

By Speed Post

No.13016/48/2007-CA-I
Government of India
Ministry of Coal

New Delhi, dated 27th March, 2014

To,
The Managing Director,
M/s Chaman Metalics Ltd.,
A-26, MIDC, Tadali Growth Centre,
Tadali, Chandrapur-442406,
Maharashtra.

Subject: Deduction of Bank Guarantee(BG) in respect of Kosar Dongargaon Coal block allocated to M/s Chaman Metalics Ltd. - regarding.

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I(Part) dated 20.02.2007 conveying allocation of Kosar Dongargaon coal block in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions (**Annexure-I**). One of the conditions of allocation was that the coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) in case of UG mine from the date of preparation of GR. The end use project schedule and the coal mine development schedule were to be modified accordingly and submitted to the Ministry within 6 months from the date of allocation.

2. One of the other important conditions was that the allocation/mining lease of the coal block may be cancelled, inter-alia, on the following grounds:-
- Unsatisfactory progress of implementation of their end use sponge iron plant/power plant.
 - Unsatisfactory progress in the development of coal mining project.
 - For breach of any of the conditions of allocation.

The de-allocation/cancellation of mining lease shall be without any liability to the Government or its agencies, whatsoever. Any expenses incurred by the allocatee or any right or liability arising on the allocatee out of the measures taken by him shall solely be to his account and in no way be transferred to or borne by the Government or its agencies.

3. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 15/16.10.2008, it was noticed that all the milestones pending except GR purchased, BG and MP submitted. In the review meeting held on 22/23.06.2009 it was noticed that GR purchased, BG and MP submitted, applied for ML No FC is required as entire land is on private land. All other milestones were pending and there was no progress since last review meeting. In the

review meeting held on 20/21.07.2010 it was noticed that EMP, ML & LA were pending. Review committee noticed slow progress & behind schedule.

4. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Kosar Dongargaon** coal block allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

5. In the meantime, the Government has constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairmanship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic Affairs. IMG has been given the mandate to review the progress of development of allocated coal blocks and associated end use projects and to recommend action including de-allocation, if required. IMG in its 18th meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Kosar Dongargaon Coal Block** prepared by the Coal Controller's Organisation (CCO) as on 31st December, 2012 and noted that no significant progress was made by the company towards development of the coal block. It was noticed that a number of important/critical milestones were pending. Keeping in view the unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. Accordingly a show cause notice dated 06.06.2013 was issued (**Annexure-II**).

6. Subsequently, on receipt of reply in response to show cause notice, the IMG asked the allocatee company to make a presentation before it on the progress of development of allocated coal block and associated end use project(s). The representatives of the company gave presentation on 25.10.2013 before the IMG in its 23rd meeting. The IMG considered the presentation, the status of the **Kosar Dongargaon** coal block and associated end use project(s) prepared by the Ministry of Coal and Coal Controller's Organisation (**Annexure-III**). The details of milestones to be achieved and the time lapsed against each milestone, as reported by the Office of Coal Controller, are given in the table below:

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on June'13)	Remarks	Special Observati on
Purchase of GR	6.4.2007 (45 days)	7.5.2007	1 months	Delay in release of GR by DGM, Maharashtra.	
Submission of Bank Guarantee	20.5.2007 (3 months)	25.7.2007	2 months	BG introduced in March.2005	
Mining Lease Application	20.5.2007 (3 months)	22.8.2007	3 months	ML area:- 450 Ha	
Submission of Mining Plan	20.8.2007 (6 months)	20.11.2007	3 months		
Approval of Mining Plan	20.10.2007 (8 Months)	21.5.2008	7 months		

Application of Previous approval	20.12.2007 (10 Months)	8.8.12	4 yrs 8 months	State Govt. sent proposal to MOC.	
Granting of Previous approval	20.1.2008 (11 months)	20.2.2013	5Yr 1 Month		
Application of Forest clearance	20.2.2008 (12 months)	No forest			
Grant of Forest Clearance	20.8.2008 (18 months)				
Application EMP Clearance	20.2.2008 (12 months)	24.4.2008	2 months		
Grant of EMP Clearance	20.8.2008 (18 months)	11.7.2011	3yrs		
Grant of Mining Lease	20.2.2009 (24 months)	Pending	4yrs 4months		
Application of Land Acquisition	20.1.2007 (9 months)	Not required.	-	Land will be purchased by direct purchase.	
Completion of Land Acquisition	20.2.2010 (30 months)	Not required.	-		
Application for opening permission	20.12.2010 (46 months)	Pending	2 yr 6 months		
Grant of Opening permission	20.1.2011 (47 months)	Pending	2Yr 5 months		
Coal Production	20.2.2011 (48 Months)	Pending	2 Yr 4 months	UG mine without forest land.	

7. After detailed deliberations, the IMG made recommendation for deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter of Kosar Dongargaon coal block. The recommendations made by the IMG are as follows:-

“Kosar Dongargaon coal block was allocated to M/s Chaman Metalics Ltd. on 20.02.2007. The normative date of production as per Coal Controller’s Organisation (CCO) report was 20.02.2011. The progress of block development was reviewed by the IMG in its 18th meeting held on 01.05.2013 and as per the recommendations of the IMG, the allocatee company was issued a show cause notice (SCN) vide MoC’s letter dated 06.06.2013. The reply of the allocatee company to the SCN dated 26.06.2013 was sent to the State Govt. for comments. However, the comments of the State Govt. were not received.

The IMG considered the terms and conditions of allocation, the show cause notice issued, reply of the block allocatee to the show cause notice issued, status report of CCO, presentation made by the allocatee company on 25.10.2013 along with the status paper presented to the IMG.

IMG noted that as per CCO’s status report, all milestones are achieved except execution of mining lease; however, there have been delays in achieving milestone. There is no forest land involved and land will be purchased by direct purchase. Execution of Mining Lease, mining opening permission and coal production are pending.

The IMG considered the reply of the allocatee to the show cause notice wherein the allocatee has mainly stated that all the major/critical milestones have been achieved except execution of



mining lease with the State Govt. of Maharashtra, land acquisition and application for opening permission of coal mine. Company has stated that pending milestones could only be initiated once the mining lease is executed. As regards EUP, the same is commissioned. IMG noted that there is no forest land involved and therefore, forest clearance is not required. This being the underground mine, large extent of land is not required. An extent of 40 hectare of land is required, which the party is going to acquire by direct purchase. Prior approval of the Central Govt. for grant of mining lease has already been given.

As per CA certificate submitted by the company, investment in coal block and EUP is Rs. 1.62 crs. and Rs.42.09 crs., respectively.

Recommendation: Taking into account the facts placed before it including the fact that all requisite clearances have been obtained except execution of the mining lease by the State Government and keeping in view delay in achievement of milestones, IMG recommends deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter."

8. The recommendation of the IMG has since been considered and approved by the Government. As the allocatee company has been given a number of opportunities to develop the coal block and the associated end use project and the company has failed to develop the same as per the milestones prescribed without any valid reasons for the delay, it has been decided to deduct and encash proportionate Bank Guarantee (BG) of Rs.0.14025 crore (Rupees fourteen lakhs two thousand five hundred only) linked to the milestones set for development of the block as per the calculation sheet of BG amount furnished by the Coal Controller's Organisation, Kolkata (Annexure-IV). As per order dated 03.12.2013 of Hon'ble High Court of Judicature at Bombay, Nagpur Bench, Nagpur in W.P. No. 6400/2013, this order shall come into effect after seven (07) days from the date of dispatch.

Yours faithfully,



(A. Sanjay Sahay)

Under Secretary to the Govt. of India

Encls: As above

Copy to:

- (i) The Chief Secretary, Government of Maharashtra, Mantralaya, Mumbai-400032.
- (ii) The Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
- (iii) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata with the direction to deduct and encash the Bank Guarantee amount.
- (v) The Chairman, Coal India Ltd., 10 - Netaji Subhash Road, Kolkata - 700 001.
- (vi) NIC, Ministry of Coal for uploading the letter on Ministry's website.

Annex-I

No 38011/11/2006-CA-I (Part)
Government of India
Ministry of Coal

New Delhi, the 20th February, 2007.

To

M/s. Chaman Metaliks Ltd.,
31, Pushpakunj Complex,
26, Central Bazar Road,
Rakdaspeth,
Nagpur - 440 010.

Subject: Allocation of Kosar Dongergaon coal block in the State of Maharashtra for captive mining of coal by M/s. Chaman Metaliks Ltd. for their 0.363 mtpa sponge iron plant in Chandrapur, Maharashtra.

Sir,

I am directed to refer to the request of M/s. Chaman Metaliks Ltd., for allocation of coal block in the State of Maharashtra and to state that the request of the company has been considered by the Central Government and it has been decided to allot Kosar Dongergaon coal block in WCL command area to M/s. Chaman Metaliks Ltd., to meet the coal requirements for their 0.363 mtpa sponge iron plant in Chandrapur, Maharashtra. This allocation is in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalization) Act, 1973 and subject to the following conditions :-

- i) The allocation of the Kosar Dongergaon coal block to M/s Chaman Metaliks Ltd. has been made to meet the coal requirement of their 0.363 mtpa sponge iron plant in Chandrapur, Maharashtra.
- ii) The block is meant for captive use in their own specified end use project i.e. sponge iron production. The coal produced from the block shall not replace any coal linkages given to M/s. Chaman Metaliks Ltd. by the Coal India Ltd./ its subsidiary and/or by the Singareni Collieries Company Ltd., without prior permission of this Ministry.
- iii) Middlings generated in the process of washing the coal shall be used for power generation in their own power plant i.e., the useable middlings/rejects generated during beneficiation shall be used captively by the allocatee. The modalities of disposal of surplus coal/middlings/rejects, if any, would be as per the prevailing policy/instruction of the government at the relevant point in time and could also include handing over such surplus coal/middling/rejects to the local CIL subsidiary or to any person designated by it at a transfer price to be determined by the Government.
- iv) Coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) from the date of this

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letter in case of UG mine. The end-use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of this letter. A copy of the indicative milestone chart is enclosed.

- v) The company shall buy geological report from CMPDIL / Directorate of Geology & Mining, Govt. of Maharashtra within six weeks from the date of this letter.
- vi) The company shall submit a bank guarantee for Rs. 2.55 crores (equal to one year's royalty amount based on mine capacity of 0.3 mtpa assessed by CMPDIL, grade of coal of E grade and the weighted average royalty @ Rs. 85 per tonne) within three months from the date of this letter. Subsequently upon approval of mining plan the Bank Guarantee amount will be modified based on the final peak/ rated capacity of the mine.
- vii) The company shall submit a mining plan for approval by the competent authority under the Central Government within six months from the date of this letter.
- viii) The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. In case of any lag in the production of coal, a percentage of the bank guarantee amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, e.g., if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual production is 35, then $(50-35)/100 \times 100 = 15\%$ will lead to deduction of 15% of the original bank guarantee amount for that year. Upon exhaustion of the Bank Guarantee amount the block shall be liable for de-allocation/cancellation of mining lease. M/s. Chaman Metaliks Ltd. shall ensure that the Bank Guarantee remains valid at all times till the mine reaches its rated capacity or till the Bank Guarantee is exhausted.
- ix) No coal shall be sold, delivered, transferred or disposed of except for the stated captive mining purposes, and except with the previous approval of the Central Government.
- x) Mining of coal from the allocated captive coal block shall be carried out in accordance with the applicable Statutes/Rules/Orders/Directions governing the mining of coal in the country.
- xi) Those of the above conditions relevant at the time of grant of mining lease shall be included as additional conditions in the mining lease in addition to any further conditions imposed by or agreed to by the Central Government.
- xii) The State Government at the time of seeking previous approval for the grant of mining lease shall submit a draft of the mining lease containing the above relevant conditions for vetting by the Central Government. The final mining lease shall be as vetted/modified by the Central Government. Any deviation from the vetted/modified draft shall render the mining lease deed *ab-initio* null and void and without effect.

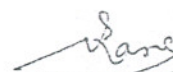
2. Allocation / mining lease of the coal block may be cancelled, inter-alia, on the following grounds :-

- a. Unsatisfactory progress of implementation of their end use sponge iron plant / power plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation mentioned above.

The De-allocation/cancellation of mining lease shall be without any liability to the Government or its agencies, whatsoever. Any expenses incurred by the allocatee or any right or liability arising on the allocatee out of the measures taken by him shall solely be to his account and in no way be transferred to or borne by the Government or its agencies.

3. The company may approach CMPDIL / Directorate of Geology & Mining, Govt. of Maharashtra for the geological report and contact the State Government authorities concerned for the necessary permissions/clearances etc. for attaining mining rights and related matters. The arrangement of transport of coal will have to be worked out by the company in consultation with the Ministry of Railways / Ministry of Surface Transport depending on the mode of transport.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Govt. of India.

Encls. As above.

To

1. The Chairman, Coal India Ltd., 10 Netaji Subash Marg, Kolkatta-700001
2. Chairman-cum-Mng.-Director, Central Mine Planning and Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi, Jharkhand.
3. Chairman-cum-Mng.-Director, Western Coalfields Ltd., Coal Eastate, Civil Lines, Nagpur.
4. Ministry of Steel (Shri Kumar Arvind Singh Deo, Joint Secretary), Udyog Bhawan, New Delhi.
5. The Chief Secretary, Government of Maharashtra, Secretariat, Mumbai.
6. Directorate of Geology & Mining, Govt. of Maharashtra, Old Secretariat Building, Nagpur.
7. The Coal Controller, Office of the Coal Controller, 1 Council Street, Kolkatta-700001
8. CPAM Section.


(V.S. Rana)

Under Secretary to the Govt. of India.

ANNEX-II

SHOW CAUSE NOTICE
By Speed Post

No.13016/48/2007-CA-I
Government of India
Ministry of Coal

New Delhi, dated 6th June, 2013

To,
The Managing Director,
M/s Chaman Metalics Ltd.,
A-26, M.I.D.C. Tadali Growth Centre,
Tadali, Chandrapur, Maharashtra - 442406.

Subject: Show Cause Notice to M/s Chaman Metalics Ltd. in respect of Kosar Dongargaon Coal block.

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I (Part) dated 20.02.2007 conveying allocation of **Kosar Dongargaon** coal block in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions. One of the conditions of allocation was that coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) in case of UG mine. The end- use project schedule and the coal mine development schedule were to be modified accordingly and submitted to the Ministry within 3 months from the date of allocation.

2. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Kosar Dongargaon** block allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

3. In the meantime, the Government has constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairmanship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic Affairs. IMG has been given the mandate to review the progress of development of allocated coal blocks and associated end use projects and to recommend action including de-allocation, if required. IMG in its 18th meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Kosar Dongargaon** Coal Block prepared by the Coal Controller's Organisation (CCO) as on 31st December, 2012 and noted that no significant



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progress has been made by your company towards development of the coal block. It has been noticed that a number of important/critical milestones are pending. The details of milestones to be achieved and the time lapsed against each milestone, as reported by the Office of Coal Controller, are given in the table below:

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on Dec.12)	Remarks	Special Observation
Purchase of GR	6.4.2007 (45 days)	7.5.2007	1 months	Delay in release of GR by DGM, Maharashtra.	
Submission of Bank Guarantee	20.5.2007 (3 months)	25.7.2007	2 months	BG introduced in March.2005	
Mining Lease Application	20.5.2007 (3 months)	22.8.2007	3 months	ML area:- 450 Ha	
Submission of Mining Plan	20.8.2007 (6 months)	20.11.2007	3 months		
Approval of Mining Plan	20.10.2007 (8 Months)	21.5.2008	7 months		
Application of Previous approval	20.12.2007 (10 Months)	8.8.12	4 yrs 8 months	State Govt. sent proposal to MOC.	
Granting of Previous approval	20.1.2008 (11 months)	20.2.2013	5Yr 1 Month		
Application of Forest clearance	20.2.2008 (12 months)	No forest			
Grant of Forest Clearance	20.8.2008 (18 months)				
Application EMP Clearance	20.2.2008 (12 months)	24.4.2008	2 months		
Grant of EMP Clearance	20.8.2008 (18 months)	11.7.2011	3yrs		
Grant of Mining Lease	20.2.2009 (24 months)	Pending	3yrs 10 months		
Application of Land Acquisition	20.1.2007 (9 months)	Not required.	-	Land will be purchased by direct purchase.	
Completion of Land Acquisition	20.2.2010 (30 months)	Not required.	-		
Application for opening permission	20.12.2010 (46 months)	Pending	2 yr		
Grant of Opening permission	20.1.2011 (47 months)	Pending	1Yr 11 months		
Coal Production	20.2.2011 (48 Months)	Pending	1Yr 10 months	UG mine without forest land.	

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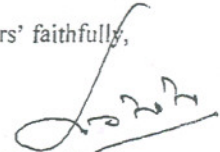
Observation of Field Office of CCO during inspection of the block	
Date of Inspection	20.11.2012
Infrastructure development	As per site inspection carried out by OSD office at Nagpur, it was reported that no infrastructure has been developed.
Activities related to coal transportation	• No
Presence of mining equipment.	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	• No
Engagement of MDO	• MDO selection is under process.

Keeping in view unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

4. Under the above circumstances, you are hereby called upon to show cause, on each milestone separately to this Ministry within a period of **20 days** from the date of issue of show cause notice as to why the delay in the development of the coal block should not be held as violation of the terms and conditions of the allocation of **Kosar Dongargaon** coal block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken against your company for de-allocation of said coal block.

5. You are also requested to furnish a detailed status note on the progress of end use plant(s) (EUPs) for which the above mentioned coal block was allocated to you.

Yours' faithfully,


(S.K. Shahi)

Director

Tel: 23382807

Copy to:

(i) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata.

(ii) NIC, Ministry of Coal for uploading the letter on Ministry's website.

Status Note

Sl. No.	Items	Remarks
1	Name of the Block	Kosar Dongargaon Coal Block
2	Name of the allocate	M/s Chaman Metalics Ltd.
3	Date of allocation	20.02.2007
4	End Use Plant & Capacity	0.363 MTPA Sponge Iron Plant at Chandrapur, MH.
5	Important terms and conditions of allocation	Copy of allocation letter enclosed as Annexure-I
6	Milestones of allocation and slippages against milestone	Copy of status note from CCO enclosed as Annexure-II
7	History Previous review / action	<p>In the review meeting held on 11/12.01.2012, it was noticed that ML & LA were pending. ML was pending with State Govt. Committee noticed that the progress was not satisfactory and advised to expedite the development of the coal block and be cautioned to be careful in future w.r.t. the milestones stipulated.</p> <p>The progress of the block has been further reviewed by IMG in its meeting held on 01.05.2013. The IMG noted that grant of grant of mining lease and land acquisition are still pending. Keeping in view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block. Accordingly, the company was issued SCN on 14.06.2013.</p>
8	Condonation of delay or extension of Zero date granted if any and permissible grace period if any whether any request for Condonation is pending with the Ministry	No
9	Litigation any orders of the court , if any	No
10	Summary of reply of the company including reasons for delay	Company has stated that all the major/critical milestones have been achieved except execution of mining lease with the State Govt. of Maharashtra, land acquisition and application for opening permission of coal mine. Company has stated that pending milestones could only be initiated

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Coal Controller Office, Kolkata
Updated Status of Coal Block as on June 2013
(As per Status report submitted by the company)

1. Name of Company:- Chaman Metaliks Ltd.
2. Name of Coal Block:- Kosar Dongargaon (UG)
3. Name of Owner/Address:- Vice President (F&A), A-26, MIDC. Tadali Growth Centre, Tadali, Maharashtra- 442 406
4. Date of Allocation:- 20.2.2007
5. Location: WCL area
6. Project cost :- Rs. 200 Cr.
7. Total investment made Cr (As per CA report):- Rs.1.21Cr.
8. Reserve (Mill tonnes):- 22.63 (Geological)
9. Mineable Reserve:- 5.250 MT
10. Yearly rated capacity (MTPA):- 0.3
11. Grade of coal:- C to G
12. Cost of GR:- Not available
13. BG Amount :- Rs. 2Cr.
14. Type of EUP:- SIP
15. Location of Project:- Chandrapur MH
16. Capacity of Project:- 7 LTPA
17. Explored/Un explored:- Explored
18. Type of Mine:- UG
19. Zero Date:- 20.2.2007 (As per block allocation letter)
20. Previous Recommendation, if any:- Caution notice issued by MOC as per decision of review meeting dated 11/12.1.2012. Again in 18th IMG held on 01.05.2013 advised to issue show cause notice.

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on June'13)	Remarks	Special Observation
Purchase of GR	6.4.2007 (45 days)	7.5.2007	1 months	Delay in release of GR by DGM, Maharashtra.	
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Granting of Previous approval	20.1.2008 (11 months)	20.2.2013	5Yr 1 Month		
Application of Forest clearance	20.2.2008 (12 months)	No forest			

Clearance	20.8.2008 (18 months)				
Application EMP Clearance	20.2.2008 (12 months)	24.4.2008	2 months		51
Grant of EMP Clearance	20.8.2008 (18 months)	11.7.2011	3yrs		
Grant of Mining Lease	20.2.2009 (24 months)	Pending	4yrs 4months		
Application of Land Acquisition	20.1.2007 (9 months)	Not required.	-	Land will be purchased by direct purchase.	
Completion of Land Acquisition	20.2.2010 (30 months)	Not required.	-		
Application for opening permission	20.12.2010 (46 months)	Pending	2 yr 6 months		
Grant of Opening permission	20.1.2011 (47 months)	Pending	2Yr 5 months		
Coal Production	20.2.2011 (48 Months)	Pending	2 Yr 4 months	UG mine without forest land.	

Observation of Field Office of CCO during inspection of the block	
Date of Inspection	20.11.2012
Infrastructure development	As per site inspection carried out by OSD office at Nagpur, it was reported that no infrastructure has been developed.
Activities related to coal transportation	• No
Presence of mining equipment.	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	• No
Engagement of MDO	• MDO selection is under process.

Other details and constraint faced by the block allocates

ML: State Govt sent the proposal to MOC on 8.8.2012 for previous approval. Previous approval of ML has been granted by MOC for 415.2 Ha area on 20.2.2013. Lease will be executed by State Govt.

FC: - No forest land involved in the block area.

LA: - No land acquisition involved. Land to be acquired from pvt. Land owners by negotiations. Surface right is required for 40 Ha. only.

Total land: 40 Ha and Pvt land: 40 ha.

MDO:- MDO selection is under process.

EUP: Total Capacity: 7.5 LTPA SIP. **Existing:** 250 TPD (81,000TPA) Sponge Iron already operative at Chandrapur, Maharastra. **Proposed:** 3x300 TPD SIP & 10 MW CPP by 2013-14. at Chandrapur, Maharashtra. Synchronization of coal production and EUP commission is planned.

Project cost: Phase-I- Rs. 78.52 Cr. and Phase-II- Rs. 242.19 Cr.

Investment made (as per CA report):- Phase-I- Rs. 42.09 Cr.

ANNEX-IV

Speed Post

No F.CC/MCBA/102/46/2012-BG / 16/10.
GOVERNMENT OF INDIA
MINISTRY OF COAL
OFFICE OF THE COAL CONTROLLER
1, Council House Street,
Kolkata - 700 001,

☎ : 033-2248-9612 to 16
Fax : 033-2248-2459
E-mail: coalcont-wb@nic.in

846/Direct (CA-I)
22/1/14

Dated: 16.01.2014

To
The Director (CA-I)
Government of India,
Ministry of Coal, Shastri Bhawan,
New Delhi -110115.

Subject: Bank Guarantee Calculation in respect of 6(six) coal blocks subsequent to the recommendations of the IMG – reg.

Ref: MOC's letter No.13016/10/2013-CA-I (Part), dated, 25.11.2013

Reference to the above, please find herewith calculation of Bank Guarantee amount to be deducted/imposed in respect of 6(six) coal blocks as per the recommendation of 23rd meeting of IMG for your perusal and necessary action if agreed at your end please.

Please do the needful.

Yours faithfully,

Dy.Asstt. Coal Controller & H.O.

Enclosure: As above

Ln
21/01/2014
VJ (CA-I)

22-1:
Socra (A)
Socra (B) ✓
22/1/2014
Smt. Mala

(Calculation of bank guarantee is done as per previous practice and on basis of information supplied by the company)

1. Name of Company:-M/s Chaman Metalics Ltd.
2. Name of Coal Block:-Kosar Dongargaon
3. Date of Allocation:- 20.02.2007
4. Normative Date of production:-20.02.2011
5. BG Amount:-Rs. 2.55 Crore
6. **Recommendation:** The IMG recommends deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter.
7. **Allocation condition:** The deduction of BG as per allocation letter is linked 50% to the achievement of milestones set for development of block and remaining 50% to the deficit in production.
Therefore, in view of the slippage in milestones, deduction from 50% of the BG linked to development of the block is done as per the weightage formula adopted by the IMG for proportionate deduction.

Calculation of BG deduction has been made on the basis of non-achievement of Milestones as on IMG Meeting held on 24.10.2013

Sl No.	Mile Stones	Weight (in %)	Actual Status	Marks	Remarks
1	Purchase of GR	5	Completed	5	
2	Submission of Bank Guarantee	8	Completed	8	
3	Mining Lease Application	7	Completed	7	
4	Submission of Mining Plan	10	Completed	10	
5	Approval of Mining Plan	10	Completed	10	
6	Application of Previous approval	6	Completed	6	
7	Granting of Previous approval	5	Completed	5	
8	Application of Forest clearance	8	No Forest	8	
9	Grant of Forest Clearance	5	No Forest	5	
10	Application EMP Clearance	8	Completed	8	
11	Grant of EMP Clearance	5	Completed	5	
12	Grant of Mining Lease	5	Not completed	0	
13	Application of Land Acquisition	8	Not required	8	
14	Completion of Land Acquisition	4	Not required	4	
15	Application for opening permission	2	Not completed	0	
16	Grant of Opening permission	2	Not completed	0	
17	Coal Production	2	Not completed	0	
	TOTAL	100		89	

Total Bank Guarantee amount: Rs. 2.55 Cr.

A= 50% of BG =Rs. 1.275 Crore

Score obtained for achieving of milestone = 89%

B=Score obtained for not achieving of mile stone = (100-89) =11%

BG to be deducted for not achieving Milestones as on Oct'2013= $A \times B = \text{Rs. } 1.275 \times 11\% = \text{Rs. } 0.14025$ Crore

Total amount of BG may be deducted for not achieving Milestones = Rs. 0.14025 Crore (Rupees fourteen lakhs two thousand five hundred only)

Q4b
13.01.2014

Jm
18/1/14

Jm
13/1/14

Boz
13/1/14

ch
16/1/14

