

By Speed Post

F.No.47011/1(19)/2000-CPAM/ CA-I  
Government of India  
Ministry of Coal

New Delhi, date 22<sup>nd</sup> November, 2012

To

The Chairman & Managing Director,  
M/s Domco Smokeless Fuels(P) Limited  
Prakash Kunj, Booty Road,  
Bariatu, Ranchi – 834 009

**Sub: De-allocation of Lalgarh (North) coal block in the State of Jharkhand allocated to M/s Domco Smokeless Fuel (P) Limited . - Regarding.**

Sir,

I am directed to refer to this Ministry's allocation letter No. 47011/1(19)/2000- CPAM/CA dated 08.07.2005 (Annexure-I) and to this Ministry's show cause notice No. 13011/23/2012-CA-I dated 2<sup>nd</sup> May, 2012 (Annexure-II) and to your reply to the show cause notice, your presentation made/documents submitted by you on 6<sup>th</sup> September, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. Lalgarh (North) coal block located in the State of Jharkhand was allocated to M/s. Domco Smokeless Fuels(P) Limited under the Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 to meet the coal requirement for their 5 lakh tonne per annum raw coal for their proposed pig iron plant at Rairangpur, in Mayubhunj Distt of Orissa with 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) of the date of letter allocation in OC mine and in 48 months (54 months in case the area falls under forest land) from the date of allocation in UG mine. 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 Government or its agencies, whatsoever. Any expenses incurred by the allocate 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 a 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:

In the review meeting held on 25<sup>th</sup> & 26<sup>th</sup> March, 2008 it was noted that all activities were pending except purchase of geological report (GR) and submission of mining plan. In the review meeting held on 15<sup>th</sup> & 16<sup>th</sup> October 2008 no representative of the company attended the review meeting and as all activities were pending except purchase of GR, mining plan and Bank Guarantee (BG), the Committee found progress unsatisfactory. In the review meeting held on 22<sup>nd</sup> & 23<sup>rd</sup> June, 2009 all the activities accept purchase of GR, submission of Mining Plan and BG were pending. The representative on behalf of the company expressed the dispute in the matter of share-holding which was sub-judice in Company Law Board. At this the Chairman advised to settle the dispute and obtain orders of appropriate authority within three months. In the review meeting held on 20<sup>th</sup> & 21<sup>st</sup> July 2010 it was noticed that all the activities accept purchase of GR, submission of Mining Plan and BG were pending. The company was advised to settle the dispute within three months and the company was asked to withdraw one of the two mining plans within ten days. The committee directed to issue notice to fulfill these conditions, otherwise initiate process for de-allocation. In the review meeting held on 11<sup>th</sup> & 12<sup>th</sup> January 2012 the Review Committee noted that mining plan approval, Forest Clearance, EMP, Mining Lease and Land Acquisition were pending and no progress was observed. Two mining plans were submitted. 65 acres land purchased. The company intimated that 6 months would require for FC/EMP after MP approval. Financial closure not completed. The Review Committee observed that progress was not satisfactory and expressed concern over the progress and recommended that the allocatee be served with show-cause notice to explain which the block should not be de-allocated.

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. 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 6<sup>th</sup> September, 2012 before the IMG. The IMG considered the presentation, the status note of the Lalgah (North) 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:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
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Purchase of GR	23.8.2005	28.8.2006	1 Yr	
Submission of Bank Guarantee	8.10.2005	11.3.2006	5 Months	
Mining Lease Application	8.10.2005	Pending	6 Yrs 8 Months	
Submission of Mining Plan	8.1.2006	8.8.2006	7 Months	
Approval of Mining Plan	8.3.2006	Pending	6 Yrs3m	Approval of MP is pending at MOC resulting delay in all milestones.
Application of Previous approval	8.5.2006	Pending	6Yrs 1 Months	
Granting of Previous approval	8.6.2006	Pending	6Yrs	
Application of Forest clearance	8.7.2006	Pending	5 Yrs 11 Months	
Grant of Forest Clearance	8.1.2007	Pending	5Yrs 5 Months	
Application EMP Clearance	8.2.07	pending	5yrs 8Months	
Grant of EMP Clearance	8.3.07	pending	6yrs	
Grant of Mining Lease	8.7.2007	Pending	4 Yrs 11 Months	
Application of Land Acquisition	8.2.2007	Pending	5Yr 4 Months	
Completion of Land Acquisition	8.7.2008	Pending	3 Yrs 11 Months	
Application for opening permission	8.11.2008	Pending	3 Yrs 7 Months	
Grant of Opening permission	8.12.2008	Pending	3 Yrs 6 Months	
Coal Production	8.1.2009 (42 Months)	Pending	3Yrs 2 Months	

5. After detailed deliberations, the IMG in its meeting held on 12<sup>th</sup> September 2012 made its recommendation to **de-allocate Lalgarh (North) Coal block** which was allocated to

M/s Domco Smokeless Fuels (P) Limited. The recommendations made by the IMG are as follows:-

M/s DOMCO Smokeless Fuels (P) Ltd.(Lalgarh (North))

*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 there is no progress for mining the coal block since its allocation on 08.07.2005 and even mining plan has not been approved so far as initially the company presented two different mining plans by two different persons both claiming to be the Managing Director of the company. The company has yet to submit the clarifications called for by the Ministry. The IMG noted that due to dispute within the allocatee company there has been an inordinate delay in development of the block and there is no progress in development of EUP. The CA certificate has not been submitted for investment made by the allocatee. In view of the above, the IMG recommends that the coal block may be de-allocated with full forfeiture of the Bank Guarantee.*

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 Lalgarh (North) coal block in the State of Jharkhand allocated to M/s Domco Smokeless Fuels (P) Limited, Ranchi. In addition, it is further decided full forfeiture of Bank Guarantee, of Rs. 6.24 crores ( Six crore twenty four lakhs only) 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, UdyogBhavan, New Delhi.
3. The Coal Controller's Organization, 1, Council House Street, Kolkata with the direction to take necessary steps to deduct the Bank Guarantee amount .
4. The Chairman, Coal India Limited, 10-Netaji Subhash Road, Kolkata- 700 001.
- ✓ 5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

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Annexure I  
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No. 47011/1(19)/2000-CPAM/CA  
Government of India  
Ministry of Coal

New Delhi, dated the 08-7-2005

To

M/s Domco Smokeless Fuels (P) Ltd.  
Prakash Kunj, Booty Road,  
Bariatu, Ranchi- 834 009.

Subject :- Allocation of Lalgarh (North) sub-coal block in West Bokaro coalfield in Jharkhand for mining of coal for their pig iron plant to M/s Domco Smokeless Fuel (P) Ltd.

Sir,

I am directed to refer to your letters dated Nil (received in the Ministry of Coal on 6.7.2000), 11.9.2000, 14.10.2000, 12.4.2001 and 7.11.2001 and the letter of even number dated 24.11.2003 of this Ministry regarding your request for allocation of the Lalgarh North block in the West Bokaro Coalfields in Jharkhand to meet the coal requirement of your proposed 5 lakh tonne per annum capacity pig iron plant at Rairangpur in the District of Mayurbhunj, Orissa and to state that the Central Government, after considering your request, has decided to allocate the Lalgarh (North) sub-coal block in West Bakaro Coalfields in Jharkhand to you. This allocation is in pursuance of the provisions contained in Section 3(3) (a)(iii) of the Coal Mines (Nationalisation) Act, 1973. The allotment of Lalgarh North sub-block is subject to the following conditions:

- i) The allocation of the Lalgarh (North) block to M/s Domco Smokeless Fuels (P) Ltd. has been made to meet the requirement of 5 lakh tonne per annum raw coal for their proposed pig iron plant at Rairangpur, in Mayurbhunj district of Orissa. The coal produced from the block shall not replace any coal linkage given to M/s Domco Smokeless Fuels (P) Ltd. by the Coal India Limited/ its subsidiary companies and/ or by the Singareni Collieries Company Limited.
- ii) The block is meant for captive use in their own specified end use projects i.e. sponge iron project.
- iii) The company will use the middlings generated in the process of washing for captive power generation 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/ instructions of the Government at the relevant point in time and could also include handing over such surplus coal/ middlings/rejects to the local CIL subsidiary or to any person designated by it at a transfer price to be determined by the Government.
- iv) The coal production from the captive blocks shall commence within 36 months (42 months in case the area is in forest land) of the date of this letter in OC mine and in 48 months (54 months in case the area fall under forest land) from the date of this letter in UG mine. The end use project schedule and the coal mine development schedule should be modified

accordingly and submitted to this Ministry within 3 months from the date of this letter

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- MP 2020  
Central Government  
Ministry of Coal
- v) The Company shall buy the Geological report from CMPDIL within six weeks of the date of this letter.
  - vi) The company shall submit a bank guarantee for Rs 6.24 crores (equal to one year's royalty amount based on mine capacity of 0.5 mtpa assessed by CMPDIL, grades of coal from A to G grades and the weighted average royalty @ Rs. 124.87 per tonne) within 3 months of the date of this letter. Subsequently, upon approval of the mining plan the Bank Guarantee amount will be modified based on the final peak/rated capacities of the mines.
  - 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 progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. 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. M/s. Domco Smokless Fuels (P) Ltd. 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.
  - ix) No coal shall be sold, delivered, transferred or disposed of except for the stated captive mining purposes except with the previous approval of the Central Government.
  - 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) The allocated coal block of the Lalgarh ( North) is overlapped by a Coal Bed Methane (CBM) block given to the Oil and Natural Gas Commission (ONGC) for exploration. Process to exclude this captive coal block from the boundary of the CBM block has been initiated. In case, the exclusion does not materialise, for whatever reasons, then this allocation would be subject to the exploration rights accruing to the ONGC over the said CBM block. The allocatee of the captive coal block shall extend all reasonable co-operation, assistance and facility to the ONGC for carrying out the CBM exploration operations in the over-lap region without any additional cost to the ONGC.

(xii) 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 Govt.

xiii) 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 Govt. The final mining lease shall be as vetted/modified by the Central Govt. 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 :-

- b) Unsatisfactory progress of implementation of their end use sponge iron plant / power plant.
- c) Unsatisfactory progress in the development of coal mining project.
- d) For breach of any of the conditions of allocation mentioned at (i) to (xii) above.

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.

3. The company may approach CMPDIL for the geological report and contact the State Government authorities concerned for the necessary permissions/clearances etc. for attaining mining rights and related matters. The arrangement of transport of coal will have to be worked out by the company.

Yours faithfully,

  
(Premraj Kuar)  
Section Officer

Copy to:-

1. Chairman, Coal India Ltd., 10-Netaji Subhas Road, Kolkata- 700 001.
2. Chairman-cum-Managing Director, CMPDIL, Gondwana Place, Kanke Road, Ranch- 834 008.
3. Chairman-cum-Managing Director, Central Coalfields Ltd., Darbhanga House, Ranchi.
4. Ministry of Railways, Railway Board ( Shri M.S. Mathur, Joint Director (TP)) Rail Bhawan, New Delhi.
5. Ministry of Steel (Attn. Shri D. Kashiva, Jt. Industrial Adviser ) Udyog Bhawan, New Delhi.
6. Chief Secretary, Govt. of Orissa, Bhubneswar.
7. Chief Secretary, Government of Jharkhand., Ranchi.
8. CPAM Section.

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(Premraj Kumar)  
Section Officer



Annexure II

**SHOW CAUSE NOTICE**

No.13011/23 /2012-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 2<sup>nd</sup> May, 2012

To

M/s Domco Private Limited,  
403, Commerce House,  
Sarda Babu Street  
Ranchi 834 001

**Subject: Show cause notice in respect of Lalgarh North coal block.**

Sir,

I am directed to refer to this Ministry's letter No.47011/1(18)/2000-CPAM/CA dated 02.09.2005 conveying allocation of Lalgarh North 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, EMP, Mining



Lease, Forest Clearance, Land Acquisition are pending for Lalgarh North 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	23.8.2005	28.8.2006	1 Yr
Submission of Bank Guarantee	8.10.2005	11.3.2006	5 Months
Mining Lease Application	8.10.2005	Pending	6 Yrs 5 Months (as on Mar.12)
Submission of Mining Plan	8.1.2006	8.8.2006	7 Months
Approval of Mining Plan	8.3.2006	Pending	6 Yrs (as on Mar.12)
Application of Previous approval	8.5.2006	Pending	5Yrs 10 Months (as on Mar.12)
Granting of Previous approval	8.6.2006	Pending	5 Yrs 9 Months (as on Mar.12)
Application of Forest clearance	8.7.2006	Pending	5 Yrs 8 Months (as on Mar.12)
Grant of Forest Clearance	8.1.2007	Pending	5Yrs 2 Months (as on Mar.12)
Application EMP Clearance	8.7.2006	Pending	5 Yrs 8 Months (as on Mar.12)
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Application for opening permission	8.11.2008	Pending	3 Yrs 4 Months (as on Mar.12)
Grant of Opening permission	8.12.2008	Pending	3 Yrs 3 Months (as on Mar.12)
Coal Production	8.1.2009 (42 Months)	Pending	3Yrs 2 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 **Lalgarh North** 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 **Lalgarh North** coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to The Coal Controller. Coal Controller Organisation, Kolkata

Lalgarh(North) sub-coal block

S. No.	Items	Remarks																																												
1	Name of the block	Lalgarh(North) sub-coal block in West Bokaro coalfield in Jharkhand																																												
2	Name of the allocatee	M/s Domco Smokeless Fuels(P) Ltd.																																												
3	Date of allocation	08.07.2005																																												
4	Important terms and conditions of allocation	A copy of allocation letter is enclosed.																																												
5	End use allocated and status of end use plant	Proposed pig iron plant at Rairangpur in Mayurbhunj district of Orissa																																												
6	Milestones of allocation & Slippages against milestones as stated in the SCN	<table border="1"> <thead> <tr> <th>Mile Stones</th> <th>Schedule date of Completion</th> <th>Actual date of Completion</th> <th>Slippage in YY/MM</th> </tr> </thead> <tbody> <tr> <td>Purchase of GR</td> <td>23.8.2005</td> <td>26.8.2005</td> <td>1 Yr</td> </tr> <tr> <td>Submission of Bank Guarantee</td> <td>8.10.2005</td> <td>11.3.2006</td> <td>5 Months</td> </tr> <tr> <td>Mining Lease Application</td> <td>8.10.2005</td> <td>Pending</td> <td>6 Yrs 5 Months (as on Mar 12)</td> </tr> <tr> <td>Submission of Mining Plan</td> <td>5.1.2006</td> <td>8.8.2006</td> <td>7 Months</td> </tr> <tr> <td>Approval of Mining Plan</td> <td>8.3.2006</td> <td>Pending</td> <td>6 Yrs (as on Mar 12)</td> </tr> <tr> <td>Application of Previous approval</td> <td>8.5.2006</td> <td>Pending</td> <td>5 Yrs 10 Months (as on Mar 12)</td> </tr> <tr> <td>Granting of Previous approval</td> <td>8.6.2006</td> <td>Pending</td> <td>5 Yrs 9 Months (as on Mar 12)</td> </tr> <tr> <td>Application of Forest clearance</td> <td>8.7.2006</td> <td>Pending</td> <td>5 Yrs 8 Months (as on Mar 12)</td> </tr> <tr> <td>Grant of Forest Clearance</td> <td>8.1.2007</td> <td>Pending</td> <td>5 Yrs 2 Months (as on Mar 12)</td> </tr> <tr> <td>Application EMP Clearance</td> <td>8.7.2006</td> <td>Pending</td> <td>5 Yrs 8 Months (as on Mar 12)</td> </tr> </tbody> </table>	Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Purchase of GR	23.8.2005	26.8.2005	1 Yr	Submission of Bank Guarantee	8.10.2005	11.3.2006	5 Months	Mining Lease Application	8.10.2005	Pending	6 Yrs 5 Months (as on Mar 12)	Submission of Mining Plan	5.1.2006	8.8.2006	7 Months	Approval of Mining Plan	8.3.2006	Pending	6 Yrs (as on Mar 12)	Application of Previous approval	8.5.2006	Pending	5 Yrs 10 Months (as on Mar 12)	Granting of Previous approval	8.6.2006	Pending	5 Yrs 9 Months (as on Mar 12)	Application of Forest clearance	8.7.2006	Pending	5 Yrs 8 Months (as on Mar 12)	Grant of Forest Clearance	8.1.2007	Pending	5 Yrs 2 Months (as on Mar 12)	Application EMP Clearance	8.7.2006	Pending	5 Yrs 8 Months (as on Mar 12)
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Coal Production	4.1.2009 (42 Months)	Pending	3Yrs 2 Months

7. History previous review/action

No representative had attended the review meeting held on 23.05.2006 and they had not purchased GR. In this regard, the matter was taken up with CMPDIL on 30.5.2006 for GR of Lalgarh block. CMPDIL informed that the company deposited the cost of exploration on 30.03.2006. In the review meeting held on 22<sup>nd</sup> & 23<sup>rd</sup> June, 2009, it was recorded that the company will settle the issue and to obtain orders of appropriate authority within three months as all milestones were pending except purchase of GR submission of mine plan and BG. BG get lapsed from 08.07.2007. In the review meeting held on 20/21.07.2010 and the allocate company directed to settle the dispute within three months. Also, the company asked to withdraw one set of the two mining plans within ten days time. Show cause was issued to the party on 30.09.2010. The company informed on 25<sup>th</sup> Oct. 2010 that the Ministry process the mine plan prepared by J.P.Singh and same was communicated to CPAM for further action on mine plan.

8. Condonation of delay or extension of zero date granted in any and permissible grace period if any whether any request for condonation is pending with the Ministry.



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9	Litigation any orders of the court, if any	The High Court of Jharkhand passed an order on LPA No. 110/2008 with CO No06 of 2006(IA No. 2866 of 2009) on 17.09.2009 and directed that no order shall be passed pursuant to the decision taken by the Ministry in the minutes of meeting held on 22 <sup>nd</sup> & 23 <sup>rd</sup> June 2009. A letter was sent to Asstt Solicitor General, Jharkhand High Court for seeking advice on the order dated 8 <sup>th</sup> Oct. 2009 for de-allocation and the present status of the case. So far no response has been received from the concerned. The allocatee company filed a writ petition in High Court of Jharkhand in April 2012. The Ministry requested in July 2012 for extension of time for eight weeks. As record, no order or direction has been passed by the Court.
10	Summary of reply of the company including reasons for delay	The <b>proposed new</b> Project of 0.2 MTPA Pig Iron Plant at Jharkhand will be commissioning within two years after getting the approved Mine Plan. Financial closure not yet completed and is awaited for approval of MP. Land acquisition is completed. The project is delaying due to litigation before the CLB and before Jharkhand High Court. Non approval of MP all subsequent milestones were affected.
11	Comments of MoC with respect to the issue pertaining to delay in purchase of GR, transfer of surface rights by coal companies, sanction of mining plan.	The company submitted mine plan (July 2006) prepared by Shri J.P.Singh RQP, No 34011/21/2005-CPAM) on 08.08.2006 to CA-I Section. The same was forwarded 18.09.2006 to CPAM Section for placing before Standing Committee. The CPAM Section had returned the file for taking decision on different sets of mine plans and stated that there were two mining plans one received from CA-I, which had been prepared by Shri J.P.Singh and another set of mine plan prepared Shri B.D.Sharma, RQP and submitted the company. Both Managing Directors were submitted their rights over the company. These filed appeal before the Company Law Board. Based on the reply sent by the allocatee on 25 <sup>th</sup> Oct. 2010, the process of consideration of MP had been taken up and put up Technical Committee on 11.02.2011. It was noticed that the Plan has not been prepared as per guidelines. Therefore directed the company to submit afresh MP on 04.05.2011. The required afresh MP was received in Feb. 2012 and same was put up before Technical Committee on 31.05.2012 but RQP was not in India so they want time upto 07.06.2012. The company was given presentation on 23.07.2012 and observations of the Committee was sent to party on 22.08.2012 for compliance, which are still awaited.



Status of Coal Block as on June 2012

- Request for allocation by JCBK 25/06/12*
1. Name of Company:- M/s Damco Pvt Ltd
  2. Name of Coal Block:- Lalganj North Coking coal (Explored)/DC
  3. Date of Allocation:- 08.07.05
  4. Location:- West Bokaro, Jharkhand
  5. Project cost:- 250 Crs
  6. Total investment (capex) :- 19 Crs
  7. Interest (Gilt finance):- 270000
  8. Yearly rated capacity (MTPA) :- 0.5
  9. Cost of bit :- 06 Crs
  10. BG Amount:-
  11. Type of EOP:- PPA/Tru
  12. Location of Project:- Jharkhand
  13. Capacity of Project:- 2.06 MTPA
  14. Explored/Un-explored:- E
  15. Zero Date:- 8.7.05
  16. Previous recommendation:- Deallocate

Milestones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Purchase of GR	22.8.2005	28.8.2006	1 Yr	
Submission of Bank Guarantee	8.10.2005	13.3.2006	5 Months	
Mining Lease Application	8.10.2005	Pending	6 Yrs 3 Months	
Submission of Mining Plan	8.1.2006	8.8.2006	7 Months	
Approval of Mining Plan	8.3.2006	Pending	6 Yrs 3 Mo	Approval of MP is pending at MOC resulting delay in all milestones
Application of Previous approval	8.5.2006	Pending	6 Yrs 1 Months	

Granting of Previous approval	08.02.2006	Pending	6Yrs
Application of Forest clearance	08.7.2006	Pending	5 Yrs 11 Months
Grant of Forest Clearance	08.1.2007	Pending	5Yrs 5 Months
Application EMP Clearance	08.2.07	pending	5Yrs 06
Grant of EMP Clearance	08.3.07	pending	6Yrs
Grant of Mining Lease	08.7.2007	Pending	4 Yrs 11 Months
Application of Land Acquisition	08.2.2007	Pending	5Yrs 4 Months
Completion of Land Acquisition	08.7.2008	Pending	2 Yrs 11 Months
Application for opening permission	08.11.2008	Pending	3 Yrs 7 Months
Grant of Opening permission	08.12.2008	Pending	3 Yrs 6 Months
Coal Production	08.1.2009 (42 Months)	Pending	3Yrs 2 Months

MP:- New mining plan submitted on 19.6.2011

ML:- State Govt is processing ML application through DMO, Bokaro.

EUP:-

Proposed: New Project of 0.2 MTPA Pig Iron Plant at Jharkhand. Expected date of Commission. With two years after getting the approved MP. Financial closure not yet completed and is awaited for approval of MP. Land acqn. Completed in Jharkhand.

**The project is delaying due to litigation before the CLB and before Jharkhand High Court. Non approval of MP all subsequent milestones were affected.**



Annexure IV

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1. Name of Company:- M/s Domco Smokeless Fuels (P) Ltd.
2. Name of Coal Block:- Lalgarh(North)
3. Date of Allocation:- 08.07.2005
4. Normative Date of production:-08.01.2009(as per allotment letter)
5. BG Amount submitted :- 6.24 Crores
6. Recommendation: IMG recommends that the coal block may be de-allocated with full forfeiture of BG.

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Subscribed and verified by \_\_\_\_\_