the Ministry of Coal, the party was issued with a show cause notice against which the allocatees have filed W.P. No.71/2014 before the Hon'ble High Court of Chhattisgarh at Bilaspur. The Hon'ble Court has granted 3 weeks' time to the Respondent for filing reply. Consequent upon what has been placed before Hon'ble Supreme Court pursuant whereto it was decided to issue notices as explained above, earlier show cause notice has since been superseded. To this extent, the action on the earlier show cause notice has been rendered inconsequential. The notice dated 15.01.2014 sets into motion a de novo process of looking into this matter under specific submission made before Hon'ble Supreme Court to be completed within the stipulated time limit.

In another Writ Petition No.7135/2008 filed by Prakash Industries Ltd. before the Hon'ble Delhi High Court challenging the allocation letter dated 06.02.2008 and for directing the Ministry of Coal to allocate an alternative coal block to the Petitioner and co-allocatee on the basis of capacity of proposed power plant. The Writ Petition was dismissed by the Hon'ble Single Judge on 18.05.2010. Further, Petitioner filed an LPA No.479/2010 against the said order of Single Judge in which the Division Bench ordered "as an ad-interim, it is directed that pursuant to the communication dated 06.02.2008, the processing shall continue and the fourth respondent (SKS Ispat) shall not claim any equity whatsoever for the task undertaken".

In terms of the conditions mentioned in the Notice, the block is liable for de-allocation.

Taking all the above facts into consideration, IMG recommends de-allocation of the block."

4. The recommendations of IMG have been considered and accepted by the competent authority 11.02.2014. However, further action is put on hold in



view of the interim order of Hon'ble High Court of Delhi in W.P.(C) 1064/2014 filed by M/s SKS Ispat & Power Ltd as pronounced on 14.02.2014.

5. The decision with regard to deduction/forfeiture of Bank Guarantee, where ever applicable, shall be communicated subsequently.

Yours faithfully,



(A. Sanjay Sahay)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Chattisgarh, D.K.S. Bhavan, Mantralya, Naya Raipur.
2. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
3. The CMD, Coal India Limited, 10, Netaji Subash Road, Kolkata-700001.
4. The Coal Controller's Organisation, 1, Council House Street, Kolkata
5. NIC Cell, MoC for placing the letter on Website of Ministry of Coal.

NOTICE/TIME BOUND
BY SPEED POST

No.13016/04/2014-CA-I

Government of India

Ministry of Coal

Shastri Bhawan, New Delhi,

Dated, the 15th January, 2014

To

~~The Block Allocates of 61 Coal Blocks,~~
(As per the list enclosed).

Sub: Review of captive coal blocks allocated to Private Companies for specified end-use based on the recommendation of the Screening Committee, which have not come under production - Issue of notice.

Sir,

It has been decided by the Government to review the captive coal blocks allocated to Private Companies for specified end-use based on the recommendation of the Screening Committee, which have not come under production on the basis of certain specified criteria.

2. The criteria for review are specified as below:-

(i) The following coal blocks will be de-allocated:-

- (a) Coal blocks where Environmental Clearance and Forest Clearance Stage I (where required) have not been obtained.
- (b) Coal blocks which were unexplored/regionally explored/partially explored at the time of allocation, and where Prospecting Licence has not been obtained or where Prospecting Licence has been issued but Geological Reports have not been prepared [despite the lapse of prescribed period of 27 months from the date of allocation as per normative milestones].

(ii) Three weeks' time will be given to allocates to obtain the requisite approvals and produce documents as proof in support and within a week thereafter a decision for de-allocation will be taken. Further, State Governments concerned and the Ministry of Environment and Forests shall also submit their views within three weeks' time to this Ministry.

.....2/-



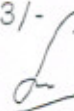
- (iii) Cases where Forest Clearance (FC) Stage II has not been obtained, will be reviewed and a decision will be taken within six weeks keeping in mind the guidelines of Ministry of Environment & Forests (MoEF) and after assessing the situation to ascertain whether such clearance (FC Stage II) will be forthcoming within a reasonable time, failing which blocks will be de-allocated. MoEF will be requested to take an appropriate decision within four weeks.

3. In this regard, you are requested to furnish following information duly certified by the authorized signatory of your company:-

- (i) ~~Whether mining lease has been executed with the concerned State Government in respect of the allocated coal block? If yes, please provide a certified photocopy thereof.~~
- (ii) ~~If mining lease has not been executed, has the application been made to the State Government after obtaining requisite approvals required for execution of mining lease? If yes, please provide a copy thereof wherein receipt of such application by the State Government has been acknowledged.~~
- (iii) In case mining lease has not been applied for, please state whether Environment Clearance (EC) and Forest Clearance (FC) - Stage I (wherever required) has been obtained? If yes, please provide a duly certified copy of the each approval.
- (iv) In case the coal block allocated to you was unexplored/regionally explored/partially explored at the time of allocation, please indicate whether Prospecting License (PL) has been obtained from the concerned State Government? If yes, please provide a certified copy of the PL.
- (v) In case, Prospecting License has been obtained from the concerned State Government, please indicate whether Geological Report (GR) has been prepared? If yes, please provide a certified copy of GR alongwith the date of preparation.

4. The block allocators who have already obtained EC and FC Stage-I and have applied for FC Stage-II shall submit the status of obtaining FC Stage II including the documentary proof in support including the proof of obtaining of EC and FC Stage-I.

5. You are given a time upto 5th February, 2014 (except for the cases covered under para 4 above) to obtain requisite approval and furnish the

.....3/-


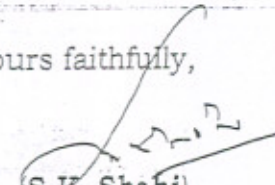
documents in support as mentioned in para 3 above till 5.30 P.M. on 5th February, 2014 to the undersigned. A decision for de-allocation will be taken based on the documents furnished as requested above in a week thereafter.

6. The allocatees whose cases are covered by para 4 above are given time till 5.30 P.M. on 12th February, 2014 to furnish the updated status with documents in support. A decision for de-allocation will be taken within two weeks thereafter.

7. This notice supersedes any previous notice issued on the recommendations of the Inter-Ministerial Group (IMG) or otherwise.

8. In case no information is received from the block allocatee to whom this notice is being given by the prescribed date and time, the Government shall take appropriate decision based on the available information and material on record.

Yours faithfully,


(S.K. Shahi)
Director (CA-I)

Copy for information and necessary action to:

Secretary, Ministry of Environment & Forests, Paryavaran Bhawan, CGO Complex, New Delhi with reference to para 2 (ii) and 2 (iii) of this notice.

Copy for furnishing their comments within 3 weeks to:

1. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
2. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
3. Secretary, Department of Industrial Policy and Promotion, Udyog Bhawan, New Delhi.
4. Chief Secretaries of the Government of Coal Bearing States of Odisha, Jharkhand, Chhattisgarh, Madhya Pradesh, Maharashtra and West Bengal.

Copy also to:-

Technical Director (NIC), MoC for uploading this notice on the website of MoC.