



## Reliance Power Seeks Withdrawal of Mining Restrictions

Anil Ambani promoted Reliance Power has written to the coal ministry against the latter's decision to restrict coal mining from two blocks attached to the company's Sasan ultra mega power project (UMPP) in Madhya Pradesh.

The company said it requires permission to mine up to 20 million tonne coal annually from the Moher and Moher Amlohri blocks as a backup to geographical surprises affecting mineable quality and quantity of coal, a senior government official said.

Reliance Power asked the ministry to withdraw a letter dated June 3 asking the company to submit a revised mining plan downsizing the UMPP's requirement to 16 mtpa from the two blocks for the UMPP. It was earlier permitted to mine 20 mtpa.

The company had in 2007 told the government that it would be able to mine 20 mtpa of coal from the Moher and Moher Amlohri blocks and another 5 mtpa from Chhatrasal through use of latest mining technologies. The total 25 mtpa was 9 mt



more than the UMPP's requirement and was sought for use in the company's other power plant at Chitrangi.

The company in its recent letter said it had earlier assumed that Sasan would require 16 mtpa but after commencing mining operations, it felt the requirement would be 19 mtpa.

The UPA government had in 2010 allowed diversion of the coal as a special dispensation to Reliance Power, but the current NDA government in May issued an

extraordinary gazette notification to cancel allocation of the Chhatrasal coal block and withdrew the dispensation to use excess coal in Moher.

The notification said the decision was based on a Supreme Court directive that disallowed diversion of surplus coal from mines attached to UMPPs.

In its letter to the coal ministry, Reliance Power said the company has signed power purchase agreements covering the entire capacity of the Sasan project, which depends on coal supply from the Moher blocks. The company said the UMPP may consume coal beyond 16 mtpa and the present mine plan permits mining 20 mtpa.

The coal ministry has sought comments from the power ministry and Coal India's technical arm, Central Mine Plan and Design Institute, on the issue.

As per its earlier mine plan approved by the government, R Power had the right to use 4 mtpa excess coal in the two blocks in its 21,000 crore Chitrangi power plant.

## TATA Steel to Raise up to INR 10,000 Crore



Tata Steel said in its annual report that it seeks to continuously optimise its borrowings by ensuring they are aligned in terms of quantum, risk, maturity and cost with its earnings profile. Tata Steel will seek shareholders nod to raise as much as Rs 10,000 crore through securities to meet capital requirements.

Financial markets are very dynamic in nature and it is hard to predict when and which market may provide window of opportunity to the firm to raise cost effective capital that has better terms and can help lengthen the maturity profile, it added.

It said "To allow the company the flexibility to tap into these pools opportunistically, the company is seeking approval from the shareholders to issue Securities not exceeding Rs 10,000 crore through Securities (convertible into equity or otherwise) in the international and domestic capital markets.

It also indicated that currency movements and cheap Chinese imports are impacting the operations of its UK arm and the firm may undertake more "asset right-sizing" measures in the near future. Tata Steel Chairman Cyrus Mistry in his address to the shareholders said the UK business of Tata Steel Europe is the most impacted by the surge of Chinese imports as its domestic demand continues to be weak. He said "While management will take all actions to make the UK business more sustainable, continued challenges due to adverse currency movement of the Pound versus the US Dollar and the Euro as also the unrelenting Chinese imports into the UK may force the Company to undertake further asset right-sizing in the near future.

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