

By Speed Post

F.No. 13016/54/2008-CA-I (Vol.III)

Government of India

Ministry of Coal

New Delhi, dated 15th November, 2012

To

1. **M/s Electrotherm (India) Limited,**
72, Palodia, Via Thaltej, Ahemdabad- 382115

2. **M/s Grasim Industries Ltd.**
P.O. Adityapuram,
Via Shambhupura,
Distt. Chittorgarh-312 612.

Sub: De-allocation and deduction of Bank Guarantee in respect of Bhaskarpara Coal block jointly allocated to M/s Electrotherm (India) Limited and M/s Grasim Industries Ltd.

Sir,

I am directed to refer to Ministry of Coal's allocation letter No 13016/54/2008-CA-I dated 21st November, 2008 (**Annexure-I**) and to this Ministry's show cause notice number 13011/54/2008-CA-I (Vol.III) dated 30th April, 2012 (**Annexure-II**) and to your reply to the show cause notice and the Presentation made/documents submitted by you on 8th September, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. **Bhaskarpara** coal block was allocated on 21st November, 2008 under Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 to **M/s Electrotherm (India) Limited** and **M/s Grasim Industries Ltd.** to meet their proportionate share of coal requirement as mentioned in the said allocation letter subject to certain terms and conditions. In the allocation letter it has been mentioned 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 plant.
- (b) Unsatisfactory progress in the development of coal mining projects.
- (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 allocatee 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. In respect of Bank Guarantee, the allocation letter has clearly mentioned that The JV company shall submit a bank guarantee for **Rs.8.45 crores** (equal to one year's royalty amount based on mine capacity of 0.64 mtpa assessed by CMPDIL, grade of coal B to E and the weighted average royalty @ Rs.132.08 per tonne) within three months from the

date of issue of allocation letter. Subsequently, upon approval of mining plan, the Bank Guarantee amount will be modified based on the final peak/rated capacity of the mine.

- (a) 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:
- (b) 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.
- (c) Once production commences, 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.
- (d) 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.

4. 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 Committee meeting held on 22nd and 23rd June, 2009, the Review Committee observed that Joint Venture Company has been formed in the name of Bhaskarpara Coal Company Ltd. The Bank Guarantee has been submitted. The JV company had applied for GR. The MP, EMP & FC were pending. Mining Plan was under preparation. 90 to 100 hectares are of Forest land. Application for FC clearance would be submitted by 20.11.2009. Mining Plan shall be submitted by 15.08.2009. EUPs are in operation.

ii) In the Review Committee Meeting held on 20/21.07.2010, the Review Committee observed that JVC has been formed, BG is submitted, GR is purchased and MP is approved. EMP & FC, ML & LA are pending. EUPs are in operation.

iii) Further, in the Review Committee meeting held in January, 2012, the Committee noticed that FC, EMP, Mining Lease and Land acquisition are pending. The allocatees

requested Ministry to grant previous approval of ML. Forest clearance is the main issue. The company informed that State Govt. cancelled Public Hearing resulting in delay in stage-I clearance. Land is under SECL and is to be transferred. It has been noticed that no serious efforts have been made by the allocatee company to develop the coal block, even after repeated assurances given by the allocatees themselves. The allocatee companies were issued the show cause notice. The allocatee companies furnished their reply to the show cause notice.

5. In the meantime, the Government has set up on 21.06.2012 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.

6. The case of the allocatee companies 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 8th September, 2012 before the IMG. The IMG considered the presentation, the status note of the **Bhaskarpara** coal block and associated EUPs 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	Remarks
Purchase of GR	6.1.2009	12.11.2009	10 Months	
Submission of Bank Guarantee	21.2.2009	26.5.2009	3 Months	
Mining Lease Application	21.2.2009	13.11.2009	9 Months	
Submission of Mining Plan	21.5.2009	23.11.2009	6 Months	
Approval of Mining Plan	21.7.2009	25.3.2010	8 Months	Delay due to belated release of GR by CMPDIL.
Application of Previous approval	21.9.2009	5.5.2011	1Yr 8 Months	
Granting of Previous approval	21.10.2009	15.5.12	2 Yrs 7 Months	Delay is due to belated recommendation of application by State Government to MoC on 5/5/2011 and consequent approval of MoC on 15/5/2012.
Application of Forest clearance	21.11.2009	1.12.2009	1 Months	DFO has forwarded recommended to

				(FCA)/CCF (LM) on 15/6/2012
Grant of Forest Clearance	21.5.2010	Pending	2Yrs 1 Months	Total 212 Hec. land already acquired and in procession for compensatory afforestation
Application EMP Clearance	21.11.2009	1.12.2009	-	
Grant of EMP Clearance	21.5.2010	Pending	2 Yr 1 Month	ToR issued by MoEF on 09.04.2010
Grant of Mining Lease	21.11.2010	Pending	1Yr 7 Months	
Application of Land Acquisition	21.6.2010	7.4.2011	10 Months	
Completion of Land Acquisition	21.11.2011	pending	7 Months	
Application for opening permission	21.3.2012	Pending	-	
Grant of Opening permission	21.4.2012	Pending	-	
Coal Production	21.5.2012 (42 Months)	Pending	-	

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

"M/s Bhaskarpara Coal Company Ltd. (Bhaskarpara)

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 3 years and 9 months have elapsed from the date of allotment i.e. 21.11.2008. IMG also noted that the company has purchased the GR and the mining plan is approved, EC and FC are not obtained and land acquisition application submitted to Collector only in April, 2011 and no land is in possession for development of coal block. The company reported that they have acquired 212 ha. of land for compensatory afforestation. Investment made in the coal block as per CA certificate submitted by the company is Rs. 17.78 crore. End Use Plant of UltraTech Cement Limited (Aditya Cement- Chittorgarh) is already in operation. End Use Plant of Electrotherm (India) Ltd., for 0.30 MTPA capacity is in operation and 0.20 MTPA is under expansion. As per CA certificate, invest of Rs. 2038 crore is made for extension of capacity of UltraTech Cement Ltd. and Rs. 80 crore by M/s Electrotherm India Ltd. During presentation, the company argued that the entire delay was not attributable to them. IMG noted that the normative date for start of production is 21.5.2012.

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Taking into account all factors and that there is no substantial progress in development of the coal block, though investment has been made in the EUPs, the IMG recommends that the coal block may be de-allocated on account of unsatisfactory progress in the development of coal mining project. The IMG noted that in this case as per terms and conditions of allotment, 50% of the BG is linked to the milestone set for the development of captive block and the remaining 50% to guaranteed production. In the event of lapses in the achievement vis-à-vis the milestones set, the allotment letter provides that a proportionate amount shall be encashed and deducted from the BG. As per guidelines framed by IMG for proportionate deduction of BG related to non-achievement of milestones, the IMG recommends that out of the 50% BG related to achievement of milestones, deduction may be made on the basis of milestones not achieved in terms of weightages assigned to each of the milestones in the guidelines.

Out of 50% BG related to shortfall in production, the IMG recommends that deduction in BG for shortfall in production from the normative date i.e. 21.5.2012 may be made as per the formula provided in the terms and conditions of allocation and the balance BG, if any, may be returned."

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

9. Accordingly, **Bhaskarpara** coal block allocated to **M/s Electrotherm (India) Limited and M/s Grasim Industries Ltd.** is **de-allocated**. The company shall not be eligible for allocation of coal block in lieu of the de-allocated coal blocks. The Bank Guarantee (BG) as calculated by Coal Controller's Office to the extent of **Rs.1.6513 crore** (Rupees One crore sixty five lakhs and thirteen thousand only) is ordered to be deducted and be deposited with the Government in the relevant head of Account. (The calculation of deduction of BG is as per **Annexure-IV**). Remaining BG may be returned.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Chhatisgarh, Dau Kalyan Singh Bhavan, Raipur.
2. The Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
3. The Secretary, Department of Industrial Policy & Promotion, Udyog Bhavan, New Delhi.
4. The CMD, Coal India Limited, 10, Netaji Subash Road, Kolkata-700001.
5. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to immediately take necessary steps to **deduct** the Bank Guarantee amount as mentioned above and **return** the remaining BG amount to the allocattees.
6. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.





Annexure-I

No 13016/54/2008-CA-I

Government of India

Ministry of Coal

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New Delhi, dated the 21st November, 2008.

To

(1) M/s Electrotherm (India) Ltd.,
72, Palodia, Via, Thaltej, Ahmedabad-
382115.

(2) M/s Grasim Industries Limited, P.O.
Adityapuram, Via. Shambhupura, Distt.
Chittorgarh-312612.

Subject : Allocation of Bhaskarpara coal blocks in the State of Chattisgarh for captive mining of coal jointly by M/s Electrotherm (India) Ltd and M/s Grasim Industries Limited- under Option- I.

Sir,

I am directed to refer to your application and this Ministry's offer letter of even number dated 12th August, 2008 and to state that the request of the companies have been considered by the Central Government and it has been decided to allocate Bhaskarpara non coking coal block in Jhillimili coalfields of South Eastern Coalfields Limited command area in the State of Chattisgarh for captive mining of coal jointly by M/s Electrotherm (India) Ltd and M/s Grasim Industries Limited, by working through a Joint Venture Company for meeting their proportionate share of requirement of coal. Based on the total geological reserves and requirement of coal as assessed by CMPDIL, tentative proportionate share of reserves is indicated in the table below :-

Geo logical Reserves	Tent Extra ctabl e Rese rvers	Mine Capacity in MTY	Name of Company	EUP Capacity (in MTPA)	Requireme nt of Coal(Per annum) and location of EUP	Proporti onate of Share of reserves of coal in MT
46.91	18.74	0.40 (OC) 0.24(UG) 0.64	1. Electrotherm (India) Ltd.	0.5	0.8 (Sponge Iron Plant in Kutch, Gujarat)	24.69
			2. Grasim Industries Ltd.	5.65	0.72 (cement plant in Chittorgarh, Rajasthan)	22.22

2. 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 :-

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- i) A joint venture company be formed between M/s Electrotherm (India) Ltd and M/s Grasim Industries Limited. The equity holding in the joint venture company will be in proportion to the assessed coal requirement of the companies.
- ii) The joint venture company shall be formed and registered by the allocatees within 60 days from the date of allocation of this letter.
- iii) The mining lease shall be obtained in the name of the Joint Venture Company and coal extracted from the mine shall be distributed among the allocatees in the proportion of their assessed requirement.
- iv) The block is meant for captive use in their own specified end use projects to be set up as per details given in the table above. The coal produced from the block shall not replace any coal linkages given to you by the Coal India Ltd. / its subsidiary and/or by the Singareni Collieries Company Ltd., without prior permission of this Ministry.
- v) Coal mining shall be carried out as per the provisions of the Coal Mines (Nationalization) Act, 1973, the Mines and Minerals (Development and Regulation) Act, 1957, the Contract Labour (Regulation & Abolition) Act, 1970, all the minerals, environmental and labour laws alongwith other regulations governing coal industry.
- vi) 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.
- vii) 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 milestone chart is enclosed.
- viii) The joint venture company shall buy geological report from CMPDIL within six weeks from the date of this letter.
- ix) The joint venture company shall submit a bank guarantee for Rs.8.45 crore (equal to one year's royalty amount based on mine capacity of 0.64 mtpa assessed by CMPDIL, grade of coal B to E and the average royalty @ Rs.132.08 per tonne)

within three months from the date of this letter. Subsequently, upon approval of the mining plan, the Bank Guarantee amount will be modified based on the final peak/ rated capacity of the mine.

- (a) 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:
 - (b) 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.
 - (c) 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.
 - (d) 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.
- x) The joint venture 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.
 - xi) The joint venture company shall be required to comply with the guidelines/rules laid down by the Central Government from time to time relating to mine closure (both progressive and final). The joint venture company shall be required to submit mine closure plan alongwith the mining plan as per the guidelines issued in this regard.
 - xii) 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.

- xiii) 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.
- xiv) 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.
- xv) 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.
3. Allocation / mining lease of the coal block may be cancelled, inter-alia, on the following grounds :-
- Unsatisfactory progress of implementation of their end use power plant.
 - Unsatisfactory progress in the development of coal mining project.
 - 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.

4. The Joint Venture Company may approach CMPIDII 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 / the 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. Secretary, Ministry of Commerce & Industry (Deptt. of Industrial Policy & Promotion), Udyog Bhawan, New Delhi.

2. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
3. Chief Secretary, Government of Chhattisgarh, Raipur.
4. Chairman, Coal India Ltd., 10, Netaji Subash Marg, Kolkatta-700001.
5. Chairman-cum-Mng.-Director, Central Mine Planning and Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi, Jharkhand.
6. Chairman-cum-Managing Director, South Eastern Coalfields Ltd., SECL Bhawan, Secpat Road, Post Box 60, Bilaspur- 495006 (Chattisgarh).
7. The Coal Controller, Office of the Coal Controller, 1 Council Street, Kolkatta 700001
8. CPAM Section / Guard file of CA-I Section.

Annex-II

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SHOW CAUSE NOTICE

No.13016/54/2008-CA-I Vol.III
Government of India
Ministry of Coal

New Delhi, dated 30th April, 2012

To

- (i) M/s Electrotherm (India) Ltd.,
72, Palodia, Via, Thaltej,
Ahmedabad- 382115
- (ii) M/s Grasim Industries Ltd.
P.O. Adityapuram,
Via Shambhupura,
Distt, Chittorgarh- 312 612.

NY
8/5/12

Subject: Show cause notice in respect of Bhaskarpara coal block.

Sir,

I am directed to refer to this Ministry's letter No.13016/54/2008-CA-I dated 21.11.2008 conveying allocation of **Bhaskarpara** 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

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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, Forest Clearance, EMP, Mining Lease, Land acquisition are pending for Bhaskarpara coal block. It is thus seen that 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:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	6.1.2009	12.11.2009	10 Months
Submission of Bank Guarantee	21.2.2009	26.5.2009	3 Months
Mining Lease Application	21.2.2009	13.11.2009	9 Months
Submission of Mining Plan	21.5.2009	23.11.2009	6 Months
Approval of Mining Plan	21.7.2009	25.3.2010	8 Months
Application of Previous approval	21.9.2009	5.5.2011	1Yr 8 Months
Granting of Previous approval	21.10.2009	Pending	2 Yrs 5 Months (as on 3/2012)
Application of Forest clearance	21.11.2009	1.12.2009	1 Months
Grant of Forest Clearance	21.5.2010	Pending	1Yr 10 Months (as on 3/2012)
Application EMP Clearance	21.11.2009	Pending	2Yrs 4 Months
Grant of EMP Clearance	21.5.2010	Pending	1Yr 10 Months (as on 3/2012)
Grant of Mining Lease	21.11.2010	Pending	1Yr 4 Months (as on 3/2012)
Application of Land Acquisition	21.6.2010	7.4.2011	10 Months
Completion of Land Acquisition	21.11.2011	Pending	4 Months (as on 3/2012)
Application for opening permission	21.3.2012	Pending	-
Grant of Opening permission	21.4.2012	Pending	-
Coal Production	21.5.2012 (42 Months)	Pending	-

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



(Sandeep Gupta)

Under Secretary to the Govt. of India

On 5/10/12

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

9/12

Bhaskarpara Coal Block

Sl No	Items	Remarks
1	Name Of the Block	Bhaskarpara Coal Block
2	Name Of the allocate	M/s Electrotherm (India) Ltd. M/s Grasim Industries Limited
3	Date Of allocation	21.11.2008
4	Terms and conditions of allocation	Terms and conditions of allocation is enclosed as Annexure-I
5	EUP as per Allocation	M/s Electrotherm (India) Limited – EUP capacity (in MTPA) EUP capacity 0.5 mtpa – Requirement of Coal 0.8 sponge iron plant in kutch, Gujarat) M/s Grasim Industries Limited – EUP 5.65 Mtpa Requirement of coal 0.72 (cement plant in Chittorgarh, Rajasthan)
5	Milestones of allocation & Slippages against Milestones as stated in the SCN	Detail given in the statement made by CCO is enclosed as Annexure-II
6	History Previous review / action	In the review meeting held on 22/23.06.2009, it has noted that JVC in the name of Bhaskarpara Coal Company Limited was formed. BG submitted. Applied for GR, MP, EMP and FC are pending. MP reportedly is under preparation. 90-100 hectares are of Forest Land. Application for GC clearance will be submitted by 20.11.2009. MP shall be submitted by 15.08.2009. EUPs are in operation. In the review meeting held in 20/21.07.2010, it was noted that JVC formed. BG submitted. GR Purchased and MP approved. EMP & FC, ML & LA are pending. EUPs are in operation.
7	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
8	Litigation any orders of the court , if any	No



9	Summary of reply of the company including reasons for delay	<p>There was considerable delay (24 months) in obtaining statutory approval for change in name of coal block allocatee from Grasim to UltraTech (subsequent to merger of Cement Business of Grasim with UltraTech) from MoC.</p> <p>Grant of Prior Approval for ML under section 5 (1) was delayed in State/MoC by almost 30 months.</p> <p>Application for Forest Clearance was pending with DFO since May 2010 till June 2012 and presently under consideration with NO/CCF(LM). The issue has been brought to the notice of MoC during review meetings.</p> <p>Considerable delay in holding of Public Hearing (15 months) despite our application to Competent Authority and obtaining ToR from MoEF.</p> <p>The process of land acquisition has been slow despite recommendation by the Collector</p>
10	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>Mine Plan of the block was referred to Technical Wing on 02.12.2009 for consideration of Standing Committee. The same was approved by the Committee in its meeting held on 26.02.2010 and conveyed it to allocatees on 29.03.2010.</p> <p>Mining Lease was delayed due to merger and demerger proposal of M/s Grasim Industries Limited. One of the allocatee i.e. Grasim Industries Ltd. submitted proposal for merger and demerger on 22.11.2010, which has been examined in the Ministry. The proposal dated 05.05.2011 for prior approval mining lease received from the State Govt. of Chhattisgarh on 12.05.2012, which has been approved on 15.05.2012.</p>
11	EUP Status as per presentation	End Use Plant of UltraTech Cement Limited (Aditya Cement- Chittorgarh) is already in



		operation at full capacity. End Use Plant of Electrotherm (India) Ltd., for 0.30 MTPA capacity is in operation and 0.20 MTPA is under expansion.
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Status of Coal Block as on June.2012
(As per report furnished by Block owners)

1. Name of Company:- M/s. Bhaskarpara Coal Company Ltd.(JVC of M/s. Electrotherm India Ltd & M/s. Grasim Industries Ltd.(UCL)
2. Name of Coal Block:- Bhaskarpara (E)
3. Date of Allocation:- 21.11.2008
4. Location: Jhillimili, CG.
5. Total investment made :- 70.18 cr. (as per CA)
6. Reserve (Mill tonnes):- 46.91
7. Yearly rated capacity (MTPA):- 1
8. Cost of GR:- 7.878 Crs
9. BG Amount :- 8.45 Crs Valid upto 19.4.2013
10. Type of EUP:- SIP & Cement
11. Location of Project:- Kutch & Rajasthan
12. Capacity of Project:- 56.5 LTPA Cement & 5 LTPA SIP
13. Explored/Un explored:- E
14. Zero Date:- 21.11.2008

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
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Submission of Bank Guarantee	21.2.2009	26.5.2009	3 Months	
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Approval of Mining Plan	21.7.2009	25.3.2010	8 Months	Delay due to belated release of GR by CMPDIL.
Application of Previous approval	21.9.2009	5.5.2011	1Yr 8 Months	
Granting of Previous approval	21.10.2009	15.5.12	2 Yrs 7 Months	Delay is due to belated recommendation of application by State

checked by: *Bhar*

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[Signature]
COAL CONTROL
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				Government to MoC on 5/5/2011 and consequent approval of MoC on 15/5/2012.
Application of Forest clearance	21.11.2009	1.12.2009	1 Months	DFO has forwarded recommended to (FCA)/CCF (LM) on 15/6/2012
Grant of Forest Clearance	21.5.2010	Pending	2Yrs 1 Months	Total 212 Hec. land already acquired and in procession for compensatory afforestation
Application EMP Clearance	21.11.2009	1.12.2009	-	
Grant of EMP Clearance	21.5.2010	Pending	2 Yr 1 Month	ToR issued by MoEF on 09.04.2010
Grant of Mining Lease	21.11.2010	Pending	1Yr 7 Months	
Application of Land Acquisition	21.6.2010	7.4.2011	10 Months	
Completion of Land Acquisition	21.11.2011	pending	7 Months	
Application for opening permission	21.3.2012	Pending	-	
Grant of Opening permission	21.4.2012	Pending	-	
Coal Production	21.5.2012 (42 Months)	Pending	-	

EUP

Electrotherm (India) Ltd.

Existing:- Out of total 0.5 MTPA SIP at Kutch, Gujarat, plant already started commercial production for 0.3 MTPA since Oct.08 Expansion 2 LT is in progress and is expected by 2012-13.

Financial closure completed for 3 LTPA SIP.

Investment made:-80 Crs (as per CA)

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CONTROLLER

Grasim Industries

Existing:- 5.65 MTPA Cement plant at Chhitorgarh, Rajasthan commenced production since Oct.08. Financial closure done.

Investment made:-2038 Crs. (as per CA)

Major Constraint faced by the block allocates

- Application for Forest Clearance was pending with DFO since May 2010 till June 2012 and presently under consideration with NO/CCF(LM). The issue has been brought to the notice of MoC during review meetings.
- Considerable delay in holding of Public Hearing (15 months) despite our application to Competent Authority and obtaining TOR from MoEF.

The process of land acquisition has been slow despite recommendation by the Collector.

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BG deduction calculation as per IMG recommendation in the meeting held on 20.09.2012

1. Name of Company:- M/s. Bhaskarpara Coal Company Ltd.(JVC of M/s. Electrotherm India Ltd & M/s. Grasim Industries Ltd.(UCL)
2. Name of Coal Block:- Bhaskarpara (E)
3. Date of Allocation:- 21.11.2008
4. Normative date of production:-21.05.2012 (as per allotment)
5. Yearly rated capacity (MTPA):- 1 (as per mine plan)
6. BG Amount :- 8.45 Crs*

*N.B.-(The company submitted BG for Rs. 8.45 Crore based on PRC of 0.64 MTPA as per allocation letter. As per approved Mine Plan, the revised PRC is 1 MTPA and the modified BG amount may be Rs. 13.21 Crore as mentioned in para-ix of the allocation letter dated 21.11.2008.)

7. Recommendation: IMG recommends that the coal block may be de-allocated on account of unsatisfactory progress in the development of coal mining project. The IMG noted that in this case as per terms and conditions of allotment, 50% of the BG is linked to the mile stone set for the development of captive block and remaining 50% to guaranteed production. In the event of lapses in the achievement vis-à-vis the mile stones set, the allotment letter provides a proportionate amount shall be encashed and deducted from the BG. As per guidelines framed by IMG for proportionate deduction of BG related to non-achievement of mile stones, the IMG recommends that out of the 50% BG related to achievement of Milestone deduction may be made on the basis of milestone not achieved in terms of weightages assigned to each of the milestone in the guidelines. Out of 50% BG related to shortfall in production the IMG recommends that deduction in BG for shortfall in production from the normative date i.e. 21.5.2012 may be made as per the formula provided in the terms and conditions of allocation and balance BG may be returned.

As per condition of Para-(ix) (a&c) of the allocation letter No.13016/54/2008-CA-I dated 21.11.2008, 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 BHASKARPARA the amount of BG to be deducted on production basis is as under:-

Actual BG amount submitted as per allocation letter -Rs.8.45 Crore

As per revised Mine Plan BG should be revised as Rs.13.21 Crore

Calculation made based on Rs.13.21 Crore.

Deduction for 1st year(deficit in production)

1st year (21.05.2012 to 20.05.2013) ends on 20.05.2013 which is not reached as on Oct'2012,. Hence, deduction of BG amount may not be done for this year

50% BG related to shortfall of production i.e., 50% of Rs13.21cr=6.605cr

X=Amount of BG to be deducted related to shortfall of production = NIL

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BG deduction on the basis of achievement of Mile stone as on Oct'2012

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	Completed	8	
9	Grant of Forest Clearance	5	Not Completed	0	
10	Application EMP Clearance	8	Completed	8	
11	Grant of EMP Clearance	5	Not Completed	0	
12	Grant of Mining Lease	5	Not Completed	0	
13	Application of Land Acquisition	8	Completed	8	
14	Completion of Land Acquisition	4	Not Completed	0	
15	Application for opening permission	2	Not Completed	0	
16	Grant of Opening permission	2	Not Completed	0	
17	Production	2	Not Completed	0	
	TOTAL	100		75	

Total Revised Bank Guarantee amount :13.21 Cr.

A= 50% of BG = 6.605 Crore

Score obtained for achieving of mile stone = 75%

B=Score obtained for not achieving of mile stone =(100-75)=25%

BG to be deducted for not achieving Milestones as on Oct'2012 = AxB = 6.605x25%=1.6513crore

Y = BG to be deducted for not achieving Milestones =1.6513 Crore

Total amount of BG to be deducted on production and milestone basis=X+Y=0+1.6513=Rs.1.6513 Crore

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Coal Controller

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