

No13016/70/2013-CA-I
Government of India
Ministry of Coal

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New Delhi, the 31st December, 2013

To,

The Managing Director

Sakhigopal Integrated Power Company Limited
(SPV of 1st additional Orissa UMPP)
First Floor, Urjanidhi
1, Barakhamba Lane, Connaught Place,
New Delhi - 110001

Subject : Seeking of explanation from Sakhigopal Integrated Power Company Limited for slow progress in respect of Bankhui (OC) coal block - regarding

Sir,

I am directed to refer to this Ministry's letter No. 13016/19/2007-CA-I dated 21st June, 2010 conveying allocation of **Bankui (OC) coal block to M/s Sakhigopal Integrated Power Company Limited (SPV of 1st additional Orissa UMPP)** under the tariff based competitive bidding route subject to certain conditions.

2. In order to expedite the development of the coal block, 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 **Bankui UMPP** block allocated to the company is not satisfactory. Committee expressed concern over unsatisfactory progress and advised M/s **Sakhigopal Integrated Power Company Limited** to expedite the development of the coal block. Accordingly, an advisory letter dated 26th April, 2012 was issued to the companies with the direction to expedite the development of the coal block and development of end use plant so as to ensure expeditious production of coal from the allotted coal block with respect to the milestones stipulated.

3. In the meantime, the Government constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairpersonship of Additional Secretary (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The IMG has 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 19th Meeting held on 25.06.2013 inter alia considered the status of the development of the Bankui UMPP block prepared by the Coal Controller's Organisation (CCO) as on March, 2013 and noted that no significant progress has been made by your company towards development of 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 Mar.13)	Remarks	Special Observation
Purchase of GR	5.8.2010 (45 days)	Pending	2Yrs 7 Months		Selection of mine developer through competitive bidding is pending.
Submission of Bank Guarantee	21.9.2010 (3 months from DOA)	Pending	2Yrs 6 Months	Submission of BG within 3 months of award of project to successful bidder.	
Mining Lease Application	21.9.2010 (3 months)	Pending	2Yrs 6 months		
Submission of Mining Plan	21.12.2010 (6 months)	Pending	2Yrs 3 Months		
Approval of Mining Plan	21.2.2011 (8 Months)	Pending	2Yrs 1 Months		
Application of Previous approval	21.4.2011 (10 months)	Pending	1Yr 11 Months		
Granting of Previous approval	21.5.2011 (11 months)	Pending	1Yrs 10 Months		

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Application of Forest clearance	21.6.2011 (12 months)	Pending	1Yr 9 months		
Grant of Forest Clearance	21.12.2011 (18 months)	Pending	1Yr 3 months		
Application EMP Clearance	21.6.2011 (12 months)	Pending	1Yr 9 months		
Grant of EMP Clearance	21.12.2011 (18 months)	Pending	1Yr 3 months		
Grant of Mining Lease	21.6.2012 (24 months)	Pending	9 Months		
Application of Land Acquisition	21.1.2012 (19 months)	Pending	1Yr		
Completion of Land Acquisition	21.6.2013 (36 months)	Pending	-		
Application for opening permission	21.10.2013 (40 Months)	Pending	-		
Grant of Opening permission	21.11.2013 (41 months)	Pending	-		
Coal Production	21.12.2013 (42 Months)	Pending	-	MOP needs to expedite the process of selection of developer	Commissioning of power project would be determined through bidding process.

Keeping in view the **slow progress**, IMG recommended to seek explanation for slow progress in development of coal blocks. The recommendation of IMG has since been considered and accepted by the Government.

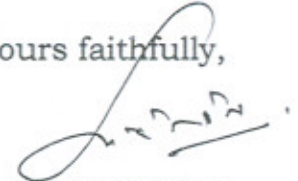
4. Under the above circumstances, you are hereby called upon to **explain**, on

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each milestone separately to this Ministry within a period of **20 days** from the date of issue, the reasons for slow progress as well as the efforts made by you in development of the coal block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken.

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.