

The Times of India**Title : Its coal block cancelled, Jindal scraps \$10bn project****Author :****Location :****New Delhi:****Article Date : 11/25/2014****JSPL Among Worst Hit After SC Decision On Mines**

Jindal Steel and Power said on Monday it has scrapped plans to set up a \$10 billion coal-to-liquid (CTL) project at Angul in Odisha following the recent cancellation of its Ramchandi mine by the Supreme Court.

“The CTL project was linked with the coal block. If the coal block is gone, then the project is gone,” JSPL chairman Naveen Jindal said in an interview.

JSPL was allotted the Ramchandi coal block, with an estimated reserve of 1,500 million tonnes on February 27, 2009 for the project. The \$10 billion project was supposed to produce 80,000 barrels per day of crude using German firm Lurgi’s technology. The project, the second of its kind in the country, was aimed at enhancing energy security by reducing dependence on imported crude, JSPL said in an earlier statement.

The CTL project cost also includes setting up of a 1,350 MW power plant and mine development expenses. The plan to do away with the project comes after the apex court had in September cancelled 214 of the 218 coal blocks to various firms since 1993 terming it as “fatally flawed”.

The cancellation also included Ramchandi mine allocated to JSPL. The government has decided to auction the de-allocated coal blocks.

The first lot of blocks will go under the hammer start on February 11 and mines will be allotted only to the specified end-users.

JSPL, which was among the worst hit with the cancellation of coal blocks, had earlier said it would bid for the blocks. The company was allocated six blocks during the period. The proposed CTL plant site was selected keeping in mind availability of land and water, rail and road connectivity, located around 70km from the Ramchandi promotional block.

Jindal had said companies that had successfully developed these blocks and large end-use projects after facing several years of land acquisition challenges, clearance issues and risks, needed to be rewarded and encouraged.

CRUDE OIL FROM COAL

THE PROJECT

- JSPL's coal-to-liquid plant at Angul, Odisha would have used German tech to produce 80,000 barrels of crude per day
- \$10bn project cost included a 1,350 MW power plant
- Project aimed at reducing India's dependence on imported crude, says JSPL

'LINKED TO COAL BLOCK'

- Company says CTL plant depended on Ramchandi coal block allotted to it in Feb 2009
- The block, with reserves of 1,500mn tonnes, was one of the 214 blocks scrapped by SC



If the coal block is gone, then the project is gone

— Naveen Jindal | JSPL CHAIRMAN