

By Speed Post

F.No. 47011/1(5)/2001-CPAM/CA-I  
Government of India  
Ministry of Coal

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

To  
The Chairman & Managing Director,  
M/s Fieldmining & Ispat Ltd.,  
431/A, Road No. 22,  
Jubilee Hills,  
Hyderabad- 500 03.

**Sub: De-allocation of Chinora and Warora (West) southern part coal block in the State of Maharashtra to M/s Fieldmining & Ispat Ltd. - Regarding.**

Sir,

I am directed to refer to this Ministry's allocation letter No.47011/1(5)/99-CPAM/CA dated 08.10.2003 (**Annexure-I**) and to this Ministry's show cause notice of even number dated 30.04.2012 (**Annexure-II**) and the Presentation made/documents submitted by you on 6<sup>th</sup> September, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. **Chinora and Warora (West) southern part** coal blocks located in the State of Maharashtra was allocated to M/s. Fieldmining & Ispat Limited on 8<sup>th</sup> October, 2003 to meet the coal requirement for their 2.56 LTPA sponge iron plant at Nagpur, Maharashtra subject to the certain terms and conditions mentioned in the allocation letter. Condition no. (xi) of para 3 of allocation letter is reproduced below in this regard:-

“Violation of any of the condition will render the reservation of the block/grant of the lease as the case may be liable for cancellation.”

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 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009, the Review Committee noted that Mining Lease and Land acquisition were pending. Land acquisition was under negotiation stage. It was also mentioned that an interim judgement of Hon'ble Court and they would go by the Court's order. At this the Chairman remarked that by next meeting development in term of acquisition of land and End Use Plant (EUP) must be shown as the same thing is being hears for the last three years. The company assured to purchase land in three months.

ii) In the review meeting held on 20/21.07.2010, it was noticed that MP, EMP approved. Mining Lease & Land Acquisition pending. No forest land involved. LA is under

negotiation stage. Company representatives mentioned about interim judgment of Hon'ble Court. EUP depends on grant of ML. Legal issues has since been examined by Ministry of Coal.

iii) Further, in the Review Committee meeting held in January, 2012, the Committee noticed that previous approval, Mining Lease and Land acquisition are pending. No forest land is involved. Company informed that there is a court case hence subjudice. Prior approval of ML is pending with Ministry of Coal. Financial closure of EUP not completed. Land for EUP purchased. No significant progress of coal blocks and EUP. 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.

4. 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.

5. The case of the allocate company was referred to IMG. Accordingly, the IMG gave 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 6<sup>th</sup> September, 2012 before the IMG. The IMG considered the presentation, the status note of the **Chinora and Warora (West) southern part** coal block and associated EUP 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:-

**Chinora:-**

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Purchase of GR	22.11.2003	Oct.2005	2 yrs	
Submission of Bank Guarantee	NA	NA		
Mining Lease Application	8.1.2004	12.6.2004	5 Months	
Submission of Mining Plan	8.4.2004	6.2.2006	1 Yr 10 Months	
Approval of Mining Plan	8.6.2004	19.7.2006	2 Yrs 1 Months	

Application of Previous approval	8.8.2004	12.2.2008	3 Yrs 6 Months	ML proposal forwarded by State Govt to MOC under MMDR Act.1957 and is under processing since 12.2.2008.
Granting of Previous approval	8.9.2004	Pending	7 Yrs 6 Months	
Application of Forest clearance	8.10.2004	No Forest		
Grant of Forest Clearance	8.4.2005			
Application EMP Clearance	8.10.2004	17.10.2006	2yr	-
Grant of EMP Clearance	8.4.2005	19.5.2009	4yr 1 m	-
Grant of Mining Lease	8.10.2005	Pending	6 Yrs 5 Months	Under process at MOC since Feb 2008.
Application of Land Acquisition	8.7.2004	Pending	7 Yrs 8 Months	Process of LA through Pvt negotiation is on.
Completion of Land Acquisition	8.4.2006	Pending	6 Yrs 1 Months	After ML is granted.
Application for opening permission	8.8.2006	Pending	5 Yrs 10 Months	
Grant of Opening permission	8.9.2006	Pending	5 Yrs 9 Months	
Coal Production	8.10.2006 (36 Months)	Pending	5 Yrs 8 Months	Depends upon the application and approval for permission for opening of the coal mine which is inturn linked to grant of pervious approval by the MOC.

**Warora (West Southern Part):-**

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Purchase of GR	22.11.2003	Oct.2005	2 yrs	
Submission of Bank	NA	NA		

Guarantee				
Mining Lease Application	8.1.2004	12.6.2004	5 Months	
Submission of Mining Plan	8.4.2004	23.3.2006	2 Yrs	
Approval of Mining Plan	8.6.2004	27.12.2006	2 Yrs 6 Months	
Application of Previous approval	8.8.2004	12.2.2008	3 Yrs 6 Months	
Granting of Previous approval	8.9.2004	Pending	7 Yrs 6 Months	The ML proposal forwarded by State Govt to MOC under MMDR Act.1957. Pending at MOC.
Application of Forest clearance	8.10.2004	No Forest	-	
Grant of Forest Clearance	8.4.2005			
Application EMP Clearance	8.10.2004	31.10.2006	2 yrs	
Grant of EMP Clearance	8.4.2005	19.5.2009	4yrs 1 m	
Grant of Mining Lease	8.10.2005	Pending	6 Yrs 5 Months	
Application of Land Acquisition	8.7.2004	Pending	7 Yrs 8 Months	
Completion of Land Acquisition	8.4.2006	Pending	6 Yrs 2 Months	
Application for opening permission	8.8.2006	Pending	5 Yrs 10 Months	
Grant of Opening permission	8.9.2006	Pending	5 Yrs 9 Months	
Coal Production	8.10.2006	Pending	5 Yrs 8 Months	

- **Opening of Escrow A/C:- No**

6. After detailed deliberations, the IMG made its recommendation to **de-allocate Chinora and Warora (West) southern part** Coal block which was allocated to M/s Fieldmining & Ispat Ltd. in its sixth meeting held on 12<sup>th</sup> September 2012. The recommendations made by the IMG are as follows:-

**"M/s Fieldmining & Ispat Ltd. (Chinora and Warora (West) southern part)**

The IMG considered the terms and conditions of allocation, the show cause notice issued, the reply of the company and the latest status paper presented to the IMG. The IMG noted that the coal block was allocated vide letter 08.10.2003. Despite notice dated 4.9.2012, the company did not make any presentation or submit certificate of CA regarding investment or physical progress in the meeting of IMG. However, another letter dated 6.9.2012 was delivered by a messenger. The IMG noted that the company has neither made any progress towards the end-use plant nor has made serious efforts for the development of coal block. The IMG also noted that there are court cases, which do not prohibit action against the company by the Government. There is no provision for BG in the allocation letter.

In view of the above, the IMG recommends that the coal block may be de-allocated."

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

8. 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. Accordingly, the **Chinora and Warora (West) southern part** coal block in the State of Maharashtra allotted to M/s Fieldmining & Ispat Ltd., Hyderabad is **de-allocated**. The company shall not be eligible for allocation of coal block in lieu of the de-allocated coal blocks.

Yours faithfully,

  
(V.S. Rana)

Under Secretary to the Govt. of India

Copy to:-

- ✓ 1. The Chief Secretary, Government of Maharashtra, Mantralaya Mumbai.
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.
- ✓ 5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annex-I

12/28

No. 4761/1(5)/99-CFA/M/CA  
Government of India  
Ministry of Coal

New Delhi, dated the 8<sup>th</sup> October, 2003.

To

M/s Fieldmining & Ispat Limited,  
120, Mount Road, Sadar,  
Nagpur-440 001.

Subject:- Allotment of Chinora and Warora(West) southern part coal block for captive purpose to M/s. Fieldmining & Ispat Limited

Sir,

I am directed to refer to your letters dated 30.3.2001, 24.3.2001, 17.10.2001, 20.11.2001, 12.6.2002, 6.1.2003 and 6.5.2003 regarding your proposal for allotment of a coal block to meet your requirement of coal for putting up a sponge iron plant in Nagpur Distt, Maharashtra and to state that your request was considered in the 14<sup>th</sup> meeting of the Screening Committee held on 26.5.2003. After detailed consideration the Screening Committee has agreed to identify Chinora and Warora (West) southern part blocks in District Chandrapur, in the State of Maharashtra and has decided to reserve the same to meet your requirement of 2.56 ltpa of coal for exclusive use in sponge iron plant proposed to be set up with production capacity of 1.2 ltpa in Kalmeshwar Tehsil, Distt. Nagpur, Maharashtra. The reservation of the coal block is subject to the following conditions:-

- i) The coal mined from this block shall exclusively be used by the company to meet the requirement for 2.56 ltpa of coal by the sponge iron plant proposed to be set up by the company with a capacity of 1.2 lakh tonne per annum.
- ii) The proposed sponge iron plant should be commissioned before the actual/initial production of coal starts from the captive block. Coal supply during the time gap between the commissioning of the sponge iron plant and the captive mine reaching its full production capacity to feed the sponge iron plant would need to be met by outsourcing coal. A tapering temporary linkage could also be sought from CIL for this period. The bar chart submitted by the company should be appropriately revised to clearly show that the end use plant should come up ahead of production from coal mining project and submitted to this Ministry within thirty (30) days.
- iii) The bar chart provided by the company in respect of the development of the captive mine and production from the same, the various activities relating to the captive coal mining project have been clubbed over long slabs of time without clearly delineating the periodicity of individual activities with clear sequencing of operations. The bar chart provided being mainly in the shape of time frame may be revised giving details of operations, periodicity and sequence of such operation within a period of thirty (30) days to this Ministry so that these operations can be monitored in future.

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- iv) The captive mining will be done by the company only by underground mining operations. The coal mining will be done in accordance with the provisions of Mines & Minerals (Development & Regulation) Act, 1957 and Mineral Concession Rules, 1960 and subject to the provisions of other relevant statutes.
  - v) Reservation of coal block may be cancelled in case of unsatisfactory progress of implementation of the proposed sponge iron plant or coal mining project or both.

3. The reservation of the captive blocks will also be subject to the following conditions:-

- i) The end use (sponge iron) for which coal is to be mined from the captive block and utilised and the conditions imposed by the Central Government mentioned in this letter conveying offer by the Screening Committee of captive blocks to M/s. Fieldmining and Ispat Ltd. should be clearly incorporated in the mining lease deed to be executed between the concerned State Government and M/s. Fieldmining & Ispat Ltd.
- ii) All the conditions imposed by the Central Government while conveying the previous approval to the State Government under Section 5(1) of the Mines and Minerals (Development & Regulation) Act, 1957 for grant of mining lease in favour of captive mining party should clearly form part of the lease deed to be executed between the concerned State Government and the party.
- iii) In case the captive block has been offered for washing-cum-end use, the deed must clearly specify that the beneficiated coal from the washery will exclusively be used for own end use (sponge iron production) as approved by the Central Government and not for commercial mining or otherwise. Tailings, middlings or rejects, as the case may be, shall be used only for captive consumption by the applicant as approved by the Central Government.
- iv) The applicant would furnish to this Ministry detailed plan for disposal of unusables containing carbon materials obtained during the process of mining or any process thereafter including washing etc. so as to avoid any need for disposal of the same through sale etc. at a later stage, within 30 days of receipt of this letter or submission of mining plan, whichever is earlier.
- v) No coal shall be sold, delivered, transferred or disposed of except for the stated captive mining purpose (sponge iron production) except with the previous approval of the Central Government.
- vi) There should be complete synchronization between the captive coal mining operations and the development of end-use plant so that no situation arises where the company is left with coal extracted from the captive block when the end-use plant is yet to be operational.
- vii) Approval of mining plan shall be considered only after financial closure for the end use project is achieved.
- viii) Existing coal linkage from CIL/SCCL, if any, would not be disturbed in any way with the coal mined from the allocated block.
- ix) Expenses incurred by CMPDIL for surveying Warora (West) southern part area to ascertain extent of surface encroachment & estimation of extractable reserves would be paid by the applicant company. Further detailed exploration in the block, if required shall be carried out by CMPDIL or under its direct supervision, on payment basis by the applicant.

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- x) The data on extractable reserves in the two blocks is presently tentative. Precise data will be available at the stage of the mining plan preparation. In case the entire assessed requirement of coal is met from first block, then the mining plan for the second block may not be prepared and in such an eventuality the second block will stand dereserved.
  - xi) Violation of any of the condition will render the reservation of the block/ grant of the lease as the case may be liable for cancellation.

4. The progress in this regard should be reported to this Ministry every 3 months from now.

5. The company may approach CIL for more detailed information, geological report etc. and contact the State Government authorities concerned for completing the necessary formalities for attaining mining lease rights and related matters. The company will be required to apply for mining lease within a period of six months. The arrangement of transport of coal, if any, etc. will have to be worked out by the company in consultation with the Ministry of Railways / Ministry of Surface Transport depending on the mode of transport.

Yours faithfully,

*S. Gurati*  
(S. Gurati)  
Director



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Annexure-II

SHOW CAUSE NOTICE

No.47011/1(5)/2001-CPAM/CA  
Government of India  
Ministry of Coal

New Delhi, dated 30<sup>th</sup> April, 2012

To

M/s. Field Mining & Ispat Ltd., 120,  
Mount Road, Nagpur - 440 001.

**Subject: Show cause notice in respect of Chinora and Warora Southern Part coal block.**

Sir,

I am directed to refer to this Ministry's letter No.47011/1(5)/99-CPAM/CA dated 08.10.2003 conveying allocation of Chinora and Warora Southern Part 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 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, Mining Lease, Land Acquisition are pending for Chinora and Warora Southern Part coal block. It is thus seen that the company has repeatedly failed to keep its

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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:-

**Chinora (Explored):**

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	22.11.2003	Oct.2005	2 yrs
Submission of Bank Guarantee	NA	NA	
Mining Lease Application	8.1.2004	12.6.2004	5 Months
Submission of Mining Plan	8.4.2004	6.2.2006	1 Yr 10 Months
Approval of Mining Plan	8.6.2004	19.7.2006	2 Yrs 1 Months
Application of Previous approval	8.8.2004	12.2.2008	3 Yrs 6 Months
Granting of Previous approval	8.9.2004	Pending	7 Yrs 6 Months
Application of Forest clearance	8.10.2004	No Forest	-
Grant of Forest Clearance	8.4.2005		
Application EMP Clearance	8.10.2004	17.10.2006	2 Yrs
Grant of EMP Clearance	8.4.2005	19.5.2009	4 Yrs 1 Month
Grant of Mining Lease	8.10.2005	Pending	6 Yrs 5 Months
Application of Land Acquisition	8.7.2004	Pending	7 Yrs 8 Months
Completion of Land Acquisition	8.4.2006	Pending	5 Yrs 11 Months (as on Mar.12)
Application for opening permission	8.8.2006	Pending	5 Yrs 7 Months (as on Mar.12)
Grant of Opening permission	8.9.2006	Pending	5 Yrs 6 Months (as on Mar.12)
Coal Production	8.10.2006 (36 Months)	Pending	5 Yrs 5 Months (as on Mar.12)

**Warora (West Southern Part) (Explored)**

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	22.11.2003	Oct.2005	2 yrs
Submission of Bank Guarantee	NA	NA	

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Mining Lease Application	8.1.2004	12.6.2004	5 Months
Submission of Mining Plan	8.4.2004	23.3.2006	2 Yrs
Approval of Mining Plan	8.6.2004	27.12.2006	2 Yrs 6 Months
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Application for opening permission	8.8.2006	Pending	5 Yrs 7 Months (as on Mar.12)
Grant of Opening permission	8.9.2006	Pending	5 Yrs 6 Months (as on Mar.12)
Coal Production	8.10.2006 (36 Months)	Pending	5 Yrs 5 Months

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 **Chinora and Warora Southern Part** 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 **Chinora and Warora Southern Part** coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

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

Chinora and Warora (West) southern part

Sl. No.	Items	Remarks																																																
1	Name of the Block	Chinora and Warora (West) southern part																																																
2	Name of the allocate	M/s Fieldmining & Ispat Limited																																																
3	Date of allocation	08.10.2003																																																
4	End Use Plant & capacity	To meet the requirement of 2.56 ltpa of coal by the sponge iron plant proposed to be set up by the company with a capacity of 1.2 lakh tonne per annum.																																																
5	Important terms and conditions of allocation	A copy of allocation letter is enclosed.																																																
6	Milestones of allocation & Slippages against milestones as stated in the SCN	<table border="1"> <thead> <tr> <th colspan="3">Chinora (Explored):</th> </tr> <tr> <th>Mile Stones</th> <th>Schedule date of Completion</th> <th>Actual date Completion</th> </tr> </thead> <tbody> <tr> <td>Purchase of GR</td> <td>22.11.2003</td> <td>Oct.2005</td> </tr> <tr> <td>Submission of Bank Guarantee</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>Mining Lease Application</td> <td>8.1.2004</td> <td>12.6.2004</td> </tr> <tr> <td>Submission of Mining Plan</td> <td>8.4.2004</td> <td>6.2.2006</td> </tr> <tr> <td>Approval of Mining Plan</td> <td>8.6.2004</td> <td>19.7.2006</td> </tr> <tr> <td>Application of Previous approval</td> <td>8.8.2004</td> <td>12.2.2008</td> </tr> <tr> <td>Granting of Previous approval</td> <td>8.9.2004</td> <td>Pending</td> </tr> <tr> <td>Application of Forest clearance</td> <td>8.10.2004</td> <td>No Forest</td> </tr> <tr> <td>Grant of Forest Clearance</td> <td>8.4.2005</td> <td></td> </tr> <tr> <td>Application EMP Clearance</td> <td>8.10.2004</td> <td>17.10.2006</td> </tr> <tr> <td>Grant of EMP Clearance</td> <td>8.4.2005</td> <td>19.5.2009</td> </tr> <tr> <td>Grant of Mining Lease</td> <td>8.10.2005</td> <td>Pending</td> </tr> <tr> <td>Application of Land Acquisition</td> <td>8.7.2004</td> <td>Pending</td> </tr> <tr> <td>Completion of Land Acquisition</td> <td>8.4.2006</td> <td>Pending</td> </tr> </tbody> </table>	Chinora (Explored):			Mile Stones	Schedule date of Completion	Actual date Completion	Purchase of GR	22.11.2003	Oct.2005	Submission of Bank Guarantee	NA	NA	Mining Lease Application	8.1.2004	12.6.2004	Submission of Mining Plan	8.4.2004	6.2.2006	Approval of Mining Plan	8.6.2004	19.7.2006	Application of Previous approval	8.8.2004	12.2.2008	Granting of Previous approval	8.9.2004	Pending	Application of Forest clearance	8.10.2004	No Forest	Grant of Forest Clearance	8.4.2005		Application EMP Clearance	8.10.2004	17.10.2006	Grant of EMP Clearance	8.4.2005	19.5.2009	Grant of Mining Lease	8.10.2005	Pending	Application of Land Acquisition	8.7.2004	Pending	Completion of Land Acquisition	8.4.2006	Pending
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Application for opening permission	8.8.2006	Pending
Grant of Opening permission	8.9.2006	Pending
Coal Production	8.10.2006 (36 Months)	Pending

**Warora (West Southern Part) (Explored)**

Mile Stones	Schedule date of Completion	Actual date Completion
Purchase of GR	22.11.2003	Oct.2005
Submission of Bank Guarantee	NA	NA
Mining Lease Application	8.1.2004	12.6.2004
Submission of Mining Plan	8.4.2004	23.3.2006
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Grant of EMP Clearance	8.4.2005	19.5.2009
Grant of Mining Lease	8.10.2005	Pending
Application of Land Acquisition	8.7.2004	Pending
Completion of Land Acquisition	8.4.2006	Pending



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		Application for opening permission	8.8.2006	Pending
		Grant of Opening permission	8.9.2006	Pending
		Coal Production	8.10.2006 (36 Months)	Pending
7	History Previous review / action	In the review meeting held on 20/21.07.2010, it was noticed that MP, EMP approved. ML & LA pending. No forest land involved. LA is under negotiation stage. Company representatives mentioned about interim judgment of Hon'ble Court. EUP depends on grant of ML. Legal issues to be examined by MOC.		
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	<p>There is no condonation of delay or extension of zero date However, a request from the company had been received for change of allocated captive block into an abandoned mine and as an isolated patch. Major portion was lying abandoned and water-logged since 1906. Major surface area of this patch has been encroached by expansion of the town and it is virtually impossible to evacuate the concrete developments. Company requested that in view of extension of Warora township and permanent encroachments, Warora (West) block may be removed from the captive coal blocks list and given isolated unworkable coal mine status and they may be permitted immediate development and mining of this block.</p> <p>Subsequently, vide letter dated 26.08.2005 issued to the company it was decided,</p> <p><i>"i) To grant permission for disposal of coal mined from Warora (West) without the restriction of captive use, this being an old abandoned mine and a small isolated block. The coal shall be disposed off to WCL at a price to be determined by the Central Government.</i></p> <p><i>ii) To allow disposal of coal mined from Chinora coal block during the development phase to WCL at a transfer price to be determined by the Central Government. In this connection, the attending details may kindly be provided to the Ministry of Coal for determination of the transfer price appropriately.</i></p> <p><i>However, WCL shall have the liberty not to buy coal produced from either of the above blocks in case the transfer price is not acceptable to WCL. In that event, the allocattee will be at liberty to approach the Central Government for seeking permission for disposal of coal as in case of disposal of rejects, middlings and surplus coal under the Circular No. 13011/8/1997-CA dated</i></p>		



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01.03.1999 of the Ministry of Coal."		
9	Litigation any orders of the court , if any	<p>Mr. Latish Agrawal has filed a suit bearing RCS No. 133/2008. Additional District Judge, Warora vide its order dated 06.03.2009 passed in M.C.A. No. 1/2009, partly allowed the said appeal and thereby restrained the State of Maharashtra and Union of India from approving granting or taking any steps in furtherance of grant of mining lease of Warora West block to the said company for any purpose other than for captive use till decision of the suit.</p> <p>On enquiry of the Ministry about the Chinnora coal block, Shri Qureshi opined that the clear interpretation of the order passed by the Hon'ble District Judge is that there is absolutely <b>no legal impediment for granting mining lease in respect of Chinora block</b> in view of para 18 of the order passed by the appellate court. <b>However, for granting lease in respect of Warora (West) block, the lease can only be granted for the captive purposes.</b> For granting lease for non-captive purposes, in respect of Warora West block also, Union of India/State of Maharashtra, will have to wait the decision of above Writ Petition before Hon'ble Court.</p>
10	Summary of reply of the company including reasons for delay	While giving clarifications, milestone-wise, the company has stated that they have made every effort to speed up the development process of the Chinora and Warora coal blocks. However the delay happened due to the legal proceedings in the matter, which was beyond their control. The matter relating to Warora coal block continues to be subjudice and therefore, company is unable to act on the development process.
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>Approval of Mine Plan in respect of Chinora coal block was conveyed on 17.07.2006 and that of Warora (West) southern part coal block was conveyed on 27.12.2006. Application for prior approval of mining lease was received from Govt. of Maharashtra in respect of these blocks.</p> <p>In the meantime a legal notice from Shri Nizam Husain, Advocate was received challenging allocation of said blocks. Shri Husain had stated various acts of illegalities, malpractices and misrepresentations made by M/s Fieldmining and Ispat Ltd. He had requested to revoke the allotment of Warora coal block. The company has not been mentioned about end use plant.</p> <p>The mining lease applications received from the State Govt. of Maharashtra in respect of aforesaid coal blocks are not accompanied with 'form K' duly filled in. Hence, Govt. of Maharashtra vide letter dated 05.03.2012 has been requested to re-submit the mining lease application along with form K duly filled in of Chinora coal block. The same is still awaited.</p>



**Status of Coal Block as on June.2012***(As per Report furnished by Block owners)*

1. Name of Company:- M/s Field Mining & Iaspat Ltd.
2. Name of Coal Block:- Chinora (Explored)
3. Date of Allocation:- 8.10.2003
4. Location: Wardha, Maharashtra
5. Total cost:- 20 Crs
6. Total investment :- 4.25 Crs
7. Reserve (Mill tonnes):- 9.3
8. Yearly rated capacity (MTPA):- 0.256
9. Cost of GR:-
10. BG Amount :- NA
11. Type of EUP:- sip ✓
12. Location of Project:- MH
13. Capacity of Project:- 1.2 LTPA
14. Explored/Un explored:-
15. Zero Date:- 8.10.03

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Purchase of GR	22.11.2003	Oct.2005	2 yrs	
Submission of Bank Guarantee	NA	NA		
Mining Lease Application	8.1.2004	12.6.2004	5 Months	
Submission of Mining Plan	8.4.2004	6.2.2006	1 Yr 10 Months	
Approval of Mining Plan	8.6.2004	19.7.2006	2 Yrs 1 Months	
Application of Previous approval	8.8.2004	12.2.2008	3 Yrs 6 Months	ML proposal forwarded by State Govt to MOC under MMDR Act.1957 and is under processing since 12.2.2008.
Granting of Previous approval	8.9.2004	Pending	7 Yrs 6 Months	
Application of Forest clearance	8.10.2004	No Forest		

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Grant of Forest Clearance	8.4.2005			
Application EMP Clearance	8.10.2004	17.10.2006	2yr	-
Grant of EMP Clearance	8.4.2005	19.5.2009	4yr 1 m	-
Grant of Mining Lease	8.10.2005	Pending	6 Yrs 5 Months	Under process at MOC since Feb 2008.
Application of Land Acquisition	8.7.2004	Pending	7 Yrs 8 Months	Process of LA through Pvt negotiation is on.
Completion of Land Acquisition	8.4.2006	Pending	6 Yrs 1 Months	After ML is granted.
Application for opening permission	8.8.2006	Pending	5 Yrs 10 Months	
Grant of Opening permission	8.9.2006	Pending	5 Yrs 9 Months	
Coal Production	8.10.2006 (36 Months)	Pending	5 Yrs 8 Months	Depends upon the application and approval for permission for opening of the coal mine which is in turn linked to grant of pervious approval by the MOC.

**EUP:** Proposed-SIP having capacity (400 TPD) 1.2 LTPA at Kalmeshwar, MH.. Commissioning of SIP was expected 2011-12 and delayed for synchronisation of coal production. Financial closure not done. Progress of EUP is held up for grant of ML of Coal Block. Progress is not satisfactory. DPR is not yet prepared

A considerable time was lost in the litigation preferred by one latish by Civil Appeal No. 01/09 arising out of Civil suit 133/2008 . Additional district judge Warora partly allowed the said appeal and there by restrained the State of Maharastra and UOI from approving, granting or taking any steps in further clearance of grant of ML of Warora block. However, in case Chinora block was rejected and there is no bar on grant of mining lease in respect of Chinora Block.

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Status of Coal Block as on June.2012

(As per Report furnished by Block owner)

1. Name of Company:- M/s Field Mining & Iaspat Ltd.
2. Name of Coal Block:- Warora (West Southern Part) (Explored) OC
3. Date of Allocation:- 8.10.2003
4. Location: Wardha, Maharastra
5. Total cost:- 25 Crs
6. Total investment made :- 1.25 Crs
7. Reserve (Mill tonnes):- 15.3
8. Yearly rated capacity (MTPA):- 0.3
9. Cost of GR:-
10. BG Amount :-
11. Type of EUP:- SIP ✓
12. Location of Project:- MH
13. Capacity of Project:- 1.2 LTPA
14. Explored/Un explored:-
15. Zero Date:- 8.10.03

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Purchase of GR	22.11.2003	Oct.2005	2 yrs	
Submission of Bank Guarantee	NA	NA		
Mining Lease Application	8.1.2004	12.6.2004	5 Months	
Submission of Mining Plan	8.4.2004	23.3.2006	2 Yrs	
Approval of Mining Plan	8.6.2004	27.12.2006	2 Yrs 6 Months	
Application of Previous approval	8.8.2004	12.2.2008	3 Yrs 6 Months	
Granting of Previous approval	8.9.2004	Pending	7 Yrs 6 Months	The ML proposal forwarded by State Govt to MOC under MMDR Act.1957. Pending at MOC.
Application of Forest clearance	8.10.2004	No Forest		

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**COAL CONTROLLER**

Grant of Forest Clearance	8.4.2005			
Application EMP Clearance	8.10.2004	31.10.2006	2 yrs	
Grant of EMP Clearance	8.4.2005	19.5.2009	4yrs 1 m	
Grant of Mining Lease	8.10.2005	Pending	6 Yrs 5 Months	
Application of Land Acquisition	8.7.2004	Pending	7 Yrs 8 Months	
Completion of Land Acquisition	8.4.2006	Pending	6 Yrs 2 Months	
Application for opening permission	8.8.2006	Pending	5 Yrs 10 Months	
Grant of Opening permission	8.9.2006	Pending	5 Yrs 9 Months	
Coal Production	8.10.2006	Pending	5 Yrs 8 Months	

- Opening of Escrow A/C:- No

**Reply to Show Cause:-**

The Ld additional district judge warora has restrained the state of MH and UOI from approving granting or taking any steps in furtherance of ML of Warora west block. As such the matter is subjudice and unless the final judgment is given by the Honble District court the previous approval cannot be granted by MOC.

**EUP: Proposed:-** SIP having capacity (400 TPD) 1.2 LTPA at Kalmeshwar, MH.. Commissioning of SIP was expected 2011-12 and delayed for synchronisation of coal production. Financial closure not done. Progress of EUP is held up for grant of ML of Coal Block. Progress is not satisfactory. DPR is not yet prepared

The delay in development of coal block process happened due to the legal proceedings in the matter.

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