

By Speed Post

F.No.13016/59/2008-CA-I
Government of India
Ministry of Coal

New Delhi, dated 20th November, 2012

To

M/s Bihar Sponge Iron Limited
Umesh Nagar
Chandil,
Distt. Saraikela- Kharsawan
Jharkhand.

Sub: De-allocation and return of Bank Guarantee in full of Macherkunda coal block in the State of Jharkhand allocated to M/s Bihar Sponge Iron Limited for their 0.51 mtpa sponge iron plant in Distt. Saraikela- Kharsawan, Jharkhand.

Sir,

I am directed to refer to this Ministry's allocation letter No. 38011/2/2007-CA-I dated 5th August, 2008 (Annexure-I) and to this Ministry's show cause notice No. 13011/6/2012-CA-I dated 2nd May, 2012 (Annexure-II) and to your reply to the show cause notice, your presentation made/documents before the Inter Ministerial Group (IMG) in respect of Macherkunda coal block and the status note on the development of the block prepared by Coal Controller and Ministry of Coal on the above subject.

2. Macherkunda coal block located in the State of Jharkhand was allocated to M/s Bihar Sponge Iron Limited on 5th August, 2008 in pursuance of the Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 to meet the coal requirement for 0.51 mtpa of capacity in their sponge iron plant in Distt. Saraikela – Kharsawan, Jharkhand subject to the certain terms and conditions. In the allocation letter, 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 and one of other important conditions 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 sponge iron plant/power 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 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 Govt. or its agencies.

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 Review Meeting held on 22nd and 23rd June, 2009, it was noted that all the milestones were pending. No representative attended the meeting and no progress report was received.
- ii) In Review Meeting held on 20th & 21st July, 2010, it was noted that Mining Plan, Mining Lease, Land Acquisition, Forest Clearance and EMP were pending. Company representative intimated that coal area is under buffer zone of tiger project. Company informed that Land schedule not prepared due to which Mining Plan has not been submitted. Land Acquired by CCL not yet settled. The Committee expressed dissatisfaction over the progress and advised to surrender the block if not interested to develop. Show cause notice was issued on 3rd November, 2010.
- iii) In the meeting held on 28th January and 4th February, 2011, the committee recommended that warning may be issued to the company. A warning was issued for inordinate delay in development of Macherkunda coal block on 6th July, 2011.
- iii) In Review Meeting held on 11th & 12th January, 2012 it was noted that Mining Lease, Forest clearance, EMP, and Land Acquisition were pending. Transfer of land by CCL to company is long pending issue. CMPDIL informed that GR cost not yet submitted. 395 HA land has been given to BSIL out of total 600 Ha. It is an explored block. Show cause notice was issued on 2nd May, 2012.

4. In the meantime, the Government has set up 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. The case of the allocatee company was referred to IMG. Accordingly, the IMG asked 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 8th September, 2012 before the IMG. The IMG considered the presentation, the status note of the Macherkunda coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation.(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	
Purchase of GR	20.09.08	24.3.2011	2 Yrs 6 Months	GR delayed in CMPDIL
Submission of Bank Guarantee	05.11.08	11.11.08		
Mining Lease Application	5.11.2008	18.10.08		CCL is required to transfer of land to State Govt.
Submission of Mining Plan	5.2.2009	13.6.2011	2Yrs 4 Months	
Approval of Mining Plan	5.4.2009	Pending.	3Yrs2Months	➤ A reprieve could only come when, pursuant to repeated requests of BSIL and as we understand, other allottees of coal mine blocks, a specific meeting was called on 19 th Jan 2011, by Ministry of Coal vide their letter No.130 16/52/2008-CA-I on 05.01.2011 in order to resolve the issue regarding transfer of land of the coal Block allocations from CIL subsidiary falling under CBA Act. Incorporation of Authenticated Block boundary in the MP is withheld the approval of the same.
Application of Previous approval	5.6.2009	Pending.	3Yrs	
Granting of Previous	5.7.2009	Pending.	2yrs11mon	

approval			ths	
Application of Forest clearance	5.8.2009	26.7.2011	2Yrs	
Grant of Forest Clearance	5.2.2010	Pending.	2Yrs 4 Months	<ul style="list-style-type: none"> ➤ Tree Enumeration completed. ➤ Compensatory Forest Land of 18 acres has already been purchased.
Application EMP Clearance	5.8.2009	29.7.2011	2yrs.	Block area falls within the buffer zone of Palamu Tiger Project. The Application to National Tiger Conservative Authority was made on 12 th March 2012.
Grant of EMP Clearance	5.2.2010	Pending	2Yr 4 Months	Pending with NTCA
Grant of Mining Lease	5.8.2010	Pending.	1Yr 10 Months	
Application of Land Acquisition	5.3.2010	Land from CCL		
Completion of Land Acquisition	5.8.2011	Pending	10months	
Application for opening permission	5.12.2012	Pending.	-	
Grant of Opening permission	5.1.2013	Pending.	-	
Coal Production	5.2.2013 (54 Months)	Pending.	-	

5. After detailed deliberations, the IMG made the following recommendation in respect of Macherkunda Coal block its 10th meeting held on 18th September 2012.

M/s Bihar Sponge Iron Co. Ltd. (Macherkunda)

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 almost 4 years have elapsed from the date of allotment i.e. 5.8.2008. IMG also noted that the company has purchased the GR with delay of 2 years and 6 months. The company claimed that the delay occurred as no land schedule was available with the GR obtained by the company from CMPDIL. It was clarified to IMG that land schedule is never part of GR and this claim of the company is not tenable. The company also stated that there was delay in transfer of surface and mineral rights by CCL. IMG noted that directions resolving the issue were issued to CCL vide letter dated 15.2.2009 of Ministry of Coal. However, this did not stand in the way of timely purchase of GR. There has also been delay in submission of mining plan of 2 years and 4 months and mining plan is yet to be approved. EC and FC are also not available. The transfer of land from CCL is in process and no land has been obtained so far. No investment has been made in the coal block except for purchase of 18 acres of land for compensatory afforestation in July 2012 and purchase of various reports etc. As per CA certificate submitted by the company the total investment on coal block is Rs. 8.58 crores including BG. The company has an existing end-use plant functioning since 1989 and has not indicated any additional investment after allocation of coal block. The normative date for start of production is 5.2.2013.

Taking into account all factors and that no substantial progress or investment has been made since allocation of coal block, the IMG recommends that the block may be de-allocated. However, since the normative date of production has not yet started and time has been taken in resolving the matter of transfer of surface and mineral rights, the IMG recommends that full BG may be returned to the allocatee company.

6. The recommendation of the IMG has since been considered and accepted by the Government. 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, it has been decided to de-allocate the Macherkunda coal block in the State of Jharkhand from M/s Bihar Sponge Iron Limited. In addition, it is further decided to return the full Bank

Guarantee amount without any deduction. The company shall not be eligible for allocation of any alternative coal block in lieu of the de-allocated coal block.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Govt. of India

Copy to:-

- 1 . The Chief Secretary, Government of Jharkhand.
2. The Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
3. Chairman, Coal India Limited, Kolkatta
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.

No 38017/2/2007-CA-I
Government of India
Ministry of Coal

New Delhi, dated the 5th August 2008.

To

M/s. Bihar Sponge Iron Ltd.,
Umesh Nagar,
Chandil,
Dist. Saraikela-Kharsawan,
Jharkhand

Subject: Allocation of Macherkunda coal block in the State of Jharkhand for captive mining of coal by M/s. Bihar Sponge Iron Ltd. for their 0.51 mtpa Sponge Iron Plant in Dist. Saraikela-Kharsawan, Jharkhand.

Sir,

I am directed to refer to the application of M/s. Bihar Sponge Iron Ltd. for allocation of coal block in the State of Jharkhand and to state that this has been considered by the Central Government and it has been decided to allot Macherkunda coal block in the command area of Central Coalfields Ltd. to M/s. Bihar Sponge Iron Ltd. to meet the coal requirement for 0.51 mtpa of capacity in their Sponge Iron Plant in Dist. Saraikela-Kharsawan, Jharkhand. The allocation of Macherkunda coal block to M/s. Bihar Sponge Iron Ltd. 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 :-

- i. The allocation of Macherkunda coal block to M/s Bihar Sponge Iron Ltd., has been made to meet the coal requirement of 0.51 mtpa of capacity in their sponge iron plant in Dist. Saraikela-Kharsawan, Jharkhand
- ii. The block is meant for captive use in their own specified end use project i.e. sponge iron.
- iii. The coal produced from the block shall not replace any coal linkages given to M/s. Bihar Sponge Iron Ltd., by the Coal India Ltd. / its subsidiary and/or by the Singareni Collieries Company Ltd., without prior permission of this Ministry.
- iv. 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.

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- v. 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 preparation of GR. The end-use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 6 months from the date of this letter. A copy of the indicative milestone chart is enclosed.
- vi. The company shall submit a bank guarantee for Rs. 2.81 crores (equal to one year's royalty amount based on mine capacity of 0.18 mtpa assessed by CMPDIL, grade of coal of A to D and the weighted average royalty @ Rs. 155.89 per tonne) within three months from the date of issue of this 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.
- vii. The 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.
- viii. The 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 company shall be required to submit mine closure plan alongwith the mining plan as per the guidelines issued in this regard.
- ix. 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.

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- x. 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.
- xi. 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.
- xii. 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.

2. 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: sponge iron plant / power plant/cement plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation mentioned above.

3. 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 company may approach CMPDIL for geological report and contact the State Government authorities concerned for necessary permissions/clearances etc. for attaining mining rights and related matters.

5. The arrangement of transport of coal 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,

(V.S. Rana)

Under Secretary to the Govt. of India.

Encls. As above.

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To

- 1) Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
- 2) The Chief Secretary, Government of Jharkhand, Secretariat, Ranchi.
- 3) The Chairman, Coal India Ltd., 10-Netaji Subash Marg, Kolkata-700001
- 4) Chairman-cum-Mng.-Director, Central Mine Planning and Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi, Jharkhand.
- 5) Chairman-cum-Mng.-Director, Central Coalfields Limited, Darbhanga House, Ranchi
- 6) The Coal Controller, Office of the Coal Controller, 1, Council Street, Kolkata - 700 001.
- 7) CPAM Section.

(V.S. Rana)

Under Secretary to the Govt. of India.

SHOW CAUSE NOTICE

No.13011/6 /2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 2nd May, 2012

To

M/s Bihar Sponge Iron Ltd.

Umesh Nagar,

Chandil,

Distt. Saraikela- Kharsawan.

Jharkhand.

Subject: Show cause notice in respect of Macherkunda block.

Sir,

I am directed to refer to this Ministry's letter No.38011/2/2007-CA-I dated 05.08.2008 conveying allocation of Macherkunda 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 Mining Plan, grant of previous approval, Forest Clearance, EMP, Mining Lease, Land Acquisition are pending for Macherkunda coal block. 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	20.09.08	24.3.2011	2 Yrs 6 Months
Submission of Bank Guarantee	05.11.08	11.11.08	-
Mining Lease Application	5.11.2008	18.10.08	-
Submission of Mining Plan	5.2.2009	13.6.2011	2Yrs 4 Months
Approval of Mining Plan	5.4.2009	Pending.	3Yrs (as on 3/2012)
Application of Previous approval	5.6.2009	Pending.	2Yrs 9 Months (as on 3/2012)
Granting of Previous approval	5.7.2009	Pending.	2Yrs 8 Months (as on 3/2012)
Application of Forest clearance	5.8.2009	26.7.2011	2Yrs
Grant of Forest Clearance	5.2.2010	Pending.	2Yrs 1 Months (as on 3/2012)
Application EMP Clearance	5.8.2009	29.7.2011	2Yrs
Grant of EMP Clearance	5.2.2010	Pending.	2Yrs 1 Months (as on 3/2012)
Grant of Mining Lease	5.8.2010	Pending.	1Yr 7 Months (as on 3/2012)
Application of Land Acquisition	5.3.2010	Not applicable	-
Completion of Land Acquisition	5.8.2011		-
Application for opening permission	5.12.2012	Pending.	-
Grant of Opening permission	5.1.2013	Pending.	-
Coal Production	5.2.2013 (54 Months)	Pending.	-

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4. 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 **Macherkunda** 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 **Macherkunda** coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

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

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Status Note

Sl. No.	Items	Remarks
1	Name of the Block	Macherkunda Coal Block
2	Name of the allocatee	M/s Bihar Sponge Iron Ltd.
3	Date of allocation	05.08.2008
4	Important terms and conditions of allocation	Copy of allocation letter enclosed as Annexure-I
5	Milestones of allocation and slippages against milestone	Status report from CCO attached as Annexure-II
6	History Previous review / action	In the review meeting held on 22/23.06.2009, it was noticed that the progress was very slow and the allocatee was lagging behind and the Committee felt that they had not taken serious effort to develop the coal block as per the normative milestones. Again in the review meeting held on 20/21.07.2010, it was noticed that no serious efforts have been made by the company to develop the coal block even after assurances tendered by the company. It was also noted that all the critical/important milestones such as mining plan, mining lease, land acquisition, FC/EMP clearance etc. were pending. The company was served a show cause notice. Reply received from the company was considered by the Review Committee and the reasons given for the delay were not found convincing. Therefore, with the approval of Hon'ble Minister it was decided to issue warning with the directions to develop the block without any delay. Any further failure in development of the block would lead to necessary action as per the terms and conditions of allocation including de-allocation of the coal block.
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>On Receipt of the allotment letter, the company obtained the copy of Geological Report. But no Land Schedule and authenticated MAP was found attached, which lead to the Delay in future scheduled activities. Since No Land Schedule was found with the GR Report, company vide letter dated 31st Oct. 2008, requested CMPDIL to provide the same. CMPDIL vide letter dated 12th Nov. 2008, directed company to obtain the land schedule from M/s Central Coalfields Ltd. (CCL), Ranchi. On 15.11.2008, BSIL approached CCL for the land schedule. CCL vide their letter dated 19th Nov. 2008, asked company to furnish the allocation letter together with the map on scale of 1: 4000 duly authenticated by CMPDIL. Company vide letter dated 9th Dec. 2008, provided the authentic map on scale of 2" = 1 Mile, to CCL, along with the letter of allocation.</p> <p>CCL vide letter dated 02.02.2009, stated that since the Coal Block allocated to Bihar Sponge is acquired by them under CBA (A&D) Act 1957, they would need approval of competent authority for transferring of land to Bihar Sponge Iron Ltd.</p> <p>Company vide letter dated 6th April 2009, wrote to Ministry of Coal, that CCL has asked the company to obtain approval of the competent authorities for transferring the land to BSIL and also requested the Secretary to intervene in the matter and issue necessary directions, to enable it to expedite the process.</p> <p>Pursuant to repeated requests of the company, a specific meeting was called on 19th Jan 2011, by Ministry of Coal to resolve the issue regarding transfer of land of the coal Block allocations from CIL subsidiary falling under CBA Act.</p> <p>Subsequent to the meeting held on 19th Jan 2011, CMPDIL commenced the preparation of Mining Plan and the same was submitted by the company with the Ministry on 13-06-2011. Subsequently, CMPDL made a presentation on 08.12.2011 before Standing Committee, Ministry of Coal. Observations of the Standing Committee were communicated on 14th Jan 2012, and which was forwarded to CMPDI on 19.01.2012 by the company. The final Mining Plan incorporating the reply to the observations by CMPDIL was to the Ministry of Coal on 4th July 2012.</p> <p>One of the observation of Standing Committe was the requirement for authenticated boundary Block (Authenticated map) on scale not less than 1 : 1000. and the work is being carried out at present by CMPDIL for additional charge of Rs. 26.78 lacs, expected to be submitted by 6 months.The Mining</p>
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		<p>Plan is pending for approval with the Ministry of Coal at present.</p> <p>In light of the facts stated above it is amply clear that the lapses or delays of around two and half years, in the development of the coal block were entirely due to inter departmental issues within the Government and outside the control of company.</p>
10	<p>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>	<p>Coal block has been allocated on 05.08.2008. Company vide its letter dated 11.11.2008 submitted Bank Guarantee for Rs. 2.80 crores. The company vide its letter dated 06.04.2009 stated that the area of said block has been acquired under CBA (A&D) Act, 1957 vide S.O. No. 3277 dated 20.08.1983 by Central Coalfields Limited. CCL asked the company to obtain approval of competent authority for transferring of land to them. Company requested to issue necessary instructions to the CCL for transferring land. On the request of the company, CCL was requested to furnish their comments vide Ministry's letter dated 16.04.2009.</p> <p>In response to Ministry's letter, CCL vide its letter dated 28.05.2009 stated that in past for the similar blocks (acquired under CBA) the land is transferred to the party by CCL through conveyance deed and the mineral right is surrendered to Govt. of Jharkhand as per the directives/guidelines of MoC. Subsequently the State Govt. shall grant a mining lease over the area in favour of the allocate company. CCL further added that the directives/guidelines were given by MoC in case of transfer of Kotre Basantpur and Pachmo blocks to M/s Tata Steel, Chitarpur block to M/s Corporate Ispat, Lohari block to M/s Usha Martin and Chakla Block to M/s Essar Power Ltd. CCL stated that similar directives/guidelines are required in case of Macherkunda block. CCL also mentioned some other blocks where directives are required. The matter was considered in the Ministry and direction were issued to CCL vide Ministry's letter dated 15.02.2009 to take appropriate action.</p>



Status of Coal Block as on June,2012
(As per report furnished by block owners)

1. Name of Company:- M/s. Bihar Sponge Iron Co. Ltd.
2. Name of Coal Block:- Macherkunda (E), U/G
3. Date of Allocation:- 5.8.2008
4. Location: North Karanpura, JH
5. Project cost:- 129.39 Crs
6. Total investment made:-8.26 Crs (As per CA report)
7. Reserve (Mill tonnes):- 23.8
8. Yearly rated capacity (MTPA):- 0.3
9. Cost of GR:-
10. BG Amount :-2.81cr Valid upto 31.12.2013
11. Type of EUP: _ SIP ✓
12. Location of Project: _ JH
13. Capacity of Project:- 0.51 MTPA
14. Explored/Un explored:- E
15. Zero Date:- 5.8.08
16. Previous recommendation:- Warning.

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Purchase of GR	20.09.08	24.3.2011	2 Yrs 6 Months	GR delayed in CMPDIL
Submission of Bank Guarantee	05.11.08	11.11.08		
Mining Lease Application	5.11.2008	18.10.08		CCL is required to transfer of land to State Govt.
Submission of Mining Plan	5.2.2009	13.6.2011	2Yrs 4 Months	
Approval of Mining Plan	5.4.2009	Pending.	3Yrs2Months	➤ A reprieve could only come when, pursuant to repeated requests of BSIL and as we understand, other allottees of coal mine blocks, a specific

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				meeting was called on 19 th Jan 2011, by Ministry of Coal vide their letter No.130 16/52/2008-CA-I on 05.01.2011 in order to resolve the issue regarding transfer of land of the coal Block allocations from CIL subsidiary falling under CBA Act. Incorporation of Authenticated Block boundary in the MP is withheld the approval of the same.
Application of Previous approval	5.6.2009	Pending.	3Yrs	
Granting of Previous approval	5.7.2009	Pending.	2yrs 11 months	
Application of Forest clearance	5.8.2009	26.7.2011	2Yrs	
Grant of Forest Clearance	5.2.2010	Pending.	2Yrs 4 Months	<ul style="list-style-type: none"> > Tree Enumeration completed. > Compensatory Forest Land of 18 acres has already been purchased.
Application EMP Clearance	5.8.2009	29.7.2011	2yrs.	Block area falls within the buffer zone of Palamu Tiger Project. The Application to National Tiger Conservative Authority was made on 12 th March 2012.
Grant of EMP Clearance	5.2.2010	Pending	2Yr 4 Months	Pending with NTCA
Grant of Mining Lease	5.8.2010	Pending.	1Yr 10 Months	

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Application of Land Acquisition	5.3.2010	Land from CCL		
Completion of Land Acquisition	5.8.2011	Pending	10months	
Application for opening permission	5.12.2012	Pending.	-	
Grant of Opening permission	5.1.2013	Pending.	-	
Coal Production	5.2.2013 (54 Months)	Pending.	-	

Present capacity of the Sponge iron plant is 2.10 LTPA at Jharkhand.

Major Constraint faced by the block allocates

Company reported that approval of Mining Plan and transfer of land from CCL and EMP clearance from MOEF and NTCA and WLCB is delaying the development of the blocks. 2 and ½ yrs delay in development of the project. All Activities can be undertaken after approval of Mining Plan and TOR.

checked by - *Riser*



Arif
कोयला नियंत्रक
COAL CONTROL

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