



South Eastern Coalfields Limited

'MINIRATNA' CATEGORY-I COMPANY

(A Subsidiary of Coal India Limited)

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Sales & Mktg. Deptt.

SECL/BSP/S&M/COMM/358/LOA/3904

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NOTICE

Sub: Submission of documents by LOA Holders towards achievement of milestones

Model LOA as well as list of milestones to be achieved and documents to be submitted towards achievement of each milestone by LOA holders under different categories/sectors have been placed on SECL website www.secl.gov.in.

Along with the LOAs issued/being issued to individual consumers, a list of milestones and documents to be submitted towards achievement of each milestone has been/is being forwarded individually also.

In the course of processing of documents submitted by LOA holders towards achievement of milestones, certain issues have arisen, on which further clarification/directives have been received from CIL. The same are appended herein below:

Sl. No.	Activity	Issue	Clarification	Changes in Original LOA required
1	In-principle letter of approval for project for which coal is required	Consumers stating that no Company Secretary is appointed and whether documents under Director/ MD signature shall be sufficient.	If the paid up share capital of the company is more than 50 Lakh, then appointment of company secretary is mandatory. In case company secretary is not mandatory then letter signed by the Managing Director of the company along with duly signed Form 32 stating the appointment of the current Managing Director may be asked for.	Issuance Authority: Managing Director along with the signed FORM 32 (stating appointment of MD)
2	Environmental Clearance	1) Categorization of plants under Category A or B.	1) The categorization of projects under Category 'A' or 'B' is provided under notification issued by MOEF on November'2006. The same is Gazette copy and publicly available (Can be downloaded from MOEF's website).	-

		2) Whether SPCB consents are sufficient	2) The State Pollution Control Boards (SPCB) consent shall be accepted only in cases where the plant was commissioned before 2006.	-
		3) In case of expiry of existing clearances	3) Application for renewal of consent may not be accepted under Environment Clearance. Clearance Letter as per LOA may be asked for in case of units commissioned before 2006 Point No. 2 above shall be applicable.	-
		4) Consumers stating the plants were set-up before 2006 and MOEF SEIAA approval is not required.	4) MOEF clearance through Environment Impact Assessment was notified in September'2006. For plants set-up/commissioned before 2006 the plants clearances from State Pollution Control Board may be accepted.	-
3	Firm Water Allocation	Bills submitted by consumers of State Govt. Dept. of Water Resources. Sanction Letter not available	1) If the project lies in the Dark Area then Clearance from CGWA is mandatory and the same may be asked for. 2) In other cases NOC for the usage of ground water or sanction letter from water supply utility is mandatory	-
4	Techno-economic feasibility report (TFR), detailed project report (DPR)	Missing data pertaining to Land Requ./Investment Plan under DPRs/TFRs submitted by LOA holder	1) Information pertaining to Land and Investment Plan is required to be a part of the DPR/TFR. 2) In case the same is not available under the DPR/TFR; such information may be sought from consumer separately which shall also be certified by an Independent Agency/Expert.	-
5	Forest Clearance	Consumers stating that land acquired is Pvt. Land and hence Forest Clearance is not required.	Forest clearance is not required for project where Land is non-forest land, however NOC from the State Forest Department is mandatory for all the projects, except for projects	Waival: In case of land is not Forest Land, No-Objection-Certificate(NOC) from State Forest Dept. to

			in the notified industrial areas. The same may be asked for.	be submitted.
6	Minerals supply agreement for sourcing iron ore	<p>1) Consumers providing allocation from NMDC</p> <p>2) Whether renewal of allocation to be accepted against firm allocation/agreement</p> <p>3) Consumers stating that they are sourcing iron-ore on month-to-month basis and hence have not entered into any contract/agreement</p>	<p>1) NMDC allocation may be considered to be acceptable.</p> <p>2 & 3) For cases where the allocation has expired/ or consumer is purchasing iron-ore on spot basis; following may be considered:</p> <p>a) For Operational Plants: Past six months paid invoices of procurement of iron-ore may be asked to be submitted.</p> <p>b) For New Plants: Letter from Buyer to be taken stating submission of invoices for procurement of iron-ore for first six months of operation after commencement of coal supplies.</p>	-
7	Approval of mining plan from State /Central Govt./ Firm letter of award of mining lease for acquiring limestone block for mining - CEMENT LOA	<p>1) Consumer stating chemical slurry is being used as a raw material against the limestone</p>	<p>1) Such expectations may be permitted however following is required:</p> <p>a) Confirmation of Chemical Slurry as a raw material as provided in the DPR.</p> <p>b) Raw material purchase agreement for chemical slurry or slag may be asked for submission</p> <p>c) Letter from the Buyer stating that Limestone is not being used as a raw-material for Cement manufacturing. (The same may be confirmed during the time of physical visit to the plant)</p>	-
8	Copy of signed agreement with the EPC contractor/ independent engineer	<p>1) LOA Holders submitting only invoices/bills of plant machinery against the agreement</p>	<p>1) The paid invoices for the plant & machinery may be accepted for operational plants.</p>	-

9	Progress report on the project to be submitted by the consultant appointed for the project.	1) Whether the Independent Engineer against Independent Agency is sufficient.	1) The definition of Independent Engineer shall be considered as defined under the Model Fuel Supply Agreement (FSA).	-
			2) Independent Engineer shall have to be registered with an engineering association.	
10	Clearances for Limestone Block	1) Ascertaining of Category 'A' & 'B' Projects	1) The categorization of projects under Category 'A' or 'B' is provided under notification issued by MOEF on November'2006. The same is Gazette copy and publicly available (Can be downloaded from MOEF's website).	-

All LOA holders are requested to take note of the same and arrange to submit the required documents accordingly, as applicable.

In order to facilitate faster processing of voluminous documents, LOA holders are also requested to submit the same in tidy fashion with proper indexing and page numbering etc.

Chief General Manager(S&M/QC)
SECL, Bilaspur

Distribution:

1. SECL website
2. Notice Board, S&M Dept. SECL
3. LOA Committee members

Copy for kind information to:

1. CMD, SECL
2. DT(O), SECL