

No.23014/2/2014-CPD
Government of India
Ministry of Coal

New Delhi, the 19th September, 2014

OFFICE MEMORANDUM


Subject: Meeting of the Standing Linkage Committee (Long-Term) for Power/Sponge/ Cement Sectors to review the status of existing coal linkages/LoAs and other related matters to be held on 22nd September, 2014 at 11.00 A.M.

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In continuation of this Ministry's O.M. of even no. dated 15.09.2014 on the above mentioned subject I am directed to enclose herewith a copy of the Agenda to be discussed in the meeting of SLC (L-T) scheduled to be held on 22.09.2014.

2. You are requested to kindly make it convenient to attend the meeting.
3. The project proponents at Agenda Item serial Nos. 3 (i) to 3 (iv) may also attend the meeting, if they wish to represent their case before the SLC.

Encls. As above.


(J.S. Bindra)
Director.

To

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| 1. Additional Secretary, Ministry of Coal | Chairperson |
| 2. Principal Advisor(Energy), Planning Commission, Yojana Bhawan New Delhi. | Member |
| 3. Joint Secretary (Coal),, Ministry of Coal | Member |
| 4. Advisor (Projects), Ministry of Coal | Member |
| 5. Joint Secretary(Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi | Member |
| 6. Joint Secretary (Ports), Ministry of Shipping, Transport Bhawan, New Delhi | Member |
| 7. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi | Member |
| 8. Joint Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi | Member |
| 9. Director (Transport Planning), Ministry of Railways, Rail Bhawan, New Delhi | Member |
| 10. Chairman-cum-Managing Director, CIL, 10-Netaji Subhas Rd., Kolkata.- 700001 | Member |
| 11. Director(Marketing), Coal India Limited, 15-Park Street, Kolkata | Member |
| 12. CMD's BCCL, CCL, ECL, MCL,NCL, SECL & WCL | Members |
| 13. Chairman-cum-Managing Director, Central Mine Planning & Design Instt Ltd., Gondwana Place, Kanke Road, Ranchi. | Member |
| 14. Chairman-cum-Managing Director, SCCL, P.O. Kothagudem Collieries, Distt. Khammam-507101 | Member |
| 15. Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi | Member |
| 16. Chairman, NTPC, Scope Complex,, Lodhi Road, New Delhi-110003 | Member |

Copy to:

- (i) Director(Technical), CIL, 10, NS Road, Kolkata,
- (ii) GM(S&M), CIL, 15-Park Street, Kolkata,
- (iii) CGM(CP), CIL, 10 NS Road, Kolkata,
- (iv) Shri A.C.Varma, GM(S&M), CIL, Scope Minar, Laxmi Nagar, Delhi

Copy also to:-

1. PS to Minister of State (I/C) for Power, Coal and NRE,
2. Sr. PPS to Secretary (Coal),
3. PPS to Additional Secretary (Coal),
4. PPS to Joint Secretary (SKS),
5. PPS to Joint Secretary (AKB),
6. Director (CPD).



(J.S. Bindra)
Director (CPD)

Copy to:-

NIC, Ministry of Coal with a request to place it on the Website of this Ministry for information of all concerned.

F. No.23014/2/2014-CPD
Government of India
Ministry of Coal
CPD Section

New Delhi, Dated 19th September, 2014

Agenda for the meeting of the Standing Linkage Committee (Long Term) for Power to be held on 22nd September, 2014

A meeting of the Standing Linkage Committee (Long Term) for Power will be held on 22.09.2014 under the chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries and other related matters in pursuance of the recommendations of the Committee.

Agenda Item & No.	Brief Description of the Agenda item
Agenda Item No. 1	Confirmation of Minutes of the SLC(LT) review meeting held on 11.08.2014
Agenda Item No. 2- Review of pending LoAs issued for Power Sector (IPPs)	<p>177 LoAs were issued by the CIL and its subsidiaries for power projects to be commissioned during the 11th & 12th Plan. These LoAs cover a capacity of about 1,08,000 MW projects. Out of these CCEA has directed for coal supplies in respect of projects with 78,000 MW capacity. Accordingly a presidential directive was issued to CIL. For these projects FSAs were to signed for 172 units covering 134 LoAs. Out of this 78,000 MW capacity as on date CIL has signed 161 FSAs for a capacity of 73,675 MW. Status of these 11 pending FSAs was reviewed in the last SLC LT Meeting held on 11.08.14.</p> <p>The remaining 43 LoAs are not covered within the 78,000 MW projects. Out of this, 24 projects with a capacity of 18,315 MW have already achieved their milestones as reported by CIL and 2 LoAs have been cancelled, however, 7 LoAs are sub-judice due to various reasons. Therefore, these projects are not included for review by the Committee. Out of the remaining 10 pending cases where milestones documents are under verification and 2 cases where notice of cancellation has been issued are also being put up for review before the committee.</p>
3 (i) Dhariwal Infrastructure TPP, Unit-1 (DIL)	<p>Issue: Signing of FSA is pending due to Name Change</p> <p>The applicant had applied for grant of long term coal linkage in respect of 4 units of 135 MW each. The proposal was placed before the SLC (LT) in its meeting held on 02.08.2007 and the Committee recommended</p>

**300 MW from
SECL**

for issuance of LoA for 2x135 MW (Phase-I). Further, applicant vide letter dated 24.10.2008 informed that on advice of CEA, they had changed their plant size from 540 MW to 600 MW (2x300 MW). The matter was placed before the SLC (LT) in its meeting held on 12.11.2008. The Committee noted that LoA for 270 MW has already been issued in 2007. The CEA informed that both the units of 300 MW each are coming up in 11th Plan itself, therefore, LoA may be considered for 330 MW, taking total linkage to 600 MW. On the recommendation of CEA, Committee authorized issuance of LoA by CIL for a capacity of 330 MW in accordance with NCDP.

In the year, 2013 a request was received from the applicant for change in the name of the company from M/s. Dhariwal Infrastructure Private Limited to Dhariwal Infrastructure Limited. The matter was examined in detail and the competent authority did not agree with the request of the applicant due to the following reasons:-

- (i) The share transfer is tantamount of violation of para 5 of the LoA dated 20.08.2008 issued by SECL; and
- (ii) It is violative of para 5 of the LoA dated 06.06.2009 issued by SECL;
- (iii) Entire shareholding of M/s Dhariwal Infrastructure (P) Ltd was transferred to M/s. Haldia Energy Ltd., itself a subsidiary of CESC Ltd. This transfer of ownership was without prior approval of the Ministry of Coal; and
- (iv) As on 26.08.2009, Dhariwal Group and Prithvi Group held 55% & 45% of the shares respectively. However, as on 19.08.2013, CESC Infrastructure Ltd owned 99.99% of shares, with CESC Infrastructures Ltd with Subhasis Mitra holding 0.01% of shares. Consequent to this complete transfer of share, the management of the company has changed.
- (v) The same was communicated to CIL on 06.09.2013. Consequent upon that, applicant company again represented with a request to accept the name change of the company.

This matter was forwarded for the advice of Ministry of Law & Justice. Ministry of Law suggested that since the matter under reference involved interpretation of the provisions of the Company Law, in the first instance comments of Ministry of Corporate Affairs may be obtained in the matter. Thereafter if needed the matter may be referred to them with specific question of law so that opinion of law officer may be obtained. Therefore, file was referred to Ministry of Corporate Affairs for the advice/comments. MCA has returned the file asking for a brief note for specific comments, if any for the comments of MCA.

The matter was also discussed in the SLC (LT) held on 11.08.2014. Since, the representative of the company could not explain, the issue was deferred.

	<p>It is also pertinent to mention that a comprehensive policy to address the issues of change of name of the company due to amalgamation, take-over, change in ownership/shareholding pattern etc. is under formulation.</p> <p>SLC (LT) is to take a view in the matter.</p>
<p>3 (ii) M/s. Indiabulls Power Limited.</p> <p>M/s. Indiabulls Realtech Limited.</p>	<p>Issue: Acceptance of revised COD as November & December, 2014 in respect of Amravati Phase-I Unit-3 (270 MW) of Indiabulls Power Limited & Nashik Phase-I Unit-2 (270 MW) of Indiabulls Realtech Limited.</p> <p>The Indiabulls Power Limited has informed they have been implementing 1350 MW (5x270 MW) coal based Amravati Thermal Power Project at Nandgaonpet, Amravati, Maharashtra. They have further informed that the BTG has been sourced from BHEL on EPC basis. Due to unavoidable circumstances faced by EPC contractor, there is a delay in the declaration of COD. The same has been brought to the notice of CEA. CEA has acknowledged the position and circulated the revised estimated schedule for the unit. The applicant has enclosed the copy of CEA letter dated 08.08.2014 regarding revised COD details in respect of Amravati Phase-I Unit-3 (270 MW) of Indiabulls Power Limited. CEA has informed that the revised COD date for this unit may be considered as November, 2014.</p> <p>M/s. Indiabulls Realtech Limited has informed they have been implementing 1350 MW (5x270 MW) coal based Nashik Thermal Power Project at Sinnar, Nashik, Maharashtra. He has further informed that the BTG has been sourced from BHEL on EPC basis. Due to unavoidable circumstances faced by EPC contractor and disruption in transportation of coal from Rahuri Railway Siding by local public resulting in de-notification of the said railway siding by Indian railway for coal handling purpose, there is a delay in the declaration of COD. The same has been brought to the notice of CEA. CEA has acknowledged the position and circulated the revised estimated schedule for the unit. The applicant has enclosed the copy of CEA letter dated 25.08.2014 regarding revised COD details in respect of Nashik Phase-I Unit-2 (270 MW) of Indiabulls Realtech Limited. CEA has informed that the revised COD date for this unit may be considered as December, 2014.</p> <p>It is pertinent to mention here that the issue of submission of COD in respect of the power plants was considered by the SLC (LT) meeting held on 07.01.2013. The Committee recommended as under:-</p> <ol style="list-style-type: none"> I. The project wise COD dates as per estimation of CEA-MoP may be intimated to the Ministry of Coal. Achievement of COD within the stipulated time would be mandatory for all the power projects to avoid

cancellation of linkages/LoAs.

- II. MoP was to provide the details of estimated CODs project-wise in respect of plants commissioned during 2009-10, 2010-11 and to be commissioned during 2011-12 within a week from the date of the last meeting. The same may be provided along with information of plants commissioned / to be commissioned during 2012-13 within 10 days.
- III. Imposition of penalty in case of non-achievement of COD may be kept in abeyance at this stage. However, action for initiation of cancellation of LoA would be initiated after following due process in case of non-achievement of COD.
- IV. Coal requirement for carpeting will be provided by CIL.
- V. Request of Ministry of Power to reconsider the charging of 30-40% higher price for carpeting may be considered by CIL on receipt of proposal from MoP.

The issue non-achievement of COD by the power projects was also discussed in the SLC (LT) meeting held on 14th February, 2012 under Item No. 3 (i) wherein it was decided that since the achievement of COD is the basis for starting of regular supply of coal, therefore, there is need to monitor the date of COD in all cases. It was also decided that CEA will indicate the project wise expected date of COD.

It was further decided that the project developer/LOA holder has to achieve the COD within the revised recommended date. If he is unable to achieve the COD within the stipulated date, penalty equivalent to 1% per month of the applicable Commitment Guarantee amount during the first six months and penalty equivalent to 2% per month of the applicable Commitment Guarantee amount for the next six months will be imposed on him. This penalty will be payable in the form of Bank Draft/Pay Order etc. and will be distinct from the Bank Guarantee furnished precedent to the issuance of LOA. If the COD is not achieved even within the extended period of 12 months, coal supplies, if commenced, would be stopped immediately and action for termination of the FSA will be taken by the concerned coal company within forty-five days of the expiry of the extended 12 month period after an intimation in writing to the FSA holder, and after providing due opportunity to be heard.

Keeping in view the request made by the applicant, a view is to be taken in the matter.

SLC (LT) is to take a view in the matter.

<p>3 (iii) M/s. Korba West Power Company Limited</p>	<p>Issue: Acceptance of revised COD as February, 2015 in respect of 1x600 MW (Unit – I) Power Plant of M/s. Korba West Power Company Limited</p> <p>M/s. Korba West Power Company Limited has informed that SECL has issued a show cause notice regarding non-achievement of COD of their 600 MW Unit-I Power Plant. The unit has been commissioned and full load operations have been demonstrated on 31.03.2014. The applicant has referred to the CEA letter dated 31.03.2014 addressed to CIL which inter-alia states that the said unit has been commissioned (demonstrated full load achievement). The COD of the unit has been delayed due to delay in obtaining permission from MoEF for transportation of coal by road. The expected date of COD is now February, 2015. In this regard applicant has stated that their unit is ready in all respect to start the Generation of Power and requested to direct advising to SECL to withdraw the show cause notice issued for termination of FSA in respect of their 1x600 MW (Unit – I) Power Plant.</p> <p>It is pertinent to mention here that the issue of submission of COD in respect of the power plants was considered by the SLC (LT) meeting held on 07.01.2013. The Committee recommended as under:-</p> <ol style="list-style-type: none"> I. The project wise COD dates as per estimation of CEA-MoP may be intimated to the Ministry of Coal. Achievement of COD within the stipulated time would be mandatory for all the power projects to avoid cancellation of linkages/LoAs. II. MoP was to provide the details of estimated CODs project-wise in respect of plants commissioned during 2009-10, 2010-11 and to be commissioned during 2011-12 within a week from the date of the last meeting. The same may be provided along with information of plants commissioned / to be commissioned during 2012-13 within 10 days. III. Imposition of penalty in case of non-achievement of COD may be kept in abeyance at this stage. However, action for initiation of cancellation of LoA would be initiated after following due process in case of non-achievement of COD. IV. Coal requirement for carpeting will be provided by CIL. V. Request of Ministry of Power to reconsider the charging of 30-40% higher price for carpeting may be considered by CIL on receipt of proposal from MoP.
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	<p>The issue non-achievement of COD by the power projects was also discussed in the SLC (LT) meeting held on 14th February, 2012 under Item No. 3 (i) wherein it was decided that since the achievement of COD is the basis for starting of regular supply of coal, therefore, there is need to monitor the date of COD in all cases. It was also decided that CEA will indicate the project wise expected date of COD.</p> <p>It was further decided that the project developer/LOA holder has to achieve the COD within the revised recommended date. If he is unable to achieve the COD within the stipulated date, penalty equivalent to 1% per month of the applicable Commitment Guarantee amount during the first six months and penalty equivalent to 2% per month of the applicable Commitment Guarantee amount for the next six months will be imposed on him. This penalty will be payable in the form of Bank Draft/Pay Order etc. and will be distinct from the Bank Guarantee furnished precedent to the issuance of LOA. If the COD is not achieved even within the extended period of 12 months, coal supplies, if commenced, would be stopped immediately and action for termination of the FSA will be taken by the concerned coal company within forty-five days of the expiry of the extended 12 month period after an intimation in writing to the FSA holder, and after providing due opportunity to be heard.</p> <p>Keeping in view the request made by the applicant, a view is to be taken in the matter.</p> <p>SLC (LT) is to take a view in the matter.</p>
<p>3 (iv) Tawandi Sabo Power Ltd. and Nabha Power Ltd.- supply of additional coal.</p>	<p>Issue : Request for supply of additional coal in respect of their enhanced installed capacity in respect of their 1980 MW TSPL, Talwandi Sabo & 1400 MW NPL, Rajpura Power Plants.</p> <p><u>Brief Background</u></p> <p>Secretary, Department of Power, Govt. of Punjab requested for supply of additional coal in respect of their enhanced installed capacity in respect of Talwandi Sabo Power Limited & Nabha Power Limited.</p> <p>The SLC(LT) in its meeting held on 02.08.2007 authorize LoAs to Nabha Power Ltd. in respect of 1200 MW power plant and Talwandi Sabo Power Ltd in respect of 1800 MW. The capacities of the plants were enhanced in the SLC(LT) meeting held on 18.04.2011 from 1200 to 1400 MW in respect of Nabha Power Ltd. and from 1800 MW to 1980 MW in respect of Tawandi Sabo Power Ltd., with a clear mention that no additional coal linkage would be considered on account of enhanced capacity.</p> <p>It may be pertinent to mention here that before 18.04.2011, SLC(LT) had decided the issues related to enhancement/reduction of capacity keeping in view the general principle that for the enhanced capacities no</p>

	<p>additional coal linkage / coal supply shall be allowed. Since, this issue was related to the supply of additional coal for the enhanced capacity, matter was placed for SLC (LT) for a decision.</p> <p>The matter was discussed in the SLC (LT) meeting held on 27.06.2014. The issue was deliberated in the meeting. Representative of CIL informed that due to the negative coal balance, they are not in the position to provide additional coal. He also pointed out that there are several other cases of similar nature where demand for such additional coal would be of the order of 15-20 MT. There are a number of cases where decisions have already been taken for the enhancement of the capacity, but no additional coal was granted to any of the plants. Therefore, whatever decision is taken, that may have to be applied equitably in all such cases. The representative of the promoter suggested that priority in such cases may be given in respect of case II bidding cases over others, since these are very less in number and would not entail too much pressure on CIL for additional coal supplies.</p> <p>Keeping in view the deliberations held during the meeting, Committee recommended as under:-</p> <p><i>Committee noted the suggestion of the promoters that case II bidding cases should get priority over others. Keeping in view the negative coal balance as of now and also in view of the fact that there are several other cases of similar nature where demand for such additional coal would be of the order of 15-20 MT, no change in the present position is recommended.</i></p> <p>The request of the Government of Punjab was reiterated during the visit of MOS (I/C) for Power, Coal & NRE to Punjab on 19.08.2014. It was requested that the matter be re-considered by the SLC (LT), for Case-II bidding with 100% supply to State Discoms and in case of State Utilities.</p> <p>The SLC (LT) is to take a view in the matter.</p>
<p>Agenda Item No. 4 Review of Pending of LoAs for CPPs</p>	<p>178 LoAs were issued for CPPs in various sectors. Out of which, FSAs have been signed in 112 cases. In 43 full LoAs, CG has been forfeited along with part forfeiture in some LoAs. The notice for cancellation has been issued in respect of 5 LoAs. In 8 LoAs milestones have been achieved and the FSA is under process. The remaining 10 LoAs are under process of verification.</p>

F. No.23014/2/2014-CPD
Government of India
Ministry of Coal
CPD Section

New Delhi, Dated 19th September, 2014

Agenda for the meeting of the Standing Linkage Committee (Long Term) for Sponge to be held on 22nd September, 2014

A meeting of the Standing Linkage Committee (Long Term) for Sponge will be held on 22.09.2014 under the chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries in pursuance of the recommendations of the Committee.

Agenda Item & No.	Brief Description of the Agenda Item
Agenda Item No. 1- Confirmation of the Minutes of the meeting held on 11.08.2014	Confirmation of Minutes of the SLC(LT) review meeting held on 11.08.2014
Agenda No. 2- Review of pending LoAs of Sponge Iron Sector	197 LoAs were granted for Sponge Iron Sector. Out of this, 181 FSAs have been signed and 14 LoAs have been cancelled. The other 2 issues were discussed in the SLC (LT) meeting held on 27.06.2014. One issue was resolved and in the other issue comments are pending from Ministry of Steel.
Agenda Item No. 3: Acceptance of fresh application for seeking LoAs in Sponge Iron & Cement Sectors.	<p>At present 391 & 164 applications are pending in the Ministry for the grant of Letter of Assurances in Sponge Iron & Cement Sectors respectively.</p> <p>In view of the existing LoAs and negative coal balance reported by subsidiary coal companies of CIL, a decision was taken by SLC (LT) in respect of power sector in its meeting held on 31.05.2013 viz. <i>receipt of fresh applications for LoAs from power sector be kept in abeyance for a period of two years. Thereafter matter would be reviewed. As regard unprocessed applications, it was recommended that the fees deposited by them be deposited to the Govt. account but the processing of these applications should be kept in abeyance. Whenever it would be decided to accept fresh applications for LoAs, such unprocessed applications would get precedence over fresh applications to be received.</i></p> <p>It is submitted in this regard that in the recent past about 10 applications have been received during 2013-14 and new applications for Sponge Iron and Cement Sectors have kept on coming. Since, the proposal for</p>

	<p>acceptance of fresh applications for grant of LoAs in the Sponge and Cement Sectors was pending, no new applications was forwarded to the concerned Administrative Ministry / Departments for further examination. During the period, the Demand Drafts received with the applications as processing fee have expired. Therefore, a view is to be taken by SLC (LT) in respect of acceptance of the new applications and also to decide as to whether available applications in these sectors may be forwarded to the concerned Administrative Ministries after receipt of a fresh Demand Draft from the developers or otherwise.</p>
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F. No.23014/2/2014-CPD
Government of India
Ministry of Coal
CPD Section

New Delhi, Dated 19th September, 2014

Agenda for the meeting of the Standing Linkage Committee (Long Term) for Cement to be held on 22nd September, 2014

A meeting of the Standing Linkage Committee (Long Term) for Cement will be held on 22.09.2014 under the chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries in pursuance of the recommendations of the Committee.

Agenda Item & No.	Brief Description of the Agenda Item
Agenda Item No. 1 Confirmation of the Minutes of the meeting held on 11.08.2014	Confirmation of Minutes of the SLC(LT) review meeting held on 11.08.2014.