

By Speed Post

F.No 13016/24/2009-CA-I

Government of India

Ministry of Coal

.....

New Delhi, dated 10<sup>th</sup> December, 2012

To

1. The Chairman-cum-Managing Director  
M/s Gujarat Mineral Development Corporation Limited  
Khanij Bhavan, Manav Mandir,  
Char Rasta, Ring Road,  
Vastrapur, Ahmedabad-380052
2. The Managing Director,  
M/s Pondicherry Industrial Promotion Development Investment Corp. Ltd.  
No.60, Romain Rolland Street,  
Puducherry.

**Sub: De-allocation and invocation of 50% Bank Guarantee in respect of Naini Coal block allocated to M/s Gujarat Mineral Development Corporation Limited and M/s Pondicherry Industrial Promotion Development Investment Corp. Ltd.**

Sir,

I am directed to refer to Ministry of Coal's allocation letter No 13016/8/2007-CA-I dated 25<sup>th</sup> July, 2007 (**Annexure-I**) and to this Ministry's show cause notice number 13011/19/2012-CA-I dated 2<sup>nd</sup> May 2012 (**Annexure-II**) and to your reply to the show cause notice, your presentation made / documents before the Inter-Ministerial Group (IMG ) in respect of **Naini** coal block and the status note on the development of the block prepared by Coal Controller and Ministry of Coal on the above subject.

2. **Naini** coal block was allocated on vide letter No. 13016/8/2007CA-I dated 25.07.2007 in pursuance of Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973 to **M/s Gujarat Mineral Development Corporation Limited and M/s Pondicherry Industrial Promotion Development Investment Corp. Ltd.** to meet their coal requirement of respective proposed 1500 MW power plant at Angul in Odisha or near Dumka in Jharkhand by M/s GMDC and Proposed pit head power plant of 1500-2000 MW capacity by M/s PIPDIL subject to the terms and conditions of the said allocation letter.

3. In respect of Bank Guarantee, the allocation letter has clearly mentioned that **M/s Gujarat Mineral Development Corporation Limited and M/s Pondicherry Industrial Promotion Development Investment Corp. Ltd.** shall submit a bank guarantee for **Rs. 65 crores** (equal to one year's royalty amount based on mine capacity of 10 mtpa assessed by CMPDIL, grade of coal and the weighted average royalty @ Rs. 65 per tonne) within three months from the date of issue 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.

50% of the bank guarantee shall be linked to the milestones (time schedule) set for development of captive block, and the remaining 50% to the guaranteed production. The bank guarantee shall be liable to be encashed in the following eventuality:

- (i) There shall be annual review of progress achieved by an allocatee company. In the event of lapses, if any, in the achievements vis-à-vis the milestones set for that year, a proportionate amount shall be encashed and deducted from the bank guarantee.
- (ii) Once production commences, in case of any lag in the production of coal/lignite, 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 is 100, and actual production is 35, then  $(50-35)/100 \times 100 = 15\%$  will lead to deduction of 15 % of the original bank guarantee amount, the block shall be liable for de-allocation/ cancellation of mining lease.
- (iii) The allocation 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. Any lapses on this count shall lead to de-allocation/cancellation of mine lease.

In the allocation letter it has been clearly mentioned that any violation of the conditions imposed above in mining of coal from the Naini coal block will render the mining lease liable for cancellation and withdrawal of allocation.

4. The progress of allocated coal block as well as linked/associated end use project has been reviewed by the Ministry through a Inter-Ministerial Review Committee from time to time wherein the allocatee company give presentation in respect of the development made by the company with reference to the milestones prescribed in the allocation letter during which it was noted as following:-

- i) In the Review meeting held on 25/26.03.2008 it was noted that BG and PL application submitted jointly. JV not yet formed nor the date of formation was intimated.
- ii) In the Review meeting held on 15/16.10.2008 it was noted that RE block. The company procured the GR and BG submitted. All other activities pending.
- iii) In the Review Meeting held on 22/23.06.2009, it was noted that the block is RE block. GR has not yet been purchased, decided to purchase GR copy on nominal cost. MoU for JV has been signed. All other activities are pending. At this stage, the Chairman expressed dissatisfaction over not having the JVC formed even after assurance given in the last meeting. Further, it was agreed in the meeting that Government would take action for de-allocation for the block if JVC was not formed by 31.07.2009.



- iv) In the Review Meeting held on 20/21.07.2010, it was noted that it was RE block, JVC formed. Drilling not yet completed. MDO for drilling selected. PL obtained. Company wanted to prepare GR based on available data and sought advice in this regard. EUP of GMDC will supply coal to Adani Power and Torrent Power Ltd. in Gujarat. Pit head power plant of PIPDCL. Committee asked CMPDIL to advice regarding GR and asked CCO to give details of EUPs.
- v) In the Review Meeting held on 11/12.01.2012, it was noted that RE block. GR prepared on indicated data in December, 2011. CMPDIL will prepare draft Mining Plan within 5-6 months. Land notification issued. EUP of PIPDCL is Pit head power plant. 90 acres of land is acquired. GMDC to sort out the issue of location of EUP immediately. The companies were issued the show cause notice vide this Ministry's letter No. 13016/19/2012-CA-I dated 2<sup>rd</sup> May, 2012. The compaies furnished their reply to the show cause notice.

5. In the meantime, the Government has set up 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 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.

6. The case of the allocattee company was referred to the IMG. Accordingly, the IMG gave an opportunity to the allocatee companies to make the presentation before it on the progress of development of allocated coal blocks and associated end use project. The representatives of the allocatee company gave presentation on 9<sup>th</sup> October, 2012 before the IMG. The IMG considered the presentation, the status note of the **Naini** coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organization (**Annexure-III**). The progress of development of the block with reference to the milestones and their achievement is as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM as on 06/2012	Remarks
Purchase of GR	25.10.2009 (27 Months)	Pending	2Yrs 8 Months	Due to regionally explored
Submission of Bank Guarantee	25.10.2007 3 months from allocation	<b>23.10.2007</b>	-	
Mining Lease Application	25.01.2010 3 months from GR	Pending	2Yrs 5 Months	
Submission of	25.4.2010	Pending	2 Yrs 2 months	



Mining Plan	6 months from GR			
Approval of Mining Plan	25.6.2010 8 months from GR	Pending	2 Years	
Application of Previous approval	25.8.2010 10 months from GR	Pending	1Yr 10 Months	
Granting of Previous approval	25.9.2010 11 months from GR	Pending	1 Yr 9 Months	
Application of Forest clearance	25.10.2010 12 months from GR	Pending	1Yr 8 Months	
Grant of Forest Clearance	25.4.2011 18 months from GR	Pending	1 year 2 months	
Application EMP Clearance	25.10.2010 12 months from GR	Pending	1Yr 8 Months	
Grant of EMP Clearance	25.4.2011 18 months from GR	Pending	1year 2 months	
Grant of Mining Lease	25.10.2011 24 months from GR	Pending	8 Months	
Application of Land Acquisition	25.5.2011 19 months from GR	Pending	1year 1 Month	
Completion of Land Acquisition	25.10.2012 36 months from GR	Pending	-	
Application for opening permission	25.2.2013 40 months from GR	Pending	-	
Grant of Opening permission	25.3.2013 41 months from GR	Pending	-	
Production	25.4.2013 (42 Months)	Pending	-	Open cast including forest land.

7. After detailed deliberations, the IMG observed as under:

**"GUJARAT MINERAL DEVELOPMENT CORPN. & PONDICHERRY INDUSTRIAL PROMOTION DEVELOPMENT (NAINI)**

*The IMG considered the terms and conditions of allocation, the show cause notice issued, the reply and the presentation made by the company along with the status paper placed before the IMG. The IMG noted that more than 5 years have elapsed from the date of allotment i.e. 25.7.2007. JVC of GMDC and PIPDICL has been formed on 8.10.2009. IMG also noted that this is a regionally explored block and application for Prospecting Licence (PL) was submitted on 22.10.2007 and is pending. GR on basis of borehole data already available in respect of part of the block has been prepared by CMPDI on 5.1.2012. Mining Plan is yet to be submitted. Investment made in the coal block as per CA certificate submitted by the company is only Rs. 8.06 crore mainly on purchase of exploration data and preparation of GR. Progress in respect of EUPs to be set up by GMDC and PIPDICL as envisaged in the allocation letter is not reported in the reply to the show cause notice. At the time of presentation PIPDICL reported that it has entered*

into coal supply agreement with M/s JR Powergen Pvt. Ltd. for their power plant to be set up at Angul, Odisha for which an investment of Rs. 135 crore was reported. The CA certificate in support of this investment is not provided. Site for EUP of GMDC is yet to be finalized. The normative date of production in terms of the allocation letter is 25.4.2013 whereas the company projected possible date of mine opening as April, 2016.

IMG noted that the development of the block is still at the stage of obtaining PL. Though this coal block is included in the list of 11 PSUs in respect of which clearances are held up by Govt. of Odisha, IMG observed that irrespective of this situation which arose only in 2012, the progress and investment in respect of both the coal block as well as end-use plants is negligible. In view of the unsatisfactory progress in development of coal mine and end-use plants and taking into account all factors, the IMG recommends that the coal block may be de-allocated in accordance with the terms and conditions of the letter of allocation.

The IMG noted that the allocation letter provides for 50% deduction linked to milestones and 50% to the guaranteed production, once production commences. In view of this the IMG recommends that 50% of the BG related to development of the coal block may be forfeited."

8. The recommendation of the IMG has since been considered and accepted by the Government.

9. Accordingly, Naini coal block allocated to M/s Gujarat Mineral Development Corporation Limited and M/s Pondicherry Industrial Promotion Development Investment Corp. Ltd. is de-allocated. The companies shall not be eligible for allocation of coal block in lieu of the de-allocated coal block. The Bank Guarantee (BG) as per recommendation of the IMG as mentioned in para 6 above to the extent of **Rs.32.50 crore** (Rupees thirty two crores and fifty lakhs only) (i.e. **50% of the BG related to development of the coal block**) be invoked and be deposited with the Government in the relevant head of Account. Remaining BG may be returned.

Yours faithfully,



(A. Sanjay Sahay)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Gujarat, Gandhi Nagar.
2. The Chief Secretary, Government of Puducherry, Puducherry.
3. The Chief Secretary, Government of Orissa, Bhubneswar.
4. The Secretary, Ministry of Power, Shram, Shakti Bhawan, New Delhi.
5. The CMD, Coal India Limited, 10, Netaji Subash Road, Kolkata.
6. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to **invoke** the bank guarantee as mentioned above and **return** the remaining bank guarantee.
7. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure-I

F.No. 13016/8/2007-CA-1  
Government of India  
Ministry of Coal

New Delhi, the 25<sup>th</sup> July 2007

To

Chairman and Managing Director, Gujarat Mineral Development Corporation, Khanij Bhawan, Manav Mandir Char Rasta, Ring Road, Vastrapur, Ahmedabad 380 052	The Managing Director, Pondicherry Industrial Promotion Development and Investment Corporation Ltd., 60, Romain Rolland Street, Pondicherry
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Subject: Allocation of Naini coal block jointly to the Gujarat Mineral Development Corporation and the Pondicherry Industrial Promotion Development and Investment Corporation Ltd.

Sir,

I am directed to refer to letters number as mentioned below from the Gujarat Mineral Development Corporation and the Pondicherry Industrial Promotion Development and Investment Corporation Ltd. on the above subject and to convey the 'in principle' consent of the Government of India to the working of Naini (500 MT) coal block:

Sl. No.	Name of the applicant company	Reference No.	End use Project Name	Share of reserves (MT)
1	Gujarat Mineral Development Corporation (GMDC)	GMDC:CMD:1180:2007 dated 17.01.2007 and letter No. GMDC:CMD:1199:2007:24367 dated 01.03.2007	1500 MW proposed power plant at Angul in Orissa or near Dumka in Jharkhand	250
2	Pondicherry Industrial Promotion Development and Investment Corporation Ltd (PIPDI CL)	PIPDI/Coal Exploration/1/2007/376 dt 17.01.2007	Proposed pit head power plant of 1500-2000 MW capacity	250

2. The above allocations have been made under the Government Company dispensation in pursuance of the provisions of Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act 1973 and the Revised Policy on Coal Mining by State Government (copy enclosed), subject to the further following conditions:

(i) Prospecting/Detailed exploration and coal mining shall be carried out by GMDC and PIPDCL or a separate company to be created, with participation of allocatee companies provided that the separate created company is a Government company eligible to do coal mining as per the provisions of the Coal Mines (Nationalisation) Act, 1973.

(ii) The mining lease will be executed between the State Government and the allocatees as per the provisions of MMDR Act 1957 and the rules framed there under.

(iii) The allocatees will do exploration and coal mining in accordance with the provisions of the Coal Mines (Nationalisation) Act 1973, the Mines and Minerals (Development & Regulation) Act, 1957, the Contract Labour (Regulation & Abolition) Act, 1970, all the minerals, environmental and labour laws alongwith other regulations governing coal industry.

(iv) Detailed exploration shall be carried out on their own, subject to guidelines laid down in consultation with the CMPDIL.

(v) Mining of coal from the allocated coal block shall be carried out in accordance with the applicable Statutes/Rules/Orders/Directions governing the mining of coal in the country so as to extract the reserve to the maximum extent possible.

(vi) Those of the conditions mentioned herein relevant at the time of grant of mining lease shall be included as additional conditions in the mining lease in attention to any further conditions imposed by or agree to by the Central Government.

(vii) 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.

(viii) Coal produced from the allocated coal block Naini coal block will not be supplied to the consumers of Coal India Limited/SCCL against their existing linkages.

(ix) GMDC and PIPDCL may approach CIL/CMPDIL/GSI to obtain the available geological data on the block on payment of necessary exploration cost.

(x) In respect of an unexplored block, the allocatee companies shall apply for a prospecting license within three months of the date of issue of allotment letter. The exploration shall be completed and geological report prepared within two years from the date of issue of prospecting license. After the detailed exploration is completed the allocatees of the block shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatees.

(xi) GMDC and PIPDIL shall submit a bank guarantee of Rs. 65 crore (equal to one year's royalty amount based on mine capacity of 10 mtpa as assessed by CMPDIL, grade of coal and the weighted average royalty @ Rs.65 per tonne) within three months from the date of this letter. The amount of bank guarantee shall be shared by each of the allocatees, in case of multiple allocatees, in proportion to the share of geological reserves allocated to them. Subsequently, upon approval of mining plan the Bank Guarantee amount will be modified on the final peak/rated capacity of the mine

(xii) 50% of the bank guarantee shall be linked to the milestones (time schedule) set for development of captive block, and the remaining 50% to the guaranteed production. The bank guarantee shall be liable to be encashed in the following eventuality:


(i) There shall be an annual review of progress achieved by an allocatee company. In the event of lapses, if any, in the achievements vis-à-vis the milestones set for that year, a proportionate amount shall be encashed and deducted from the bank guarantee.

(ii) Once production commences, in case of any lag in the production of coal/lignite, 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.

(iii) The allocatee 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. Any lapses on this count shall lead to de-allocation/cancellation of mining lease.



(xiii) Any violation of the conditions imposed above in mining of coal from the Naini coal block will render the mining lease liable for cancellation and withdrawal of allocation.

  
(V.S. Rana)

Under Secretary to the Government of India.

Copy to:

1. The Chief Secretary, Government of Gujarat, Gandhinagar.
2. The Chief Secretary, Government of Pondicherry, Pondicherry
3. Ministry of Power, Sharam Shakti Bhawan, New Delhi
4. Chairman, CIL, Kolkatta
5. CMD, CMPDIL, Ranchi CIL
6. CMD, CCL
7. Coal Controller, Kolkatta
8. Office Folder.

SHOW CAUSE NOTICE

No.13011/19/2012-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 2<sup>nd</sup> May, 2012

To

- (i) The Chairman and Managing Director,  
M/s Gujarat Mineral Development Corporation  
Khanji Bhawan, Manav Mandir  
Char Rasta, Ring Road,  
Vastrapur Ahmedabad-380052
- (ii) The Managing Director,  
M/s Pondicherry Industrial Promotion Development Investment Corp. Ltd,  
60, Romain Rolland Street Pondicherry.

**Subject: Show cause notice in respect of Naini coal block.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/8/2007-CA-I dated 25.07.2007 conveying allocation of Naini coal block in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) 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 from the date of allocation letter. 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 allocation.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of the company. In the review meeting held on 11/12.01.2012, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that all the important/critical milestones such as grant of previous approval, Mining Plan, EMP, Mining Lease, Forest Clearance, Land



Acquisition are pending for Naini coal block. The company has repeatedly failed to keep its promises made to the Ministry and is thus non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-

**Naini (RE)**

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	25.10.2009 (27 Months)	Pending	2Yrs 5 Months (as on 3/2012)
Submission of Bank Guarantee	25.10.2007	23.10.2007	-
Mining Lease Application	25.01.2010	Pending	2Yrs 2 Months (as on 3/2012)
Submission of Mining Plan	25.4.2010	Pending	2Yrs (as on 3/2012)
Approval of Mining Plan	25.6.2010	Pending	1Yr 9 Months (as on 3/2012)
Application of Previous approval	25.8.2010	Pending	1Yr 7 Months (as on 3/2012)
Granting of Previous approval	25.9.2010	Pending	1 Yr 6 Months (as on 3/2012)
Application of Forest clearance	25.10.2010	Pending	1Yr 5 Months (as on 3/2012)
Grant of Forest Clearance	25.4.2011	Pending	1Yr (as on 3/2012)
Application EMP Clearance	25.10.2010	Pending	1Yr 5 Months (as on 3/2012)
Grant of EMP Clearance	25.4.2011	Pending	1Yr (as on 3/2012)
Grant of Mining Lease	25.10.2011	Pending	5 Months (as on 3/2012)
Application of Land Acquisition	25.5.2011	Pending	10 Months (as on 3/2012)
Completion of Land Acquisition	25.10.2012	Pending	-
Application for opening permission	25.2.2013	Pending	-
Grant of Opening permission	25.3.2013	Pending	-
Coal Production	25.4.2013 (42 Months)	Pending	-

3. 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 the show cause notice as to why the delay in the development of the coal block

*SR*

should not be held as violation of the terms and conditions of the allotment of Naini 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 Naini coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to The Coal Controller, Coal Controller Organisation, Kolkata.

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Annexure-III

NAINI

Sl No	Items	Remarks
1	Name Of the Block	NAINI
2	Name Of the allocate	M/s Gujarat Mineral Development Corp M/s Pondicherry Industrial Promotion Dev. Corporation
3	Date Of allocation	25.07.2007
4	End use plant and Capacity	GMDC – 1500 MW proposed power plant at Angul in Orissa or near Dumka in Jharkhand – Share 250 MT PIPDC- Proposed pithead power plant of 1500-2000 MW capacity – Share 250 MT
5	Important terms and conditions of allocation	As per Allocation Letter enclosed – Annexure-I
6	Milestones of allocation and slippages against Milestones as stated in the SCN	Status prepared by CCO, Kolkata is enclosed as Annexure-II.
7	History Previous review / action	In order to expedite the development of coal block, various review meetings were held from time to time with the representatives of the companies. In the review meeting held on 11/12.02.2012 it was noticed that no serious efforts have been made by the company to develop the coal block even after repeated assurances tendered by the companies during the period. It is also noted that all the important/critical milestones such as grant of previous approval, mining plan, EMP, mining lease, forest clearance, land acquisition are pending in respect of Naini coal block.
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	<p>PL Application filed on 22.10.2007. BG of Rs. 65 Crores submitted on 23.10.2007. Exploratory data purchased from GSI on 24.12.2007 at a cost of Rs. 4.90 Lakhs. MOU between PIPDIC &amp; GMDC executed on 30.09.2008. Topographical Survey completed on 20.05.2009. Previous approval to PL was received from Ministry on 24.06.2009. Joint Venture Company (Naini Coal Company Limited) formed on 09.10.2009 by PIPDIC &amp; GMDC with equal equity and directorship. Exploratory data purchased from CMPDI on 30.03.2010 at a cost of Rs.6.49 Crores (though payment was made in 2009, there was a delay from CMPDI due to TDS related issue at the Ministry). Permission for exploratory drilling for 11 boreholes was received from DFO Augul on 16.06.2010. Exploration could not be carried out for want of PL. However, after waiting for considerable time, the GR was prepared through CMPDIL on 05.01.2012, based on available exploratory data with the knowledge of the Ministry. Non-issue of PL by Government of Odisha is the main reason for the slippages in achieving the milestones. However, as an alternate strategy to expedite the development, GR was prepared by CMPDIL based on already drilled holes data. MoC and Ministry of Power (through Central Electricity Authority) were kept informed of the non-issue of Prospecting License by Government of Odisha and requested to take up the matter with the Government of Odisha. Propose to prepare Mine Plan, Mine Closure Plan and EIA/EMP report through CMPDIL. Offer is received from CMPDIL. The JVC will examine, discuss and decide on placing order on CMPDIL, within 7 days. The JVC proposes to develop the coal block through appointment of MDO. GMDC has decided to set up pit head power plant in Odisha.</p>
11	Comments of MOC with the respect to issue pertaining to delay in purchase of GR, transfer of surface rights by coal companies, sanction of mining plan etc.	<p>The request of Government of Gujarat for shifting of EUP was examined by the Ministry in consultation with MOP and Govt. of Odisha. MOP has consent. Govt. of Odisha is yet to reply</p>
12	Status of investment in mining and end use plant	CA certificate is enclosed as Annexure-III.




**Coal Controller Office, MOC/Kolkata**  
**Status of the captive Coal Block as on June'2012**  
 (as per quarterly report furnished by the Block owners)

1. Name of Company :- Naini Coal Company Ltd (JVC of Gujarat Mineral Dev Corp Ltd. & Pandicherry Industrial Promotional Development PIPDCL)
2. Name of Coal Block :- Naini (RE)
3. Date of Allocation :- 25.7.2007
4. Location :- Talcher, Orissa
5. Total investment :- 400 Crs
6. Investment Made (6/12) :- 7.5 Crs
7. Reserve (Mill tonnes) :- 500 MT
8. Grade of coal :- D-E
9. Yearly rated capacity (MTPA) :- 18 MTPA
10. Cost of GR :- 6.5 Crs
11. BG Amount :- Rs. 65 crore
12. Type of EUP :- Power
13. Location of Project :- Angul (GMDCL) Pit Head PP (PIPDCCL)
14. Capacity of Project :- 1500 MW & 1500-2000 MW
15. Explored/Un explored :- Regionally explored
16. Zero Date :- 25.7.07 (As per allocation letter zero date considered 25.07.2007 i.e. from the date of allocation of coal block).
17. Types of mine (OC/UG/Mix) :- Open cast
18. Previous Recommendation, if any-

Details of milestone to be achieved and time lapsed against each milestone are as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM as on 06/2012	Remarks	Special observation
Purchase of GR	25.10.2009 (27 Months)	Pending	2Yrs 8 Months	Due to regionally explored	
Submission of Bank Guarantee	25.10.2007 3 months from allocation	23.10.2007	-		
Mining Lease Application	25.01.2010 3 months from GR	Pending	2Yrs 5 Months		
Submission of Mining Plan	25.4.2010 6 months from GR	Pending	2 Yrs 2 months		
Approval of Mining Plan	25.6.2010 8 months from GR	Pending	2 Years		
Application of Previous approval	25.8.2010 10 months from GR	Pending	1Yr 10 Months		

Prepared by  


Checked by  






Granting of Previous approval	25.9.2010 11 months from GR	Pending	1 Yr 9 Months		
Application of Forest clearance	25.10.2010 12 months from GR	Pending	1Yr 8 Months		
Grant of Forest Clearance	25.4.2011 18 months from GR	Pending	1 year 2 months		
Application EMP Clearance	25.10.2010 12 months from GR	Pending	1Yr 8 Months		
Grant of EMP Clearance	25.4.2011 18 months from GR	Pending	1year 2 months		
Grant of Mining Lease	25.10.2011 24 months from GR	Pending	8 Months		
Application of Land Acquisition	25.5.2011 19 months from GR	Pending	1year 1 Month		
Completion of Land Acquisition	25.10.2012 36 months from GR	Pending	-		
Application for opening permission	25.2.2013 40 months from GR	Pending	-		
Grant of Opening permission	25.3.2013 41 months from GR	Pending	-		
Production	25.4.2013 (42 Months)	Pending	-	Open cast including forest land.	

**Other information and constraint faced by the block allocates**

PL:- PL application filed on 10.10.07.  
MOC has granted previous approval of PL on Aug.09.  
Grant of PL is yet to obtain.

FC for drilling:-Forest clearance permission for drilling obtained on 16.6.10.

Prepared by  
@PB

Checked by  
RBL

COAL CONTROLLER





CERTIFICATE

This is to certify that M/s Naini Coal Company Limited having their registered office at Khanij Bhavan, 132 Feet Ring Road, Near University Ground, Vastrapur, Ahmedabad : 380 052 have spent a sum of Rs.806.54 lacs towards expenses from the date of inception to the period ending on 30<sup>th</sup> September 2012, the details of which is given below :

Sr No	Particulars		Rupees
1.	Exploration Fees paid to Mahanandi Coal Limited Ministry of Coal	59959680 <u>4902800</u>	64862480
2.	Geological Report CMPDI Limited Geological Survey of India	8964173 <u>480930</u>	9445103
3.	Bank Guarantee To provide bank guarantee to Ministry of Coal		4293283
4.	Topography Report Gujarat Mineral Industries Consultancy Services Limited		1105000
5.	Administrative Expenditure		947839
Total Payments			<u>80653705</u>

Rupees Eight Crore Six Lacs Fifty Three Thousand Seven Hundred Five Only

The above certificate is issued on the basis of accounting records and other information produced to us, which is part of this certificate.

For Kamlesh V Shah & Co  
Chartered Accountants

*Kamlesh*

CA Kamlesh Shah  
Membership No 36327  
Proprietor

Ahmedabad, 5<sup>th</sup> October 2012

