

MOST IMMEDIATE

File No.23014/1.2014-CPD
Government of India
Ministry of Coal
<<>>

New Delhi, the 24th July, 2014

To
1. The Chairman,
Coal India Limited
10, NS Road, Kolkata

2. The Chairman-cum-Managing Director,
Singareni Collieries Company Limited,
18, Red Hills, Khairatabad PO, Hyderabad, AP.

Subject: Minutes of the Standing Linkage Committee (Long-Term) for Power/Sponge/Cement Sectors held on 27th June, 2014 to review the status of existing coal linkages/LoAs and other related matters

Sir,

1 am directed to forward herewith the minutes of the Standing Linkage Committee (Long-Term) for Power/Sponge/ Cement Sectors held on 27th June, 2014 to review the status of existing coal linkages/LoAs and other related matters as approved by the Competent Authority.

2. It has been decided that once these minutes are issued, there would be no necessity to issue separate order in case individually taken up by the Committee in the above said meeting and CIL/SCCL and Ministry of Power will ensure that the recommendations, as indicated in the approved minutes, are implemented in full.

3. CIL/SCCL and Ministry of Power are accordingly requested to take follow up action to ensure that the directions/recommendations of SLCLT are implemented urgently. The status report on action taken may be intimated to this Ministry, from time to time.

Yours faithfully,

Encl: as above

(Signature) -u - 24/7/2014
(Pilli Ravi Kumar)
Under Secretary to the Government of India
Tele: 23384285

1. Additional Secretary, Ministry of Coal	Chairperson
2. Principal Advisor (Energy), Planning Commission, Yojana Bhawan New Delhi	Member
3. Advisor (Projects), Ministry of Coal	Member
4. Joint Secretary (Thermal), Ministry of Power, Shram Shakti Bhawan, New Delhi	Member
5. Joint Secretary (Ports), Ministry of Shipping, Transport Bhawan, New Delhi	Member
6. Joint Secretary, Ministry of Steel, Udyog Bhawan, New Delhi	Member
7. Joint Secretary, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi	Member
8. Director (Transport Planning), Ministry of Railways, Rail Bhawan, New Delhi	Member
9. Chairman-cum-Managing Director, CIL, 10-Netaji Subhas Rd., Kolkata - 700001	Member
10. Director (Marketing), Coal India Limited, 15-Park Street, Kolkata	Member
11. CMEs, BCCL, CCL, ECL, MCL, NCL, SECL & WCL	Members
12. Chairman-cum-Managing Director, Central Mine Planning & Design Instt. Ltd., Gondwana Place, Nanke Rd., Ranchi	Member
13. Chairman-cum-Managing Director, SCCL, P.O. Eathagudem Collieries Distr. Khammam-507101	Member
14. Chairman, Central Electricity Authority, Sewa Bhawan, RK Puram, New Delhi	Member
15. 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) UGM(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 (IC) for Power, Coal and NER, 2. Sr. PPS to Secretary (Coal), 3. PPS to Additional Secretary (Coal), 4. PPS to Joint Secretary (L.A.), 5. PPS to Joint Secretary (Coal), 6. Director (CPD).

(Signature) -u - 24/7/2014
(Pilli Ravi Kumar)
Under Secretary to the Government of India

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.23014/1/2014-CPD
Government of India
Ministry of Coal
CPD Section

New Delhi, Dated 24th July, 2014

Minutes of the meeting of the Standing Linkage Committee (Long Term) for Power held on 27th June, 2014

A meeting of the Standing Linkage Committee (Long Term) for Power was held on 27.06.2014 under the Chairmanship of Additional Secretary (Coal) to review the status of Letters of Assurance (LoAs) issued by Coal India Ltd. and its subsidiaries and SCCL in pursuance of the recommendations of the Committee and other issue relating to the existing LoAs/Linkages. A list of participants is attached as Annexure-I.

Agenda Item & No.	Brief Description of the Agenda Item	Summary of Discussions	Recommendation with the reasons
Agenda Item No. 1	Confirmation of Minutes of the SLC(LT) review meeting held on 21.02.2014	No discrepancies were pointed out in the minutes of the meeting held on 21.02.2014	The Committee confirmed the minutes of the meeting held on 21.02.2014
Agenda Item No. 2- Review of pending LoAs issued for Power Sector (IPPs)	177 LoAs were issued by the CIL and its subsidiaries for power projects to be commissioned during the 11 th & 12 th 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 160 FSAs for a capacity of 73,075 MW. In the remaining 12 cases some	The status of achievement of milestones as indicated by the coal companies was reviewed by the Committee	The Committee noted the status

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issues related to change of ownership, extension of coal supply beyond the period admissible under Tapering Linkage Policy, etc are involved. Such issues are being considered separately.

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.

Agenda Item No. 3. Policy on transfer of linkage in case of scrapping of old units by replacing them with new plants. The issue of transfer of coal linkage while scrapping of old plants by replacing them with new units in respect of public sector / state public sector power plants. A policy in this regard is to be finalized. A discussion paper has been circulated in the meeting.

The discussion paper in the matter was circulated in the meeting. The issue of transfer of coal linkage while scrapping of old plants by replacing them with new plants was discussed in the meeting. Dir (Mkt.), CIL stated that negative coal balance situation in the subsidiary coal companies and the commitment of linkage of pre 2009 power plant to the tune of 306 MT should be taken care of while

Based on the recommendations of MoP that new plants will come up in a staggered way by the end of the 13th plan and may also spill over to the 14th plan, Committee decided with regard to scrapping of old plants as under -
(i) LoA / linkage granted to the old plant shall be automatically transferred to the new plant of nearest supercritical capacity
(ii) If the capacity of the new supercritical plant is higher than the old plant, additional coal

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preparing this policy. The representatives of the Central Electricity Authority (CEA) and Ministry of Power (MoP) informed that these plants will come up in a staggered way by the end of the 13th plan and may also spill over in the 14th plan. Therefore it would not put instant pressure of supply of coal on CIL in the 12th Plan. Moreover, these plants shall be more efficient and consume less coal per unit of power produced. This policy shall be applicable to pre-NCDP and post NCDP Plants in public sector only, which have already been granted long term Linkages/LoAs.

Representative of MoP emphasised that the plants which are allowed for scrapping should have a minimum capacity to the tune of 50% of the capacity of new proposed supercritical power plants. Scrapping units may be allowed to be clubbed together to achieve this minimum benchmark of 50% of proposed supercritical capacity.

may be accorded priority subject to the availability of coal on the best effort basis from CIL.

(iii) At least 50% of capacity of new supercritical plant has to be retired. (Illustration for setting up of a new supercritical plants of 1000 MW capacity, atleast 500 MW capacity of old plant has to be retired). Old plants can be clubbed together to achieve this minimum benchmark of 50% of proposed supercritical capacity.

(iv) This policy shall be applicable to pre-NCDP plants in public sector only, which have already been granted long term Linkages/LoAs.

(v) Automatic transfer of LoA as explained above shall be permissible only when the new plant is set up within the State in which the old plant was located and the old plant is actually scrapped. The old plant shall continue to operate till the CoD of new plant.

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In respect of the enhanced capacity of the plants coal may be supplied on MOU basis.

MoP suggested that location of the new plant may be accepted within the State boundary

<p>Agenda Item No. 4- Miscellaneous Items</p>	<p>Issue: Request for condonation of delay for acceptance of CG and to issue LoA & sign FSA with the unit</p>	<p>Representative of the applicant was not present. Representative of ECL informed that Bakreswar Unit-V did not submit CG amount within the prescribed timeframe. Representative of MoP informed that the said unit is within the identified 78,000 MW capacity and now they are willing to submit CG. Therefore, they may be allowed submission of CG and signing of LoA.</p>	<p>Committee condoned the delay in submission of the CG and decided that WBPDCCL would submit the requisite CG amount to the coal company within 3 months and thereafter LoA will be issued by CIL accordingly.</p>
<p>(i) Bakreswar Unit-V of WBPDCCL for issue of LOA & signing of FSA.</p>	<p>This unit was authorised LoA by SLC (LT). WBPDCCL could not submit the requisite CG amount within the stipulated period due to the financial constraints, therefore LoA was not issued by ECL for the said unit. Subsequently WBPDCCL communicated their willingness to deposit the CG and requested MoC to condone the delay and accept the CG. This unit is within the identified 78,000 MW capacity units for which CCEA has directed to sign FSA.</p>	<p>JS (SKS), MoC explained that this is a request received from UP Govt for transfer of the shell company M/s Sangam Power Generation Company Ltd from M/s Jaiprakash Associate Limited to UPRVUNL as M/s</p>	<p>The Committee noted that the coal linkage is in the name of State Government which in turn wants to engage UPRVUNL for development of this project. No such reference/recommendation has been received from MOP in this</p>
<p>(ii) Karchana Thermal Power Project (2x660 MW) at Allahabad, UP based on Case-2 tariff based</p>	<p>Issue: Request for transfer of the shell company M/s. Sangam power generation company Ltd from M/s Jaiprakash Associate Limited (successful bidder under case II bidding process) to UPRVUNL. The request for long term coal linkages for power projects from State Electricity Boards/</p>	<p>JS (SKS), MoC explained that this is a request received from UP Govt for transfer of the shell company M/s Sangam Power Generation Company Ltd from M/s Jaiprakash Associate Limited to UPRVUNL as M/s</p>	<p>The Committee noted that the coal linkage is in the name of State Government which in turn wants to engage UPRVUNL for development of this project. No such reference/recommendation has been received from MOP in this</p>

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competitive
bidding

State Governments to be awarded on tariff based competitive bidding was considered in the SLC(LT) meeting held on 02.08.2007. Accordingly, LoA was granted to 1320 MW Karchana Power Plant/UP Government. LoA was issued by NCL on 22.01.2009.

Consequent upon the bidding process, LoA was transferred from UP Power Corporation to the Shell Company M/s Sangam Power Generation Ltd on 07.09.2010. With a view to conduct bidding process and to select developer for the said project, the shell company which was an SPV, was converted as a subsidiary company by UPPCL. By the bidding process, M/s Jaiprakash Associate Limited emerged as a successful bidder and the SPV M/s Sangam Power Generation Company Ltd was transferred to them.

Due to some reasons, M/s Jaiprakash Associate Ltd expressed to withdraw from the project. UP Government tried to revive this project and decided to develop the Karchana project through Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL), an undertaking of Govt of UP by transferring shell company M/s Sangam power generation company Ltd from M/s Jaiprakash Associate Limited to UPRVUNL.

Jaiprakash Associate Limited who was the successful bidder as per the case II bidding process expressed its inability for the development of this project.

Now the UP Government wants to revive the project through UPRVUNL, a Government of UP undertaking by transferring the shell company.

MoP was of the opinion that as per the procedure, fresh bids should be called for in the matter.

regard. This may be examined by MoP and based on the recommendations of MoP, appropriate decision would be taken.

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(iii) Barauni TPS (Extension) of (2x250 MW) of BSEB	Issue: Information /Ratification of the approval of authorisation of LoA on tapering basis in respect of Barauni TPS (Extension) of 2x250 MW capacity at Begusarai Bihar	Ratification of the approval of authorisation of LoA on tapering basis in respect of Barauni TPS (Extension) of 2x250 MW power plant at Begusarai Bihar was taken on records	Committee took note.
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A request was received from Bihar State Electricity Board (BSEB) on 10.08.2006 for issuance of LoA in respect of their proposed Barauni TPS (Extension) of 2x250 MW capacity at Begusarai Bihar. The same was recommended by MoP. The UrmaPahariTolla Coal Block was allocated jointly to Bihar and Jharkhand Governments. Govt. of Bihar requested for grant of tapering coal linkage in respect of the above mentioned plant, which was expected to be commissioned in 2014.

Keeping in view of the dismal power situation prevailing in Bihar which is manifest in the form of per capita energy consumption even less than half of the national average, applicant being a Govt. utility and the recommendations of MoP, this matter was considered as a special case and the Competent Authority approved for grant of LoA on tapering basis for above mentioned plant.

(iv) M/s Lanco Babandh Power Limited (2x660 MW)	Issue: Clarification whether Unit-I of 660 MW of total 1320 MW of M/s. Lanco Babandh Power Limited may be treated as a long term linkage or tapering	Representative of the applicant stated that they had applied for 4x660 MW capacity in 2006. Out of which for unit # 1 they have been granted long-term coal	Contentions of the party may be examined with respect to the supporting papers, in consultation with CCO if necessary, and then, may be placed before this Committee
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The applicant represented MoC for clarification in respect of coal linkage granted

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to them for their Unit-1 of 660 MW by the SLC(LT) in its meeting on 02.08.2007. Accordingly, LoA was issued by MCL on 29.12.2008. Later on, it was noticed that the location of the plant mentioned in LoA was Babandh Village, Dhankena, Odisha whereas papers submitted for milestones were for villages Khadak, Prasad and Kurumtani, Odisha. Matter was placed before SLC(LT) in its meeting held on 31.05.2013 and the Committee recommended acceptance of the change and condoned the delay in producing clearance of water availability. Further, the issue of achievement of milestones was reviewed by SLC(LT) on 13.09.2013 and Committee approved for the condonation of the delay in achieving the milestones.

The request of the applicant for clarification in respect of coal linkage granted to them for their Unit-1 of 660 MW as long-term linkage or tapering linkage was examined in MOC. During the examination following points were observed:-

(i) The applicant was allocated Rampia and Dipside of Rampia Coal Block against the proposed End Use Plants with the ultimate capacity of 1000 MW on 17.01.2008.

(ii) CCO vide letter dated 01.11.2013 furnished the quantification of coal linkage of 660 MW TPP on tapering basis at Babandh Village, Dhankena, Odisha for which long-

linkage and unit 2 & 3 are linked with coal block. Therefore, unit # 1 is not at all linked with the coal block and they may be allowed for signing FSA for this unit on long-term basis.

It was observed that CCO vide letter dated 01.11.2013 furnished the quantification of coal linkage of 660 MW TPP on tapering basis at Babandh Village, Dhankena, Odisha for which long-term linkage was granted by SLC(LT) on 02.08.2007. The CCO made this quantification on the basis of the status report submitted by the applicant to them indicating that the capacity associated with the coal block is phase-I (2x660 MW); unit 1 & 2 out of which 1000 MW capacity of EUP is linked with the coal block.

It was further pointed out from the records that the applicant company initially applied for coal linkage on 05.09.2006 for its 2400 MW STPP with a configuration mentioned in the application as 3x800 MW or 4x660 MW.

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term linkage was granted by SLC(I.T) on 02.08.2007. The CCO made this quantification on the basis of the status report submitted by the applicant to them indicating that the capacity associated with the coal block is phase-I (2x660 MW) out of which 1000 MW capacity of EUP is linked with the coal block.

(iii) It was also observed that the applicant did not reveal the fact that they had applied for coal block in January 2008 at the time of linkage committee meeting for the same units for vice-versa.

(iv) The said coal block has been de-allocated by IMG in its 24th meeting held on 07/08.02.2014. The allocattees of the block have filed court case. The matter is sub-judice.

In this regard applicant was requested for certain clarifications. Applicant informed as under:-

(a) LBPL is not using linkage and block for the same unit. The fact that the company has been allocated both linkage and coal block was intimated to the Ministry of Coal vide letter dated 31.10.2008, wherein while detailing the project and its fuel requirements allocation of linkage as well as coal block is mentioned. Also in our letter to MoP (with a

The company vide its letter dated 26.03.2007 has submitted that based on the advice and directions of the State Government, they had revised the capacity of their power plant from 2400 MW to 1320 MW.

AS (Coal) enquired about this reduction from the applicant. But applicant could not reply to the query.

The status of the units was ascertained from the representative of MoP / CEA. they confirmed that only two units of the plant are coming up.

The representative of the company informed that they can submit some more papers/ documents to establish their claims.

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copy to MOC) dated 23/07/2009 it is indicated that there is under allocation of fuel for the total plant capacity and usage of linkage & Coal Block for Unit-I & II respectively

The coal block was allotted on 17th January 2008. The linkage for a capacity of 660 MW though recommended in August 2007 SLC(LT) meeting. LOA was issued in December 2008.

(b) LBPL has clarified to CCO with a copy to MOC vide letter dt 13/02/2014 that the linkage & coal are independent of each other. The basis taken by CCO was MOM of SLC(LT), LOA, EC of MoEF and status report of End Use Plant, MOM of SLC(LT) & LOA from MCI is for 1x660 MW. EC of MoEF also mentions that coal will be sourced for 1x660 MW from Rampia coal block and for another 1x660 MW from coal linkage accorded by MOC. The status report furnished by LBPL for End Use Plant (EUP) was a combined report of the Project as a whole which is being sent to different State/Central Govt offices and after the discussion with CCO, LBPL started reporting Unit#2 progress alone for which coal block coal has been proposed to be used. This updated report along with different communications have been further submitted to MOC vide letter dated 05/05/2014 with a copy

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(c) It would be pertinent to note that an application for coal block was made in month of January 2007 seeking allocation of coal block to support 1000 MW capacity of the end use plant which was subsequently revised to 1320 MW vide letter dt 26.03.2007. LBPL reiterates that on the dated of making the application in January 2007 there wasn't any existing installed.

(d) LBPL wish to submit that vide our representation vide letter dated 10.12.2007, 23.07.2009, a request was made seeking allocation of linkage for second unit of phase-I of the project which was not taken up for recommendation in SLC(LT) meeting of 29.08.2007. Therefore, LBPL requested to include Unit#2 Linkage in the list of deferred cases. It has not been stated that linkage to Unit-2 Phase-I was discussed and deferred in the above meeting in these letters.

It is submitted that applicant is in the possession of coal block and as well as linkage in respect of its total capacity of 2x660 MW out of which 1000 MW is linked with the coal block. Further, the coal block has been de-allocated and the matter is sub-judice at the moment. It is also pertinent to mention here that the said Unit-I of the project is within the 78,000 MW capacity for which CCEA has decided to sign FSAs.

(iv) Issues related to Biomass Plants for changing in the category from CPP to IPP

Issue: Issue of changing of the category from CPP to IPP of bio mass plants .

The issue is related to the requests received from the Biomass plants for changing of the category from CPP to IPP of bio mass plants .

A list of Bio-mass plants was received from CIL vide letter dated 22.04.2010 which inter-alia mentioned four projects viz M/s Shalivahana Green Energy Ltd (10 MW); M/s Varambio Energy (P) Ltd (10 MW); M/s Sardaambika Power Plant Pvt Ltd (10MW) and M/s Yash Agro Energy Ltd (12 MW) for which SLC (LT) for power in its meeting held on 06.11.2007 had recommended issuance of LoA from WCL. CIL has also stated that WCL has informed that none of the Bio Mass plants fulfil the condition of CPPs as the entire power generation is sold to Grid. Maharashtra Energy Development Agency (MEDA) has clarified the position that the category of all the four Bio-mass plants should be treated as IPP not CPP since all the power generated was being supplied to grid.

WCL has informed that in the 4 cases of bio-mass plants, the master LoA for CPP was issued in terms of modified milestones, all the Bio-mass plants failed to fulfill the milestone No. 9 (b) on the grounds that the power generated is being supplied to Grid. In respect of M/s Sardaambika Power Plant Pvt

The representative of CIL informed that CERC has issued guidelines on 18.03.2014 prohibiting use of fossil fuels in Biomass plants. Therefore it would not be possible to supply coal to any of the Biomass Plants. The representative of MoP also supported the view of CIL. Accordingly this issue was not discussed further.

Committee directed to ascertain in respect of CERC order regarding ban on using fossil fuels in Biomass plants from MOP. This may be done before the next meeting. All these issues will be taken thereafter.

Ltd. the unit failed to achieve the Milestone No. 8 in addition to Milestone No. 9 (b). M/s Yash Agro Energy Ltd. had not made any application for reduction in capacity of their plant from 12 MW to 8 MW. However, they have submitted commissioning certificate from CE stating that the 12 MW power plant situated at Chandrapur is commissioned on 15.09.2008.

As regard the request for reduction in the capacity from 12 MW to 8 MW is concerned, it is stated that the request made by M/s Yash Agro for reduction in capacity from 12 MW to 8 MW was forwarded to CIL on 29.08.2011. No action taken report has been received so far in this regard.

CIL vide letter dated 01.04.2013 had informed that these plants failed to achieve the milestones applicable to CPP within the LoA period, as a result CG have been forfeited after expiry of LOA.

(vi) M/s. GVK Power (Goindwal Sahib) Pvt at Goindwal Sahib, Punjab and other similar projects viz Koradi unit.	Issue:- Request to provide tapering coal linkage of 2.4 million tons for 1 year 2x270 MW Goindwal Sahib Thermal Power Project being developed by M/s. GVK Power (Goindwal Sahib) Pvt at Goindwal Sahib Punjab and others similarly placed power plants. Govt of Punjab has informed that Punjab requires huge amount of power for the paddy season which is crucial for food	Representative of CIL stated that they are bound by the Presidential Directive issued by MOC, vide which priority is to be given to 60,000 MW capacity out of the list of identified power projects of 78,000 MW capacity which are likely to be commissioned by 31.03.2015. He further	The Committee was of the view that supply of coal is to be done in accordance with the Presidential Directive and as per the CCEA decision top priority is to be given to 60,000 MW capacity out of 78,000 MW. However, should there be any possibility to accommodate any
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 MSPGCL
 Maharashtra
 Chandrapur
 Ext: Unit-8 &
 9 MSPGCL
 Maharashtra
 (2x500 MW)
 Mahan TPP
 (Ph-I) of Essar
 Power MP
 Ltd. Distt.
 Sidhi M.P.
 (2x600 MW)
 Derang unit-2,
 Jindal India
 Thermal
 Power Ltd.
 Distt Angul,
 Odisha (600
 MW)
 Monnet
 Malibrahmani
 TPP unit-1,
 Monnet
 Power (1x525
 MW)

security of the nation M/s GVK Power (Goindwal Sahib) Pvt had entered into PPA on 26.05.2009 with Punjab State Power Corporation Ltd (PSPCL) for development of 540 MW coal based TPP at Goindwal Sahib. The COD of unit 1 & 2 were 20.05.2013 & 20.11.2013 respectively. Both the units are ready for commercial production of electricity but are lying idle for want of coal.

He has informed that the coal for the project is to come from its captive coal mine at Tokisud North, Jharkhand, that will take longer time to develop the coal mining due to various problems faced by the company in getting the forest land and the law and order situation at Jharkhand hence the production of coal commence to readiness of the unit is held up forcing the entire capacity of the plant remaining idle. Secretary Govt of Punjab has requested to provide tapering coal linkage of 2.4 million tonnes of E-grade coal to GVK Power (Goindwal Sahib) Pvt for a period of one year or till such time the coal from the Tokisud Coal mine is available at the plant for its operation.

It is pertinent to mention here that Ministry of Power has forwarded a list of similarly placed power plants which are expected to be commissioned by March, 2015 and requiring tapering linkages. This list has included Six projects including Govindwal Sahib Unit-I & II, GVK Power Punjab. The rest of the concerned plants are as under:-

expressed his inability for providing additional coal due to the negative coal balance reported by subsidiary coal companies.

The representative of Government of Punjab informed that the coal for the project is to come from its captive coal mine at Tokisud North Jharkhand.

Development of the coal block has been delayed due to various problems faced by the company in getting the forest land and the law and order situation at Jharkhand. Therefore, they requested for tapering coal linkage for a period of 1 year in respect of 2x270 MW Goindwal Sahib Thermal Power Project.

Representative of MoP informed that the said project is one of the projects which are having coal block and requesting for tapering linkage and are similarly placed to the 4660 MW power plants, for which CCEA has directed to supply coal under certain conditions.

request without disturbing commitments on account of present linkages then this may be considered on the basis of CCEA decision referred above whereunder, the priority would obtain as follows - 67000+11000 MW (first priority), 30000 MW (second priority) and 4660 MW + 9940 MW (similarly placed units) (third priority).

Committee therefore recommended that subject to the availability of coal without affecting supply to units higher in the priority, arrangement for coal supply to Govindwal Sahib TPP can be considered on MOU basis for a period not exceeding six months. Requests by other plants similarly placed will also be dealt with on similar lines.

- (a) Koradi Unit-8 & 9 MSPGCL Maharashtra (3x660 MW)
- (b) Chandrapur Ext Unit-8 & 9 MSPGCL Maharashtra (2x500 MW)
- (c) Mahan TPP (Ph-I) of Essar Power MP Ltd. Distt. Sidhi M P (2x600 MW)
- (d) Derang unit-2 Jindal India Thermal Power Ltd. Distt. Angul, Odisha (600 MW)
- (e) Monnet Malibrahmani TPP unit-1 Monnet Power (1x525 MW)

In view of the above, a policy decision in all such cases is to be taken by SLC(LT)

(vii) Tawandi Sabo Power Ltd and Nabha Power Ltd - supply of additional coal. **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.

Secretary, Govt of Punjab has requested for supply of additional coal in respect of their enhanced installed capacity in respect of Talwandi Sabo Power Limited & Nabha Power Limited

The SLC(LT) in its meeting held on 02.08.2007 authorized 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 and from

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

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.

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1800 MW to 1980 MW with a clear mention that no additional coal linkage would be considered on account of enhanced capacity

It may be pertinent to mention here that before 18.04.2011 SLC(LT) had accorded its approval for enhancement/reduction of capacity keeping in view of the general principle that for the enhanced capacities no additional coal linkage / coal supply shall be allowed to both public/private sectors

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

(viii) M/s Adhunik Power & Natural Resources Limited

Issue: Request received from M/s Adhunik Power & Natural Resources Limited regarding extension of tapering linkage through existing FSA for their 2x270 MW power plant.

Applicant was granted tapering coal linkage for its two units of 2x270 MW each in the SLC(LT) meetings held on 12.11.2008 and 08.04.2010. The LoAs were issued by CCL on 09.07.2009 and 25.09.2010 respectively. The Ganeshpur coal block was allocated to the applicant for their 2x270 MW TPPs on 28.05.2009. The normative date of production from the coal block was 28.11.2012. The power plants have already been commissioned.

Applicant has informed that they are facing problems in the development of the coal block due to Law & Order problems at Jharkhand and requested for the extension in the coal supply in respect of their FSA on the tapering

The representative of the applicant company informed that the normative date of production of their coal block was 28.11.2012. At present they are receiving coal on tapering basis to the tune of 50% which will last till November, 2014. This quantity will further be reduced to only 25% for the next year. He also informed that they are facing problems in the development of the coal block due to Law & Order problems at Jharkhand. Applicant further stated that their power plants have already been commissioned & running and it would be difficult for them to continue these plants with the tapered

The supplies at the rate of 50% are assured till November, 2014. Depending upon the status of development of the coal block, a view may be taken later on. Any decision at this stage is not required.

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basis with CCL

It is also stated that both the units of the applicant company are within the identified list of 78,000 MW furnished by Ministry of Power under tapering linkage category. The tapering linkage list involved 24 units out of which in respect of 9 cases wherein the development of the coal block was delayed due to Go-No-Go policy, CCEA has directed to sign FSA. For the remaining 15 projects where development of coal block was delayed due to some other reasons matter was discussed in the SLC(LT) meeting held on 04.10.2013. Based on the recommendations of MoP Committee inter-alia recommended extension of 1-2 years in respect of 6 projects. The decision of the committee is to be placed before the CCEA for approval. The draft CCEA note has been circulated for Inter-Ministerial consultations. In the meeting the issue of M/s. Adhunik Power & Natural Resources was also taken up as Agenda Item No. 2 (viii) & (ix). The matter was discussed in the meeting, the representative of Ministry of Power stated that the link coal block has obtained EC & FC and therefore, no further dispensation was required for coal supplies. The committee noted the status.

coal quantity of 25% only. He requested for the extension of 100% coal supply on the tapering basis for a period of one year. Representative of MoP supported the request of the applicant.

- (xi) **Aparna Infraenergy, Kawathala, Distt. Chimur.** **Issue :-** Argument in respect of achievement of the milestones between the applicant and WCL. Change of name of the company from Aparna Infraenergy to Aparna Infraenergy
- Director (Marketing) CIL intimated the committee that this appears to be a case of unauthorised assignment of
- Keeping in view circumstances of the case, Committee rejected the request of the applicant company, particularly since the

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Chandrapur
Maharashtra
250 MW

India Pvt. Ltd.

An LoA was issued to the applicant on 16/11/07 2010 by WCL for allocation of 0.926 MT of coal for said project. As per LoA all the milestones referred in the LoA were to be achieved in a period of two years. Applicant has informed that they had achieved all milestones however a few have been achieved after the validity of LoA, for which they have already requested SLC (LT) to kindly consider for condoning the delay. This matter has been included as an Agenda Item in the SLC (LT) meetings held on 31.05.2013 & 20.12.2013. Pursuing to the decision taken in the SLC (LT) meeting dated 31.05.2013, to examine the documents in detail related to the change of name, the LoA holder was asked to submit the copy of the registered partnership deed of M/s. Aparna Infraenergy vide letter dated 19.07.2013. The document submitted by the applicant were examined by legal department of WCL and applicant was asked to submit the registered copy of initial partnership deed dated 11.07.2008 and copies of subsequent amendments, change in representation, constitution of the firm due to inclusion / retirement of the partners as reported by registrar of firms. On verification of the documents WCL recommended that change of name from Aparna Infraenergy to Aparna Infraenergy India Pvt. Ltd. is not acceptable as the LoA issued in favour of original firm has been assigned by way of

LoA. In this case, the original partners withdrew and the successor in interest was a company where shares were held by seven other incorporated entities. The representative could not explain the receipt of Rs. 40 crore after their withdrawal from the scene, thereby raising doubts that this was an unauthorised transaction apparently for transferring LoA. Further, the original partners had not invested into the venture in any significant way. The representative of the applicant company urged the committee to give some more time to explain the issue.

alleged unauthorised assignment of LoA remained unexplained by the party.

take over. During the meeting of SLC (LT) dated 20.12.2013 WCL informed that LoA was in the name of partnership firm. 4 partners had retired and new partners come in their place. As WCL was of the view that it was a case of assignment of LoA the matter may be referred to the Ministry. Representative of LoA holder informed that 3 original partners were still continuing and the partnership firm was registered subsequently to facilitate the conversion of the partnership firm in to a company. The committee noted that the matter needed to be examined in detail and deferred the matter.

Subsequent to the above mentioned SLC (LT) meetings, applicant vide its letter dated 12.02.2014 has submitted as follows :-

- (a) AparnaInfraenergy was constituted as a partnership firm by a Deed of Partnership between three partners on 11.07.2008.
- (b) 7 companies all wholly owned subsidiaries of Gammon Infrastructure Project Ltd (GIPL) were inducted in the partnership firm as partners vide Deed of Reconstitution dated 24.05.2010.
- (c) LoA for coal linkage was issued by WCL for AparnaInfraenergy, a partnership firm, on 16/17.07.2010. The partnership firm had 10 partners on the date of issue of LoA.
- (d) Registrar of Firms, Government of Maharashtra issued the Certificate of

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Registration of Firm on 20.07.2010. This certificate was submitted to WCL as proof of achievement of Milestone no. 1 (Existence of Business Entry) on 13.01.2011.

- (e) Three original partners retired from the firm on 05.01.2011. The seven partners continued. Three partners retired from the firm and three new partners, all being wholly owned subsidiaries of GIPL, were inducted in the firm vide Deed of Reconstitution dated 11.07.2011. Four partners of the firm have continued since the date of issue of LoA.
- (f) The Partnership Firm was converted into a Private Limited Co., AparnaInfraenergy India Pvt. Ltd. on 04.08.2011. The Shareholders of the company were the same as the Partners of the Firm. A certificate to this effect issued by Chartered Accountant dated 04.10.2011.
- (g) WCL vide their letter dated 30.11.2011 informed that the Certificate of Registration issued by Registrar of Firms was not acceptable and a certificate from Registrar of Companies needs to be submitted.
- (h) The Certificate of Registration issued by Registrar of Companies was submitted to WCL on 12.12.2011 along with request for name change.
- (i) WCL informed approval of name change vide their letter dated 02.07.2012 and asked for re-submission of all proofs of milestone achievement in the new name.

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(c) WCL had also raised an issue regarding expression of Gammon Infrastructure Projects Ltd. as sponsor in the Financial Closure document issued by Yes Bank Ltd. SLC (LT) had directed WCL to re-examine the documents for change of name in detail in its meeting held on 31.05.2013. Subsequently WCL sought certain information which were provided. WCL fixed up a meeting with their concerned officials as a follow up of the instructions given by SLC (LT) in its meeting held on 20.12.2013, on 11.02.2014. However, at the end of the meeting, it was informed that WCL cannot review its own observations and report submitted to SLC (LT) as there is no such direction from SLC (LT) in the minutes dated 15.01.2014. It was informed that any further review could be done only by SLC (LT). The meeting therefore had to be concluded inconclusive.

Accordingly applicant has informed that AparnaInfraenergy India Pvt. Ltd. has achieved all milestones as required in the LoA and has completed all necessary ground work for establishing the power plant and has invested heavily in acquisition of land, procuring all clearances and completion of initial engineering activities. A majority of scope is to be met from in house resources of Gammon India Ltd.'s group companies i.e.

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Gammion Power Lto
 Francotosi/Mecanica S P A
 AnsaldoCaldale Boilers ind a Ltd. etc for
 Civil & Infrastructure Works Turbine island
 & Boiler island respectively

(x) Adani Power Maharashtra Limited

Issue :- Request for continuation of coal supply equivalent 100% of ACQ of 800 MW tapering linkage of Tiroda TPP

M/s Adani Power Maharashtra Limited was granted tapering coal linkages for Tiroda TPS Phase-I (140 MW) & Phase II (660 MW) by the SLC (LT) in its meeting held on 08.04.2010 and 29.01.2010 respectively. LoA was issued by SECL / WCL on 26.11.2010 for 140 MW & 13.05.2011 for 660 MW by SECL and WCL respectively. Lohara West Extension coal block was allocated to Adani Power Maharashtra Ltd for Tiroda TPS Phase-I & Phase-II on 06.11.2007.

The normative date of coal production from coal block was 06.05.2011. Since block area was falling within the buffer zone of Taboda. Andri Tiger reserved MoEF clearance has been denied for the coal block. Applicant has submitted request for grant of MoEF clearance by re-defining the boundaries of the said coal block. Accordingly applicant request for extended coal supplies for another three years period.

The matter was discussed in the SLC (LT) meeting held on 04.10.2013. The

representative of the company stated that normative date of coal production from coal block was 06.05.2011. The matter for extension of the tapering linkage was discussed in the SLC (LT) meeting held on 04.10.2013 and Committee recommended that coal supplies on MOU basis may be extended for one year beyond the expiry of tapering linkages.

Applicant has further stated that since decision of the Committee was to be placed before the CCEA for approval which is still pending the decision of SLC (LT) could not be executed. He further informed that meanwhile SECL has stopped their coal supply against the tapering linkage of 800 MW Tiroda Power Plant in May, 2014. This is creating severe shortage of coal supplies at

The Committee noted that this matter came up during the SLC(LT) meeting dated 04.10.2013 and it was decided that *the coal supply may be continued on MOU basis for further one year beyond the expiry of the tapering linkage*. The decision could not be operationalized as the matter was slated to be placed before CCEA. The position still remains the same.

The Committee decided that the earlier decision for supply of coal on MOU basis subject to availability of coal shall stand but it shall be for a period of 6 month or until the CCEA approval is obtained whichever is earlier. The decision shall apply to all similar cases covered in the same CCEA note.

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committee recommended that coal supplies on MOU basis may be extended for one year beyond the expiry of tapering linkages. The decision of the committee is to be placed before the CCEA for approval. The draft CCEA note has been circulated for inter-Ministerial consultations.

Tiroda TPP Applicant has therefore requested for continuation of coal supply equivalent to 100% of ACQ Representative of MoP supported the request of the applicant.

Meanwhile applicant has informed that SECL has stopped coal supplies against the tapering linkage of 800 MW Tiroda Power Plant in May, 2014. This is creating severe shortage of coal supplies at Tiroda TPP. Therefore, applicant has requested for continuation of coal supply equivalent 100% of ACQ of 800 MW tapering linkage of Tiroda TPP.

**Agenda Item No. 5
Review of Pending of LoAs for CPPs**

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. Out of these 5 LoAs the issue of M/s Viraj Steel & Energy Ltd. has been included as Agenda Item No. 5(ii) for review of the committee. In 8 LoAs milestones have been achieved and the FSA is under process. The remaining 10 LoAs are under process of verification. Out of these 10 LoAs one CPP viz OPG Power Gujarat Pvt. Ltd. has been placed for review of the committee as Agenda item no. 5(i).

The status of achievement of milestones as indicated by status. The Committee noted the coal companies was reviewed by the Committee.

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() OPG Power
Gujrat Pvt
Limited
Bhadradeshwa
r Village
Kutch Distt
Gujrat
(COASTAL)
300 (2x150)
09.02.2012

Issue: Explanation in respect of the milestones viz. SPV status of the company, Funding of investment as identified in the DPR approval of the investment decision and GCPP status of the project between SECL & the Project Developer.

This issue of the achievement of the milestones was discussed in the SLC (LT) meeting held on 21.02.2014. Representative of the developer was present. The Committee decided that *the milestone issues of land requirement of 120 acres was clarified by MoP. Milestone with regard to requirement of holding 26% investment by captive consumers needs further examination by SECL. SECL will give complete report on it after obtaining share holding pattern, duly signed by the company secretary of OPG Pvt. Ltd. About complain with other stipulation, SECL will intimate the party within a week asking them to furnish necessary documents / details within three weeks thereafter. Delaying achieving milestones thus far is condoned.*

Following the instruction of SLC(LT) applicant furnished the necessary documents vide letter dated 06.03.2014 in response to SECL letter dated 18.02.2014. Applicant company vide its letter dated 19.03.2014 also requested MOC for appropriate directions to SECL in respect of SPV status of the company, ownership by captive users of the company and issue of the criteria of power consumption for captive use.

The representative of SECL explained the shortcomings in the milestones of the applicant company and also informed that certain documents are deficient in this regard.

The representative of the company stated that he has submitted all the documents in respect of the achievement of milestones to SECL, even if there is any shortcomings in the documents he can once again provide the same.

The representative of SECL raised queries that the equity investments by captive power consumers of the applicant company is only 0.135 Crores out of the total investment of 472 Crores. He also informed that the applicant has submitted the documents certified by the Practising Company Secretary instead of Company Secretary.

The representative of the company further stated that they are not having a full time Company Secretary therefore they have got certificates attested by a practising Company Secretary. He also

The Committee was not satisfied with the explanation about shareholding since it is lesser than the stipulated 26%. Hence the request cannot be entertained.

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The representation of the application was forwarded to SECL for their comments requested for the approval for the SPV status of the company

SECL vide its letter dated 26/04/2014 informed that the party has achieved all the milestones except milestone no 2 – approval of the investment decision and milestone no 8 – funding of investment as identified in the DPR and 9B Status of GCPP. As regard SPV status of the company SECL informed this is to be decided by MOC. The representative of Ministry of Power supported the GCPP status of the plant.

In view of the comments of SECL once again comments of party were taken. The applicant has informed that as regard Ownership status of the company is concerned, Ministry of Power (MoP) of 7th February 2014 has clarified that "ownership is decided by the percentage of shares held by the entity irrespective of the premium (or discount) paid by it while subscribing for the equity". As per the Electricity Rules 2005, Class A shareholders in OPGS Power Gujarat together hold 26 % of the voting rights and therefore the ownership of the Company as required under the Group Captive regulations. The applicant has also informed that the equity structure of GCPP has also be accepted by the lending banks. As required by SECL regarding copy of Board resolution on the amount of equity investment the company has informed that they had already submitted the Board Resolution of OPG Power Gujarat duly signed by practicing company secretary by citing the equity investment. As regard SECL's query about

captive consumption is concerned, applicant has informed that Power Ministry itself has already confirmed that consumption of 51 % of the output by the consumers is a matter to be tested and reviewed on an annual basis. It should be left to the Company to run its business post commissioning on the lines prescribed by the Power Ministry. SECL cannot seek to prejudge the matter.

Since this issue is long pending because of the dispute of the facts between SECL and the applicant, a view in the matter on the following issues is to be taken:-

- A. SPV status of the company to be approved
- B. Milestone No. 8-Funding of investment, as identified in the DPR
- C. Milestone No. 2-Approval of the investment decision
- D. Milestone No. 9 (B)- EUP- since GCPP status is not established

(ii) Viraj Steel & Energy Ltd.

Issue: Condonation of the delay in achievement of the Milestone in respect of Environment Clearance

The applicant has requested for the extension of time to comply with the milestones of letter of assurance dated 29.10.2010 issued by MCL in respect of its 12 MW CPP.

An LOA was authorized to the 12 MW CPP of M/s Viraj Steel & Energy Limited by SLC (LT) in its meeting held on 29.01.2010. The

The representative of the company informed that they had achieved all the milestones as stipulated in the LOA except a query raised by MCL regarding raw material for the CPP with reference to environment clearance. In this regard he informed that MoEF has issued a fresh approval incorporating the necessary

The Committee recommended that additional CG on account of delay in achieving milestones should be submitted by the applicant. Applicant informed that it was going to withdraw the court case. Delay in submission of milestones and related documents is condoned.

applicant has informed that they had achieved all the milestones as stipulated in the LOA except a query raised by MCL regarding raw material for the CPP with reference to environment clearance. Subsequently, applicant approached MoEF with the request to modify the raw material clause to coal in place of coal middling and waste. The matter was examined by the MoEF and MoEF issued a fresh approval incorporating the necessary amendments on 26/03/2013. Therefore, there is a delay in the achievement in the milestones by the applicant due to the pending amendment in the EC at the level of MoEF.

The applicant has therefore stated that they were unable to fulfil the condition of the LoA due to the delay in receipt of MoEF revised approval which was totally beyond their control. Applicant has therefore referred to the decision taken by the SLC(LT) in its meeting held on 07/01/2013 wherein it was decided the grant of extension of LoA may be extended up to one year from the date of expiry of LoA in all case where milestones except Environment / Forestry clearance have been achieved within the normal period of LoAs.

Since the applicant has gone for modification in the EC document following the query of MCL and MOEF issued a fresh approval incorporating the necessary amendments on

amendments on 26/03/2013. Accordingly applicant requested for condonation of the delay in achievement of the milestones. The representative of MCL informed that the applicant company has filed a court case in the matter and some of the milestones are yet to be achieved by them. The representative of applicant company informed that he has no idea of any such court case. If that were so, they shall withdraw the same.

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26.03.2013, therefore SLC (LT) is to take a view on the request of the applicant for condonation in the delay in the achievement of milestone related to Environmental Clearance.

(iii) M/s Electrosteel Steels Limited	<p>Issue: Request from M/s. Electrosteel Steels Limited for specifying the location of the power plant as Vill-Bhagabandh, Block-Chas, P.O. Alkusa, P.S. Slyaloni, Dist-Bokaro, Jharkhand instead of Block Chandan, Keary PO Bat Binor, District Bokaro, Jharkhand for grant of coal linkage in respect of their 100 MW CPP.</p> <p>Applicant had submitted an application in the year, 2007 for grant of coal linkage in respect of their 100 MW CPP. The applicant mentioned the proposed location of their CPP at Block Chandan, Keary PO Bat Binor, District Bokaro, Jharkhand. The name of the company was also changed from M/s Electrosteel Integrated Limited to Electrosteel Steels Limited.</p> <p>The LoA was recommended by SLC(LT) meeting held on 29.1.2010 and an LoA was issued by the MCL on 23/25.11.2010. The validity of the LoA was upto 24.11.2012 (i.e. 24 months from the issue of LoA).</p> <p>The applicant has informed that MoEF vide letter dated 02.12.2011 has specified the location of the plant for which Environment clearance has already been given by them on</p>	<p>The representative of the company was not present. The representative CCL informed that the location of the plant is in the Bhagabandh, Block-Chas, instead of Block Chandan, Keary for which coal linkage was to granted for 100 MW CPP. He stated that this is the case of change of location.</p> <p>It was observed by the Committee that in this regard a clarification was issued by the Ministry of Environment & Forest on 02.12.2011 that the lay out of the plant is the part of EIA study area. NEERI has confirmed that the study area considered was 10 KM areas from the center of the proposed plant area which was super imposed on the topo-sheet. The plant area was divided into two plots connected by a corridor. The southern portion of the plant covered a part of Bhagabandh area. The</p>	<p>The Committee approved change of location after taking into account the MoEF letter F No J-11011 / 137 / 2006-IA-II (i) dated 02.12.2011 and the letter no 762 dated 10.06.2014 received from DC Bokaro. Keeping in view of this, LoA may be revived.</p>
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21.02.2008 MoEF has informed that the layout of the plant is the part of EIA study area NEERY who were the EIA consultants for the projects has confirmed that the study area considered was 10 KM areas from the center of the proposed plant area which was super imposed on the topo-sheet. The plant area was divided in to two plots connected by a corridor. The southern portion of the plant covered a part of Bhagabandh area. The overall impact predicted in the study area do include the area covered by Bhagabandh in the western direction of the proposed lay out of the steel plant.

In this regard comments of Ministry of Power were called for. Ministry of Power requested to get necessary information / clarification from concerned District Revenue Authorities. Accordingly clarification was requested from concerned District Revenue Authorities. The Revenue Authorities, Bokaro has confirmed that the said plant is located vill- Bhagabandh, Chas.

(iv) M/s Maa Kali Alloys Udyog (P) Ltd.

Issue: Request of M/s Maa Kali Alloys Udyog (P) Ltd for change of configuration of their CPP from 8 MW to 4 MW AFBC & 4 MW WHRB.

M/s Maa Kali Alloys Udyog (P) Ltd has requested for change of configuration of their CPP from 8 MW to 4 MW AFBC & 4 MW WHRB. Applicant has informed that they have been granted permission for supplies of coal

The representative of company informed that the capacity of their CPP is 8 MW. Out of which 4 MW is coal based and 4 MW is waste heat recovery based. He requested to approve for change of configuration of CPP from 8 MW to 4 MW AFBC & 4 MW WHRB.

The Committee noted the recommendations of MoP. Change in configuration from 8 MW to 4 MW AFBC & 4 MW WHRB can accordingly be considered by SECL.

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against 12 MW CPP vide MOC memorandum dated 12.08.2006 and subsequently approvals for reduction of the capacity of CPP from 12MW to 8MW vide MOC letter dated 31.03.2010.

AnLoA was issued by SECL on 11.12.2008. Applicant has signed an FSA with SECL, Bilaspur against the above referred LOA on 12.12.2012 for supply of coal against 8MW CPP.

Applicant has further informed that they had have set up 8MW Captive Power Plant (CPP) 4MW on coal based (AFBC) +4MW on waste heat recovery (WHRB) but, the FSA has been made for 8MW on coal based basis applicant has therefore requested to accord the approval of MoC for change in the configuration of the unit from 8MW CPP to 4MW AFBC + 4MW WHRB and direct CIL/SECL for the same so that supply of coal would be made accordingly to their plant

Subsequently, approval for Reduction of the capacity of CPP from 12 MW to 8 MW was accorded by this Ministry vide letter dated 31.03.2010

The applicant was granted coal for their 12 MW CPP at village Pali, P.O. Gairwani, Raigarh, Chattisgarh by SLC (LT) for CPP held in the year 2007. The Committee inter-alia recommended that keeping in view the recommendation of the Ministry of Power and

It was pointed out that reduction in capacity from 12 MW to 8 MW has been done in 2010 also. The applicant should have informed about further change in configuration from 8 MW to 4 MW AFBC and 4 MW WHRB at the time of signing of FSA on 12.12.2012. The anomaly was detected by SECL only during physical verification on 06.12.2013. It is not clear how SECL signed FSA before executing physical verification of plant.

The representative of CIL informed that the requests of the company was forwarded to Ministry of Power for their recommendations. Any action in the matter may be taken thereafter

The representative of MoP informed that they have already issued a letter in this regard and recommended for the change in the configuration from 8 MW to 4 MW AFBC & 4 MW WHRB

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the comments from coal companies based on Physical Verification carried out by them. SLC/LT recommended issue of LoA by CIL for 12 MW CPP on normative basis as per provisions of NCDP.

Request of the applicant was examined and comments of SECL were called for. SECL has forwarded a copy of Joint Note dated 11.12.2013 signed between SECL & Maa Kali Alloys Udyog Pvt. Ltd. and informed that the consumer is required to comply with the following, latest by 10.03.2014.

- 1) Approval of MOC for configuration of their unit size (T.G. Set) of 8 MW and its bifurcation into 4 MW AFBC (Coal based) and 4 MW WHRB (Waste Heat Recovery based) boiler capacities.
- 2) To furnish a sum of Rs. 26,98,000/- to SECL towards the amount liable for forfeiture on account of Commitment Guarantee plus Additional Commitment Guarantee pertaining to 4 MW WHRB capacity. Consumer is yet to deposit the said amount.

Applicant has informed that following the directions of SECL they had credited the DD no. 074896 dated 20.02.2014 for Rs. 26,98,000/- to the account of SECL towards the amount liable for forfeiture on account of Commitment Guarantee plus Additional Commitment Guarantee pertaining to 4 MW WHRB capacity. The applicant has also requested for the approval regarding

configuration of CPP before expiry date
10.03.2014

Keeping in view of the decisions taken in the meeting of the SLC (LT) held on 18.04.2011, request of the applicant was forwarded to SECL for a final decision in the matter. The applicant vide letter dated 24.06.2014 has informed that even after the lapse of two months, SECL has not decided the issue. He has also stated that their unit is suffering in the want of coal and the generation of power is on hold. Accordingly, applicant has requested to look into the matter and advise SECL to constitute FSA and start supply of coal to the plant.

F. No.23014/1/2014-CPD
 Government of India
 Ministry of Coal
 CPD Section

New Delhi, Dated 27th July, 2014

Minutes of the meeting of the Standing Linkage Committee (Long Term) for Sponge Iron to be held on 27th June, 2014

A meeting of the Standing Linkage Committee (Long Term) for Sponge Iron was held on 27.06.2014 under the chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries and SCCL in pursuance of the recommendations of the Committee and other issue relating to the existing LoSs/Linkages. A list of participants is attached as Annexure-I.

Agenda Item & No.	Brief Description of the Agenda Item	Summary of Discussions	Recommendation with the reasons
Agenda Item No. 1- Confirmation of the Minutes of the meeting held on 21.02.2014	Confirmation of Minutes of the SLC(LT) review meeting held on 21.02.2014	No discrepancies were pointed out in the minutes of the meeting held on 21.02.2014.	The Committee confirmed the minutes of the meeting held on 21.02.2014.
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 latest status of these cases is indicated at 2(i) and 2(ii).	The status of achievement of milestones as indicated by the coal companies was reviewed by the Committee.	The Committee noted the status.
(i) M/s Raigarh Iron Industries Ltd.	Issue :-Request for review of illogical cancellation of LoA issued by SECL on 17.07.2008 which was cancelled due to reduction in plant capacity approved by SLC	The representative of the company informed that Chhattisgarh Environment Conservation Board accorded	The Committee took a note of the matter. The matter will be examined/considered on receipt of

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(LT) in view of the terms of environmental clearance

clearance for 2x12.000 TPA capacity instead of their application for 2x15 000 TPA.

comments from Ministry of Steel

The applicant had applied for coal linkage for their Sponge Iron Plant in 2005. The same was recommended by Ministry of Steel. The proposal of the company was considered by the SLC(LT) in its meeting held on 06 11 2007. Minutes of the meeting is reproduced below:-

Due to reduction in plant capacity accorded by the Chhattisgarh Environment Conservation Board, SECL cancelled the Letter of Assurance and forfeited the Bank Guarantee of Rs. 30,78,000/-, even when they were ready to accept the reduced quantity of coal as per norms in the LOA commensurate with the clearance for reduced capacity of the Plant. He also stated that the things were beyond their control, therefore they should not be penalised for that

"The SLC(LT), keeping in view the recommendations of the Ministry of Steel and the comments from coal companies based on Physical Verification carried out by them, recommended for grant of LOA for 2 Kih(s) having capacity of 2x15000 TPA on normative basis. CIL would issue LoA as per the provisions of the New Coal Distribution Policy".

The Chairman of the Committee asked for the views of representative of Ministry of Steel in the matter. The representative of MoS informed that she will discuss this issue with senior officers of the Ministry before suggesting comments in this regard

In 2008 after inspection of the plant and verifying all the requisite documents, SECL issued Letter of Assurance (LOA) for coal requirement to the plant as per the norm. As per demand of SECL, they deposited Bank Guarantee totalling to Rs. 30,78,000/- Validity of LOA issued by SECL was 16 07 2009

At the time of submission of Application till issuance of LOA by SECL, environmental clearance for the plant was not required from the Chhattisgarh Environment Conservation Board. However, the Chhattisgarh Environment Conservation Board accorded clearance for 2x12.000 TPA capacity of the

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plant instead of their application for 2x15,000 TPA. Due to reduction in plant capacity accorded by the Chhattisgarh Environment Conservation Board, SECL cancelled the Letter of Assurance and forfeited the Bank Guarantee of Rs 30,78,000/- even when they were ready to accept the reduced quantity of coal as per norms in the LOA commensurate the clearance for reduced capacity of the Plant.

In this regard applicant has submitted that restriction / reduction in the capacity from 2x15,000 = 30,000 TPA to 2x12,000 = 24,000 TPA was done by CECB and this does not indicate any failure on their part. Therefore applicant has requested Ministry of Coal to review the cancellation of the LoA by SECL.

<p>(ii) M/s Kamal Jeet Singh Ahluwalia Steel & Power Division</p>	<p>Issue: Request for allocation of normative quantity i.e. 1,44,000 TPA (F Grade) of coal for their 90,000 tpa sponge iron plant located at Barapada, P.O. Guali, Distt. Keonjhar, Orissa instead of 1,12,500 TPA (F Grade). This is regarding request received from Kamal Jeet Singh Ahluwalia Steel & Power Division at village Barapada, Guali Keonghor Odisha for allocation normative quantity of coal for their 90,000 tpa sponge iron plant located at Barapada, P.O. Guali, Distt. Keonjhar, Orissa. Brief of the events is as under -</p>	<p>The representative of the company informed that they were in the receipt of lesser quantity i.e. 1,12,500 TPA of F grade coal instead of the normative quantity i.e. 1,44,000 TPA required for their 90,000 TPA Sponge Iron Plant. He stated that they have been representing to the MoC for enhancement in the quantity. It was decided by MoC that matter would be placed before SLC (LT) and the same was communicated</p>	<p>Keeping in view the recommendations of Ministry of Steel, Committee recommended the upward quantity correction as per norms beyond 1,12,500 TPA. F Grade coal for 90,000 TPA Sponge Iron Plant, subject to sourcing from Korea-Rewa mines SECL</p>
	<p>(i) The applicant had applied for</p>		

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- 1.12.500 TPA of coal for 90,000 TPA sponge iron plant vide application dated 07.10.2003 and the same was recommended by the SLC (LT) held on 12.04.2004 to them also. Since 2007 no meeting of SLC (LT) for Sponge Iron Sector was held, therefore this issue was pending for a long.
- (ii) In 2008, the name change request of the applicant from M/s Himaispat Pvt Ltd to M/s Kamaljeet Singh Ahluwalia Steel & Power Division was approved by the competent authority. As per the available records request of the applicant company has already been supported by Ministry of Steel.
- (iii) In 2008, applicant requested for enhancement of the coal linkage quantity for the production of 90,000 TPA SI plant for the full quantity of coal to the tune of 1,60,000 TPA. Accordingly, comments of Ministry of Steel and CIL were called for in the matter.
- (iv) Ministry of Steel informed that as per the norms of consumption of coal being followed by this Ministry, the requirement of the applicant for SI grade of non-coking coal works out to be 1,44,000 TPA for their SI capacity of 90,000 TPA. Ministry of Coal may consider the additional coal linkage @ 31,500 TPA from MCL sources in addition to their existing coal linkage @ 1,12,500 TPA.
- (v) CIL also informed that the company is getting coal less than the normative quantity. The reasons for less linkage than linkage quantity is not known to CIL. However, if MoC decides to

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enhance the linked quantity to this unit in line with similarly placed sponge iron plants then the enhancement can be made through LoA route as per the NCDP in vogue

- (vi) Applicant vide letter dated 22.09.2009 also informed that in their original application dated 07.10.2003 they requested Ministry of Steel for 1,12,500 TPA of B grade coal, but when they were offered F grade linkage which was objected by them at the time of allotment and asked for B grade coal. But they were given linkage of F grade coal. This is a running unit and applicant is purchasing balance coal quantity from the market.

Matter was examined and it was decided that the existing coal linkage of 1,12,500 TPA was granted by SLC (LT) on 12.04.2004, therefore request for enhancement of coal quantity to normative level may also be considered in the next SLC (LT) meeting for Sponge Iron units.

F. No.23014/1/2014-CPD
Government of India
Ministry of Coal
CPD Section

New Delhi, Dated 24th July, 2014

Minutes of the meeting of the Standing Linkage Committee (Long Term) for Cement to be held on 27th June, 2014

A meeting of the Standing Linkage Committee (Long Term) for Cement was held on 27.06.2014 under the chairmanship of Additional Secretary (Coal) to review the status of LoAs issued by Coal India Ltd and its subsidiaries and SCCL in pursuance of the recommendations of the Committee and other issue relating to the existing LoAs/Linkages. A list of participants is attached as 'Annexure-I'.

Agenda Item & No.	Brief Description of the Agenda Item	Summary of Discussions	Recommendation with the reasons
Agenda Item No. 1	Confirmation of Minutes of the SLC(LT) review meeting held on 21.02.2014	No discrepancies were pointed out in the minutes of the meeting held on 21.02.2014.	The Committee confirmed the minutes of the meeting held on 21.02.2014.
Agenda No 2-	Review of pending LoAs of Cement Sector.	For Cement Sector, 43 LoAs were issued, out of which 21 FSAs have been signed and CG has been forfeited in 2 LoAs. The latest status of the matter is indicated below as per Agenda Item No 3(i) to 3(xx).	The representative of SECL informed that the report of the Review Committee is under preparation and will be finalized shortly. The Committee noted that the report of the 'Expanded Committee' has been finalised and submitted. It lays down the broad principles for resolving the issues. The papers / documents of each of the 20 companies shall now be

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examined by SECL in the light of these broad principles and decision on each individual case taken by SECL. However, in this course, wherever relaxation or extension of time is required for meeting procedural formalities and achievement of milestones, the same shall be given for the period till 31.10.2014.

3 (i) ACC LTD. Gagai Cement works. HP. 14.13 LT. 20.08.08	3 (ii) Ambuja Cements Ltd (Bhatapara Unit). Rewan, Raipur. Chattisgarh 32.00 LT. 05.08.08	3 (iii) Ambuja Cements Ltd. Vill. Rour., PO Daighat., Tehsil Arki. Distt. Solan, HP. 20.00 LT 05.08.08	3 (iv) Ambuja Cements Ltd. Darlaghat, HP 21.00 LT. 20.08.08
3 (v) Birla Corp. Ltd Birla Cement Works, Chanderia, Rajasthan 12.00 LT 12.09.08	3 (vi) Birla Corpn. Ltd (Satna Cement Works), Satna, Madhya Pradesh. 7.48 LT 12.09.08	3 (vii) Century Cement Baikunth, Raipur, Chhattsigarh. 3.64 LT 14.06.08	3 (viii) Ultra Tech Cement Ltd (Unit: Rawan Cement Works) (Formerly Grasim Cement). P.O. Grasim Vihar, Rawan. Tehsil Simga, Distt. Raipur Chhattsigarh. 493196. 2.25 LT. 19.06.08
3 (ix) Ultra Tech Cement Ltd (Unit: Aditya Cement Works-II) (Formerly Grasim Industries Ltd.) P.O. Adityapuram, Shambupura (Rajasthan)-312612. 28.80 LT 19.06.08	3 (x) Ultra Tech Cement Ltd. (Unit: Kolputli Cement Works) (Formerly Grasim Industries Ltd.), Village & P.O. Mohanpura, Tehsil Kolputli, Distt. Jaipur (Rajasthan)-303108. 28.80 LT 11.07.08	3 (xi) Ultra Tech Cement Ltd. (Unit: Vikram Cement Works) (Formerly Grasim Vikram Cement), Vikram Nagar, P.O. Khor, Distt. Neemuch (MP)-458470. 30.00 LT. 17.02.09	3 (xii) J.K. Cement Ltd. (Nimbahera Cement Plant), Rajasthan. 26.52 LT. 24.02.09
3 (xiii) Jaiprakash Associates Ltd. (Jaypee Rewa Plant & Jaypee Bela Plant), Sidhi, MP. 28.00 LT 11.07.08	3 (xiv) Jaypee Himachal Cement Plant (Himachal Unit), Baga., Tehsil Arki District Solan, Himachal Pradesh 25.40 LT. 11.07.08	3 (xv) Ultra Tech Cement Ltd. (Unit: Aditya Cement Works) (Formerly Grasim Aditya cement), P.O. Adityapuram, P.O. - Shambhupura, Distt. Chittorgarh (Rajasthan)-312612. 17.50 LT. 17.02.09	3 (xvi) M/s. Jaypee Sidhi Cement Plant, (A Unit of M/s. Jaiprakash Associates Ltd.), Village Majhgawan, District Sidhi MP 20.00 LT. 11.07.08
3 (xvii) Mairhar Cement Unit I & II. Sartanagar, Satna MP. 10.00 LT 14.06.08	3 (xviii) Mangroi Cement Plant. Rajasthan, 7.50 LT. 24.02.09	3 (xix) Shriram Cement Works. Kota, Rajasthan. 1.03 LT. 11.07.08	3 (xx) Ultra Tech Cement Ltd. (Hirmi Cem. Works) Raipur. Chhattsigarh. 12.50 LT. 22.07.08

Issue: Issue of 20 cement plants where milestones were verified by the coal companies and found deficient / not achieved within LOA validity

Brief Background:

In all these 20 cases milestones were verified by the coal companies and found deficient / not achieved within LOA validity. Notices for cancellation of LOAs and forfeiture of CG/ACG were issued. These units submitted representations against cancellation notices. Many of them also filed petitions in Chhattisgarh High Court against cancellation notices. It has been decided at the level of SECL's Functional Directors' meeting that the representations against cancellation notices are to be reviewed and a separate committee was constituted in SECL for this purpose. This was apprised to the Hon'ble Court also and taking cognizance of this development, the Court disposed off the petitions with the direction to examine the representations against cancellation notices and till the representations are decided by the committee cancellation notices shall not be enforced. The review committee constituted in SECL is reviewing all these cases and the same is under process.

The developers were represented by the Cement Manufacturers Association of India. They submitted that all these 20 plants for which FSAs were pending were already running plants and these LoAs were issued for expansion of capacity. They had submitted the requisite milestone documents to SECL but the same were not accepted. Against the cancellation notice issued by the SECL, the developers had to approach the court which stayed the operation of the notice for cancellation. As per the court's directions issued in July, a Committee was to be set up to review the cases but they have not been intimated so far about the formation of any committee. They requested that these cases be cleared urgently so that the projects did not suffer.

The matter was placed before the SLC (LT) meeting. The Committee decided to expand the review committee formed in SECL to review the cases with the inclusion of DS(CPD) and a representative of DIPP and directed to submit the final report by 15.02.2014.

The meeting of the SECL committee members with representative of DIPP and DS (CPD) was held on 19.2.2014. All the 20 LOA holders were called for a hearing on the milestones issues raised by the SECL. One of the factors relevant to many of these cases was that while the LOAs were issued for expansion of the Unit or for grant of the differential quantity to those who were getting lesser quantities, the milestone documents were being verified at a much later stage. As such, it would not be possible to produce the documents to rectify those deficiencies at this stage. Further, the deficiencies relating to some of the milestones like Investment decision, Funding etc. were not relevant at this stage as the projects are running for a long time at the enhanced capacity.

After hearing all of them and considering the matter in detail, the Committee recommended certain broad principles for

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resolving the pending issues. These are mentioned below -

- (i) Condonation of delay in respect of achievement of milestones and / or submission of documents / clarifications in respect of milestone already achieved and documents already submitted till date.
- (ii) Grant of further 3 months time from the date of issuance of letters to respective LOA holders by SECL for achievement of deficient milestones and / or submission of fresh / additional documents / clarification as being recommended now.
- (iii) As coal is used for manufacture of clinker, therefore entitled coal quantities under various LOAs will be worked out considering total clinkerisation capacity of the plant (including pre-existing + enhanced capacities). Based on this capacity, the total eligible quantity will be at the rate of 17% of the clinker capacity as normative quantity. Total eligible quantity will then be 75% of this normative quantity as per NCDP. From this total eligible quantity, quantity being already drawn under FSA from SECL, if any, will be subtracted to arrive at the balance eligible quantity that may now be supplied under fresh FSAs against these LOAs, subject the ceiling of approved LOA quantities. In case of variation in clinker capacities as per different documents submitted against various milestones of an LOA, then lowest capacity will be considered for computation of entitled coal quantity.
These principles will apply uniformly to all LOA holders, to which they have agreed.
- (iv) In some cases, the clinkerisation capacity is mentioned in Tonnes per Day (TPD). In such cases, the annual capacity will be uniformly calculated considering 330 working days in a year as per industry norms as indicated by DIPP.
- (v) Manufacturing of clinker has distinct pollution control norms. Most of the LOA holders have furnished Environment Clearance for clinker. Environment Clearance for clinker will be mandatory in all cases. However, LOA holder may furnish either Consent to Establish or Consent to Operate mentioning clinker capacity, which will be acceptable for milestone purpose.
- (vi) In case of M/s. Ambuja Cement Ltd. Rourki, Dariaghat, (capacity reduced from 20 LTPA to 18 LTPA as per MOC letter No. 23011/81/2007-CPD (Pt-II) dated 04.05.2011), M/s. Ambuja Cement Ltd. Suli, Dariaghat, (Capacity reduced from 21 LTPA to 10 LTPA as per MOC letter No. 23011/81/2007-CPD (Pt-II), dated 04.05.2011 and further applied for reduction from 10 LTPA to 6 LTPA and M/s. AmbujaCement Ltd., Rawan, Bhatapara Unit-II, (Applied for reduction from 32 LTPA to 27.20 LTPA) proportionate Commitment Guarantee (CG) plus Additional Commitment Guarantee (ACG) will be forfeited.
However, reduction in capacity occurring due to application of general principles enumerated at point No. (iii) will not attract any forfeiture of CG-ACG.

ANNEXURE-1

LIST OF PARTICIPANTS WHO ATTENDED THE MEETING OF THE STANDING LINKAGE COMMITTEE (LONG TERM) FOR POWER/SPONGE/CEMENT SECTORS HELD ON 27th JUNE, 2014 TO REVIEW THE STATUS OF EXISTING COAL LINKAGES/LOAs AND OTHER RELATED MATTER

	Ministry of Coal
1	Dr. A.K. Dubey, Additional Secretary (Coal)
2	Sh S.K. Singh, Joint Secretary(SKS)
3	Sh. J.S. Bindra, Director(CPD)
4	Sh Pili Ravi Kumar, Under Secretary(CPD)
	Ministry of Power
5	Sh. V. Appa Rao, Director
6	Sh P.D. Siwal, Director
	Ministry of Railways
7	Sh. Mukul Kumar, DTP
	Central Electricity Authority
8	Sh. Alok Saxena, Chief Engineer (OM)
9	Sh. N.S. Mondal, Director
10	Sh. K. Khemchandani, Dy. Director
	Ministry of Steel
11	Smt Meera K. Raman, Under Secretary
12	Sh. S.K. Pandey, Section Officer
	Department of Industrial Policy and Promotion
13	Sh. Nand Lal, Sr. Development Officer
	NTPC
14	Sh. D. Saha, GM(FM)
15	Sh. D.K. Saha AGM
	Singareni Collieries Company Ltd (SCCL)
16	Sh. V. Radhakrishenan Rao
17	Sh. N.V. Rajashekar Rao, SE(Mkt Deptt)
	Coal India Limited and Coal Companies
18	Sh. G. Singh, CMD, CCL
19	Sh. B.K. Saxena, Director (Marketing), CIL
20	Sh. Om Prakash, Director (T), WCL
21	Sh. A.K. Tiwari, Director (O), MCL
22	Sh N. Kumar, D(T)
23	Sh. R.K. Chopra, Director (T)/P&D
24	Sh. Tarak S. Roay, CIL
25	Sh. L.K. Mishra, GM(S&M), CIL GM (S&M)
26	Sh. S. Chandramoli, GM (S&M) SECL
27	Sh. Rajesh Bhushan, Chief Manager, CIL
28	Sh. G.K. Vashishtha, CSM, CIL, New Delhi
29	Sh. S. Shekhar, GM (S&M), MCL
30	Sh. V.K. Singh, GM (S&M), ECL
31	Sh. Anurag Garg, Chief Manager, SECL
32	Sh. A.C. Verma, GM (S&M), CIL, Delhi Office
33	Sh. S. N. Prasad, GM (S&M), WCL