

**By Speed Post**

F.No. 13016/30/2009-CA-I(Vol.II)  
Government of India  
Ministry of Coal

New Delhi, dated 15<sup>th</sup> November, 2012

To  
The Chairman & Managing Director,  
M/s SKS Ispat & Power Ltd.  
No.501 B, Elegant Park, Andheri Kurla Road,  
J.B. Nagar, Andheri (E),  
Mumbai-400059.

**Sub: De-allocation of Rawanwara North coal block in the State of Madhya Pradesh allocated to M/s SKS Ispat & Power Ltd. - Regarding.**

Sir,

I am directed to refer to this Ministry's allocation letter No.38011/11/2006-CA-I dated 29.05.2007 (**Annexure-I**) and to this Ministry's show cause notice of even number dated 18.11.2010 (**Annexure-II**) and to your reply to the show cause notice and the Presentation made/documents submitted by you on 7<sup>th</sup> September, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. **Rawanwara North** coal block located in the State of Madhya Pradesh was allocated to M/s. SKS Ispat Limited ( the change of name of the company from M/s SKS Ispat Limited to M/s SKS Ispat and Power Limited was accepted on 09.09.2009) on 29<sup>th</sup> May, 2007 under the Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 to meet the coal requirement for their 0.57 MTPA sponge iron plant at Raipur, Chhattisgarh subject to the certain terms and conditions. In the allocation letter, 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 and one of other important conditions was that 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.

The De-allocation/ cancellation of mining lease shall be without any liability to the Govt. or its agencies, whatsoever. Any expenses incurred by the allocate or any right

or liability arising on the allocatees out of the measures taken by him shall solely be to his account and in no way be transferred to or borne by the Govt. or its agencies.

3. The progress of allocated coal block as well as linked/associated end use project has been reviewed by the Ministry through an 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 15/16.10.2008, it was noticed that the company had only submitted bank guarantee(BG).
- ii. The progress of the said coal blocks and the associated end use project was again reviewed by the Review Committee in its meeting held on 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009. In the meeting, it was noticed that the issues relating to mine plan, mining lease, environmental management plan clearance, forest clearance and land acquisition were pending. Based on recommendation of the Committee, a show cause notice was issued to allocatee company on 23.09.2009 and called for explanation within a period of 15 days from the date of issue of the notice as to why delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of block, failing which it will presumed that the company has no explanation to offer and action as appropriate, including de-allocation of block will be taken without serving any further notice. The reply/explanation was considered by a Committee chaired by Additional Secretary (Coal) in its meeting held on 18 & 25.01.2010 and 26.03.2010 and the committee recommended for deduction of bank guarantee in respect of Ravanwara North coal block.
- iii. Further, the Review Committee in its meeting held in 20/21.07.2010 reviewed the progress of the end use plant and development of coal block. During the meeting, it was noticed that no serious efforts have been made by the allocatee company to develop the said coal block and all important/ critical milestones which were required to be completed till date as per normative milestones were still pending, even after repeated assurances given by the company itself. The company was issued the show cause notice on 18.11.2010. The company furnished their reply to the show cause notice. The Review Committee has examined the reply of the company. However, no decision could be taken as a part of the block was reported to be under Wildlife corridor.
- iv. In the Review Committee meeting held on 11/12.01.2012, the matter of setting up of the end use plant and development of coal block came up for discussion. During the said meeting, it has been noticed that no serious efforts have been made by the allocatee company to develop the coal block.

4. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) 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.

5. The case of the allocatee company was referred to IMG. Accordingly, the IMG gave an opportunity to the allocatee company 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 7<sup>th</sup> September, 2012 before the IMG. The IMG considered the presentation, the status note of the **Rawanwara North** coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation (**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	Remarks
Status of Exploration		Not applicable	-	Clarification of the area of the block took more than two years.  GR received from CMPDIL was not a complete report for which they have to approach CMPDIL again and after getting two GR copy prepared mine plan and submitted.  MP: Total block area 28.5 Ha and MP approved for 16.7 Ha and balance area worked by WCL. Separate GR given to the party for this purpose and this took place 33 months delay.
Purchase of GR	13.07.07	30.3.2010	2 Yrs.8 Months	
Submission of Bank Guarantee	29.8.2007	15.1.2008	5 Months	
Mining Lease Application	29.8.2007	Yes	-	
Submission of Mining Plan	29.11.2007	7.4.2010	2 Yrs 5 Months	
Approval of Mining Plan	29.1.2008	12.7.2010	2Yrs 5 Months	
Application of Previous approval	29.3.2008	4.2.2011	3Yrs	
Granting of Previous approval	29.4.2008	13.4.12	4 Yrs	
Application of Forest clearance	29.5.2008	Sept.10	2Yrs 4 m	
Grant of Forest Clearance	29.11.2008	N	3 Yrs 7 m	

Application EMP Clearance	29.12.2008 (19 Months)	N	3 Yrs 6m	FC:- Forest proposal submitted from CCF Chindwara to PCCF Bhopal.  Delay took placed for area and boundary clarification
Grant of EMP Clearance	29.01.2009	N	3 Yrs 5m	
Grant of Mining Lease	29.5.2009	N	2Yrs 4m	
Application of Land Acquisition	29.12.2008	Not required	-	
Completion of Land Acquisition	29.5.2010	Not required	-	
Application for opening permission	29.9.2011	N	6 Months	
Grant of Opening permission	29.10.2011	N	5 Months	
Coal Production	29.11.2011	N	4 Months	

**Status of additional Milestones**

a) Infrastru cture development	As per site inspection <ul style="list-style-type: none"> <li>• At present there is no office or other infrastructure developments in or around the block</li> <li>• No CSR activities has been undertaken by the company.</li> </ul>
b) Status of Exploration, in cases where exploration is required	Explored block
c) Financia l closure for Investment in mining project	<ul style="list-style-type: none"> <li>• Total project cost for captive coal mining project:- 500 Crores</li> <li>• Investment made as on March.2012:- 55.00 Crores</li> </ul>
d) Opening of Escrow A/c for mine closure	Opening of Escrow A/c with CCO for mine closure has not yet completed
e) Slippage from peak rated capacity	Production is not yet started

f) Engage ment of MDO	No information is available.
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6. After detailed deliberations, the IMG made its recommendation to **de-allocate** Rawanwara North Coal block which was allocated to M/s SKS Ispat & Power Ltd in its eighth meeting held on 15<sup>th</sup> September 2012. The recommendations made by the IMG are as follows:-

"M/s SKS Ispat & Power Ltd. (Rawanwara North)

*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 latest status paper presented to the IMG. The IMG noted that 5 years have elapsed from the date of allotment i.e. 29.5.2007. IMG also noted that the company has lost 2 years 8 months time in the initial purchase of the GR itself on account of protracted correspondence with MOC/CMPDI which was initiated by the allocatee. The mining plan was approved on 12.7.2010. EC and FC have not been obtained. IMG was informed that the coal block having come under Tiger corridor the processing of the applications was stopped and TOR has now been issued on 30.11.2011. No land has been acquired yet. Investment made in the coal block as per CA certificate submitted by the company is Rs. 55 crores of which 34 crores is spent on GR and 14 crores on interest on BG. The company has an existing end-use plant, however, additional capacity linked to the coal block has not yet come up. No investment is reported on the end-use plant. During presentation, the company argued that the entire delay was not attributable to them and they assured that they will be in a position to open the mine by January, 2013 whereas the normative date of production is 29.11.2011.*

*The company has been issued show cause notice on the basis of recommendations of the Review Committee in its meeting held on 20-21/7/2010 and deduction in BG was also recommended in the review meeting held on June, 2009. In the review of Jan-Feb., 2011, it was noted that later the block has fallen in Wild Life corridor. The IMG noted that neither is there substantial progress nor has substantial investment been made in the development of the coal block or end-use plant linked to the block. The issue of buffer zone for Tiger corridor came up later and time was lost in purchase of GR. The company's request for change in zero date to the date of submission of revised mining plan i.e. 7.4.2010 has already been turned down by MOC. Taking all factors into consideration, the IMG recommends that the block may be de-allocated. The deduction of BG as per allocation is linked to shortfall in production. The IMG therefore recommends that the BG may also be deducted as per formula in the allocation letter for first year's shortfall in production from the date of normative production i.e. 29.11.2011."*

7. The recommendation of the IMG has since been considered and accepted by the Government. As the company has been given a number of opportunities to develop the coal block and the associated end use project and the allocatee company has failed to develop the same as per the milestones prescribed without any valid reasons for the delay,

it has been decided to **de-allocate** the **Rawanwara North** coal block in the State of Madhya Pradesh from M/s SKS Ispat & Power Ltd., Mumbai. In addition, it is further decided to deduct the Bank Guarantee as per recommendation of the IMG as mentioned in para 5 above. As per the calculation for deduction of the Bank Guarantee furnished by Coal Controller based on the formula devised, no amount of bank guarantee is to be deductible. (The calculation of deduction of Bank Guarantee is as per **Annexure-IV**). The company shall not be eligible for allocation of any alternate coal block in lieu of the de-allocated coal block.

8. M/s SKS Ispat & Power Ltd. has filed a W.P.(C) No.5975/2012 Vs. Union of India in the Hon'ble High Court of Delhi. The Hon'ble High Court heard the matter on 21.09.2012. The Hon'ble High Court was pleased to dispose the said Writ Petition in terms of the directions contained in W.P.No.(C) 5877/2012 (Bhushan Steel Ltd. Vs. UoI & Anr.) directing that "the petition is dismissed as withdrawn with liberty as prayed for. In case an adverse order is passed, the same will not be given effect for a period of one week." In compliance of the above order, this order is made effective after a period of one week.

Yours faithfully,

  
(V.S. Rana)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Chhattisgarh,
2. The Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
3. The CMD, Coal India Limited, 10, Netaji Subash Road, Kolkata-700001.
4. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to take necessary steps to **return** the Bank Guarantee.
- ✓ 5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

(3) II

No 3801/11/2006-CXII  
Government of India  
Ministry of Coal

New Delhi, the 29<sup>th</sup> May, 2007

To

M/s. SKS Ispat Limited,  
Ashoka Millennium Ring Road-1,  
Raipur,  
Chhattisgarh.

Subject: Allocation of Rawanwara North coal block in the State of Madhya Pradesh for captive mining of coal by M/s. SKS Ispat Limited for their 0.57 mtpa sponge iron plant in Raipur, Chhattisgarh.

Re

Part letter No. 3801/11/2006-CXII dated 29.05.2007. The Government of India has considered the request of the company for allocation of coal block in the State of Madhya Pradesh and it is stated that the request of the company has been considered by the Central Government and it has been decided to allot Rawanwara (North) coal block in WCL command area to M/s. SKS Ispat Limited to meet the coal requirement for their 0.57 mtpa sponge iron plant in Raipur, Chhattisgarh. This allocation is in pursuance of the provisions contained in Section 2(3)(a)(ii) of the Coal Mines (Nationalization) Act, 1973 and subject to the following conditions:-

- (i) The allocation of the Rawanwara (North) coal block to M/s. SKS Ispat Limited has been made to meet the coal requirement of their sponge iron plant in Raipur, Chhattisgarh.
- (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. SKS Ispat Ltd. by the Coal India Ltd. or 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 available middlings rejects generated during beneficiation shall be used captive 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/middlings/rejects to the local CIL subsidiary or to any person designated by it at a transfer price to be determined by the Government.

- vi) 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 underground mine from the date of this 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 this letter. A copy of the indicative milestones chart is enclosed.
- vii) The company shall buy ecological report from CMPDIL within six weeks from the date of this letter.
- viii) The company shall submit a bank guarantee of Rs. 5 crores (equal to one year's royalty amount) based on mine capacity as per the plan approved by CMPDIL, grades of coal from A to G grade and the weighted average royalty @ Rs.125 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.
- ix) 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.
- x) The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the end 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 80 and actual production is 30, then  $(50/35) \times 100 \times 100 = 15\%$  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. SKS Ipac Limited 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.
- xi) No coal shall be sold, delivered, transferred or imported or export of the block without mining lease, and except with the approval in writing of the Central Government.
- xii) 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.
- xiii) 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.
- xiv) 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. An affidavit from the

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Seq	EVENT	TIME LIMIT (in months from 'U' date)
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1	Allocation	0
2	Purchase of GR	1.5
3	Bank Guarantee	2
4	Mining Lease application	3
5	Mining Plan submission	4
6	Mining Plan approval	8
7	Previous approval application	11
8	Previous approval	11
9	Forest Clearance application	12
10	Forest Clearance	18
11	Environment Clearance Application	12
12	Environment Clearance	18
13	Mining Lease grant	24
14	Land acquisition begin	9, 19
15	Land Acquisition	30, 36
16	Opening permission application	34, 40 for OC 40, 52 for UG
17	Opening permission grant	35, 41 for OC 47, 53 for UG
18	Production	36, 42 for OC 48, 54 for UG

U' date: 01/01/2007

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Annexure-II

By Speed Post  
Immediate

No.13016/30/2009 -CA-1  
Government of India  
Ministry of Coal

New Delhi, the 16<sup>th</sup> November, 2010

To  
The Chairman-and- Managing Director,  
M/s.SKS Ispat and Power Limited,  
(Formerly: M/s SKS Ispat Limited),  
501-B, Elegant Business Park, Andheri Kurla Road,  
J.B. Nagar, Andheri (E), Mumbai- 400 059.

**Subject- Show cause notice for inordinate delay in development of Rawanwara  
North coal block.**

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I dated 29.05.2007 conveying allocation of Rawanwara North coal block in the state of Chhattisgarh to M/s.SKS Ispat and Power Limited to meet the coal requirement for their 0.57 mtpa sponge iron plant in Raipur, Chhattisgarh.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of M/s.SKS Ispat and Power Limited. In the review meeting held on 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009 the company assured to submit the Mine Plan by July, 2009. Again, in the review meeting held on 20/21.07.2010, the Committee noted that all the important/critical milestones which were required to be completed till date as per normative milestones were still pending for Rawanwara coal block. It is seen that the company has repeatedly failed to keep its promises made on earlier occasions 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:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	13.07.07	30.3.2010	2 Yrs 8 Months
Submission of Bank Guarantee	29.8.2007	15.1.2008	5 Months
Mining Lease Application	29.8.2007	Yes	-
Submission of Mining Plan	29.11.2007	7.4.2010	2 Yrs 5 Months
Approval of Mining Plan	29.1.2008		Pending
Application of Previous approval	29.3.2008		Pending
Granting of Previous approval	29.4.2008		Pending
Application of Forest clearance	29.5.2008		Pending
Grant of Forest Clearance	29.11.2008		Pending
Application EMP Clearance	29.5.2008		Pending
Grant of EMP Clearance	29.11.2008		Pending
Grant of Mining Lease	29.5.2009		Pending
Application of Land Acquisition	29.12.2008		Pending
Completion of Land Acquisition	29.5.2010		Pending
Application for opening permission	29.9.2011		-
Grant of Opening permission	29.10.2011		-
Coal Production	29.11.2011		-

3. Under the above circumstances, you are hereby called upon to show cause, on each milestone separately, to this Ministry within a period of 30 days from the date of issue of the 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 allotment Rawanwara 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 deallocation of the said coal block.

Yours faithfully,

  
(V.S. Rana)

Under Secretary to the Govt. of India

Copy to :-

- (i) The Chief Secretary, Government of Madhya Pradesh, Secretariat, Bhopal for information and necessary action at his end.
- (ii) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata for necessary action.
- ✓ (iii) NIC, Ministry of Coal.

Status Note

Sl No	Item	Remarks
1	Name of the Block	Rawanwara North Coal Block
2	Name of the allocate	M/s SKS Ispat and Power Ltd. (formerly SKS Ispat Ltd.)
3	Date of allocation	29.05.2007
4	End use plant and Capacity	Sponge Iron plant in Raipur Capacity : 0.57 mtpa
5	Important terms and conditions of allocation	<b>A copy of allocation letter is enclosed.</b>
6	Milestones of allocation and slippages against Milestone	Status note from CCO attached
7	History Previous review / action	<p>In the review meeting held on 22/23.06.2009 company reported that the money for GR will be paid by them by July, 2009. The issues relating to Mining Plan, Mining Lease, EMP clearances, forest clearance and land acquisition were pending. It was noticed that the company has not purchased GR from CMPDIL within 6 weeks from the date of allocation. The chairman remarked that there was no progress and advised to submit Mining Plan immediately and apply for EMP, FC without waiting for Mining Plan. The company was served a show cause notice and reply received in this connection was considered by the committee and it was recommend to deduct Bank Guarantee (BG).</p> <p>In the review meeting held on 20/21.07.2010 it was noticed that important milestones such as Forest Clearance, Mining Lease, EMP and land acquisition were pending. Due to slow progress company was served show cause notice.</p> <p>Govt. of Madhya Pradesh vide its letter dated 04.02.2011 forwarded application for prior approval of mining lease. The application of mining lease was not accompanied with form 'K' and accordingly State Govt. was vide letter dated 05.08.2011 requested to furnish the same. State Govt. vide its letter dated 03.11.2011 submitted form 'K'. Prior approval of mining lease has been conveyed vide letter dated 13.04.2012.</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	
9	Litigation any orders of	No



	the court, if any	
10	Summary of reply of the company including reasons for delay	<p>The area allocated was not clear in the allocation letter, so company approached CMPDIL and MOC to clarify the area allocated. On the basis of available data on website company prepared a mine plan and submitted the same. MOC vide letter dated 29/09/2009 stated that "It was noted that the area of the block allotted is 28.5 sq. km but the mining plan has been prepared only for 16.7 sq. km. As per the project proponent the balance area is being worked by WCL. Accordingly, the company was advised to get the allocation letter amended and submit the mining plan afresh." Several correspondences took place with MOC &amp; CMPDI for the confirmation of Rawanwara North Coal Block and CMPDIL vide letter dated 12/01/2010 addressed to Jt. Secretary, Ministry of Coal stated "Separate Geological Report for the 16.7 sq. km. area has not been prepared. As such, the complete GR of Rawanwara North Coal Block has been given to the party." On the basis of this report of CMPDIL, MOC finally issued a letter dated 09/02/2010 confirming the area of the block. This process of area clarification took more than 33 months.</p> <p>Geological report which was received from CMPDIL was not a complete report. The boundary of the allotted coal block was found confusing as it contained part of the Sethia sub block too. After getting the two(2) GR copies, it took substantial time in getting them correlated to prepare the Mining Plan &amp; finally the mining Plan was submitted to MOC on 06.08.2009.</p> <p>Immediately after receipt of the allocation letter company contacted CMPDIL for purchasing the GR report. CMPDIL vide letter dated 27.06.07 wrote to deposit Rs.24,84,27,421.20. As the cost of the GR was for complete Rawanwara North Block, company requested CMPDIL/MOC to clarify the area as well as consider the cost through various correspondences .</p> <p>On 18.04.2008 CMPDIL delivered the photocopy of GR on the payment of Rs.58,365/- and on the scrutiny of this GR it was found that the same was not for complete block. Then again company approached to CMPDIL for the balance photocopy.</p> <p>CMPDIL vide letter dated 23.09.2008 advised to deposit Rs.58427/- for providing the photocopy of Sethia Sub Block and the same was compiled. Company prepared the mining plan according to area mentioned on the website i.e. 16.7 sq. km. and submitted Mining Plan for approval to MOC on 06.08.2009 for an area of 16.7 Sq.Km. The Mining Plan committee advised to get allocation letter amended vide their letter dated 29/09/2009 stating that "It was noted that the area of the block allotted is 28.5 sq. km but the mining plan has been prepared only for 16.8 sq. km. As per the project proponent the balance area is being worked by WCL. Accordingly, the company was advised to get</p>



*[Handwritten signature]*

		<p>the allocation letter amended and submit the mining plan afresh. After making strenuous effort MOC finally clarified the area vide their letter dated 09/02/2010 after 33 Months, stating that the allocated area as 16.7 Sq.Km instead of 28.5 Sq.Km. After getting the area clarification by MOC company deposited Rs.34.8 Cores on 30.03.2010 towards the GR cost under protest (within 50 days of clarification of the block area by MOC).It is pertinent to mention that company deposited Rs.10 Cores more than what the cost of GR ought to have been because of the delay by MOC/CMPDIL of more than 2 years in clarifying the area of the block allotted to us.</p> <p>Lack of clarity on the extent of area of the mine, as it was no where mentioned in Allocation letter. This point was raised to MOC Committee Members, while presenting the Mining Plan on 16.9.2009.During the presentation of the Mining Plan the committee members noted that the area the block allotted is 28.5 Sq.Km. but the Mining Plan has been prepared only for 16.7 Sq.Km. accordingly the company was advised to get the allocation letter amended about the area clarification and submit the Mining Plan afresh. The committee members also suggested few points for incorporating them into the revised Mining Plan.</p> <p>Again company approached to MOC on dated 04.12.2009. Requesting to clarify the area of as pointed out by the Committee Members during the presentation of Mining Plan. In reply to the request Ministry of Coal issued a letter on 09.02.2010 with a copy attached with the letter from CMPDIL Ranchi dated 12.01.2010 regarding the confirmation of the area of the Rawanwara North Coal Block. Immediately after getting the area clarification from MOC on 09.02.2010 company submitted the Revised Mining Plan incorporating all the suggestions made by Committee members on 07.04.2010.</p> <p>Finally the Revised Mining Plan was submitted within 2 Months from the date of area clarification on 09.02.2010 &amp; finally got the Mining Plan approved by MOC on 12.07.2010.</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>No area is mentioned in the allocation letter as practice adopted. Mine Plan (May 2009) was submitted to the Ministry on 06.08.2009 and the Revised Mine Plan was submitted on 07.04.2010, which was subsequently approved by the Ministry vide letter dated 12.07.2010. The company had requested to consider the zero date from the date of submission of revised Mine Plan i.e. 07.04.2010.</p> <p>The request was examined and it was observed, "It is seen that when a copy of the GR was handed over, the allocatee was informed that only a part of Rawanwara North coal block (16.7 sq. km.) was offered for captive allocation". Further it has been observed that CPAM Section could have checked with CA-I Section on CMPDI before telling allocatee to prepare a revised Mine Plan. Whatever may be the case, the</p>

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		allocate was told by CMPDI, at the time of giving copy of GR, the actual position. Hence, there is no justification in changing the zero date as requested by allocate.
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**Investment** by the Company in coal block (as per Chartered Accountant certificate) – Rs. 55.17 Crores

In EUP:- Rs. 1419.96 Crores.



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**Status of Coal Block as on June.12**  
(As per report furnished by Block owners)

- 1 Name of Company:- M/s SKS Ispat & Power Ltd.
- 2 Name of Coal Block:- Rawanwara North / UG Mine.
- 3 Date of Allocation:- 29.5.2007 ✓
- 4 Total investment made (as on 3/2012) :- 55.17 Crores (As per CA report)
- 5 Reserve (Mill Tonnes): 170
- 6 Yearly Rated Capacity:- 0.4 MTPA
- 7 Cost of GR:- NA
- 8 Location: Pench Kanhan Valley, MP
- 9 BG Amount:- 5 Crores Valid upto 7.1.2013
- 10 Type of EUP:- ~~Integrated Steel Plant & CPP~~ SIP & CPP
- 11 Location of Project:- Raipur, Chatisgarh
- 12 Capacity of the Project:- 900 TPD Steel Plant and 85 MW CPP
- 13 Explored/Un Explored:- Explored
- 14 As per allotment letter Para No (vi) zero date considered 29.5.2007 i.e. from the date of allocation of coal block

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Status of Exploration		Not applicable	-	Clarification of the area of the block took more than two years.  GR received from CMPDIL was not a complete report for which they have to approach CMPDIL again and after getting two GR copy prepared mine plan and submitted.  MP: Total block area 28.5 Ha and MP approved for 16.7 Ha and balance area worked by WCL. Separate GR given to the party for
Purchase of GR	13.07.07	30.3.2010	2 Yrs.8 Months	
Submission of Bank Guarantee	29.8.2007	15.1.2008	5 Months	
Mining Lease Application	29.8.2007	Yes	-	
Submission of Mining Plan	29.11.2007	7.4.2010	2 Yrs 5 Months	
Approval of Mining Plan	29.1.2008	12.7.2010	2Yrs 5 Months	
Application of Previous approval	29.3.2008	4.2.2011	3Yrs	
Granting of Previous approval	29.4.2008	13.4.12	4 Yrs	

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Application of Forest clearance	29.5.2008	Sept.10	2Yrs 4 m	this purpose and this took place 33 months delay.  FC:- Forest proposal submitted from CCF Chindwara to PCCF Bhopal.  Delay took placed for area and boundary clarification
Grant of Forest Clearance	29.11.2008	N	3 Yrs 7 m	
Application EMP Clearance	29.12.2008 (19 Months)	N	3 Yrs 6 m	
Grant of EMP Clearance	29.01.2009	N	3 Yrs 5m	
Grant of Mining Lease	29.5.2009	N	2Yrs 4m	
Application of Land Acquisition	29.12.2008	Not required	-	
Completion of Land Acquisition	29.5.2010	Not required	-	
Application for opening permission	29.9.2011	N	6 Months	
Grant of Opening permission	29.10.2011	N	5 Months	
Coal Production	29.11.2011	N	4 Months	

**Status of additional Milestones**

a) Infrastructure development	As per site inspection <ul style="list-style-type: none"> <li>At present there is no office or other infrastructure developments in or around the block</li> <li>No CSR activities has been undertaken by the company.</li> </ul>
b) Status of Exploration, in cases where exploration is required	Explored block
c) Financial closure for Investment in mining project	<ul style="list-style-type: none"> <li>Total project cost for captive coal mining project:- 500 Crores</li> <li>Investment made as on March.2012:- 55.00 Crores</li> </ul>
d) Opening of Escrow	Opening of Escrow A/c with ECG for mine closure has not yet completed

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COAL CO. INDU. - ER

A/c for mine closure	
e) Slippage from peak rated capacity	Production is not yet started
f) Engagement of MDO	No information is available.

Drivages are expected to start by March-2013.  
It will take 18 months time to get commercial production i.e September, 2014.

**Status of EUP**

Existing:-900 TPD (2.7 LTPA) DRI plant and 85 MW CPP at Raipur CG are already established and under operation.7.4% of 900 TPD are operating since 2004-05.

Proposed:-2500 TPD DRI and 370 MW CPP at CG and MP is schedule to be commissioned in 2012-13. Ultimate SIP capacity 3300 TPD and CPP capacity 370 MW will be in 2014-15 asubject to Env clearance..

The company has signed MOU with Chhatisgarh and MP for seting up ISP with CPPs/

Investment made 1419.96 Crs (As per CA report)

**Major Constraint faced by the block allocates**

The representative stated that there was a dispute regarding block boundary and it took 3 years time to settle the block boundary in consultation with CMPDIL. Moreover, 2 years time has been taken to obtain certificate from the wild life conservator as the block is fallen outside of wild life corridor. As a result all activities were delayed. However, they expected to get Stage-I clearance by OCT'2012 and EMP clearance also by Oct'2012. The work of development of the said blocks was held up due to TOR clearance pending with MOEF as the matter was referred to National Tiger Reserve Authority(NTCA)/CWLW. "National Tiger Conversion Authority(NTCA)/ Chief Wild Life Warden(CWLW)/ Wild Life Corridor" during it's meeting held on 18-19/07/2011 considered our case and finally TOR was issued to us vide their letter dated 30/11/11. This process of clarification took more than two year by MOEF. Boundary overlapping between Rawanwara Khas of WCL mine, Parasia and Rawanwara North coal block was noticed by SDO forest on 26.06.2011. DFO, Chhindwara (West) on 02.7.2011 advised us for a joint survey between WCL & SKSIPL for demarcating the boundary

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COAL CONTROL

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1. Name of Company:- M/s SKS Ispat & Power Ltd.
2. Name of Coal Block:- Rawanwara North (Explored)
3. Date of Allocation:- 29.5.2007
4. Normative Date of production:- 29.11.2011 (as per allotment letter)
5. Yearly rated capacity (MTPA):- 0.4 (as per approved mine plan)
6. BG Amount : Rs. 5 Crores
7. Recommendation: IMG recommends that the block may be de-allocated. The deduction of BG as per allocation is linked to short fall in production. The IMG, therefore, recommends that the B.G. may also be deducted as per formula in the allocation letter for first year's shortfall in production from the date of normative production i.e. 29.11.2011

As per condition of Para-(viii) of the allocation letter No.38011/11/2006-CA-I dated 29.5.2007, in case of any lag in the production of coal, a percentage of BG 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 peak rated capacity of the mine.

In Case of Rawanwara North, the amount of BG to be deducted on production basis is as under:-

#### Calculation

#### Deduction for the 1<sup>st</sup> year

A= Production as per the approved mining plan for the 1<sup>st</sup> year (29.11.2011 to 28.11.2012) = 0 (Incline drive and surface infrastructure)

B= Actual Production for the 1<sup>st</sup> year (29.11.2011 to 28.11.2012) = 0

C= Peak Rated Capacity= 0.4 MT

So, D= Percentage of amount of BG to be deducted =  $(A-B)/C \times 100 = (0-0)/0.4 \times 100 = 0\%$

Amount of BG to be deducted =  $5 \text{ Crores} \times 0/100 = 0$

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Rabab  
H.O.

Coal Controller