

**SEEKING OF EXPLANATION**  
**By Speed Post**

No. 13016/45/2009-CA-I  
Government of India  
Ministry of Coal

\*\*\*\*

New Delhi, dated 1<sup>st</sup> January, 2014

To,  
The CMD,  
M/s Madhya Pradesh State Mining Corporation Ltd,  
Prayavas Bhavan, Block No.1(A),  
Second Floor, Jail Raod,  
Arera Hills, Bhopal-462001.

**Subject: Seeking of explanation from M/s Madhya Pradesh State Mining Corporation Ltd for slow progress in respect of Mandla South coal block – regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/8/2007-CA-I dated 25.07.2007 conveying allocation of **Mandla South coal block** in pursuance of the provisions contained in Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions. One of the conditions of allocation was that any violation of the condition imposed in mining of coal from Mandla South coal block will render the mining lease liable for cancellation and withdrawal of allocation.

2. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Mandla South coal block** allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised the allocattees whose blocks were held up due to location in No-Go area to pursue their forest diversion proposals since Go/No-Go concept has been done away with. Accordingly, an advisory letter No. 13011/2/2012-CA-I dated 26.04.2012 was issued to the company with the direction to expedite the development of coal block. It was also stated that the progress would be monitored regularly and if the development of the coal block and associated end use plant is not as per the schedule furnished and if any wilful delay is noticed, appropriate action including deduction of bank guarantee/de-allocation of the block would be considered.



3. In the meantime, the Government has constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairmanship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic Affairs. IMG has 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. IMG in its 19<sup>th</sup> meeting held on 25.06.2013 *inter alia* considered the status of the development of the **Mandla South coal block** prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> March, 2013 and noted that no significant progress has been made by your company towards development of the coal block. It has been noticed that a number of important/critical milestones are pending. The details of milestones to be achieved and the time lapsed against each milestone, as reported by the Office of Coal Controller, are given in the table below:

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as Mar 13)	Remarks	Special Observation
Purchase of GR	8.9.2007 (45 days from DOA)	4.12.2009	2Yrs 3 Months		
Submission of Bank Guarantee	25.10.2007 3 months from DOA)	Yes	-		
Mining Lease Application	25.10.2007 (3 months)	30.1.2008	3 Months	ML Area:- 558.880 Ha Forest Area:-118.7 Ha Revenue land :- 440.16 Ha	
Submission of Mining Plan	25.1.2008 (6 months from DOA)	2.9.2009	1Yr 8 Months		
Approval of Mining Plan	25.3.2008 (8 months from DOA)	3.8.2010	2Yrs 5 Months	Mine closure plan approved.	
Application of Previous approval	25.5.2008 (10 months from DOA)	30.10.2008	5 Months		
Granting of Previous approval	25.6.2008 (11 months from DOA)	19.5.2011	3 Yrs		





Application of Forest clearance	25.7.2008 (12 month from DOA)	22.2.2010	1Yr 7 Months		Recommendation of State Govt for Stg-II FC submitted to MOEF on 27.12.2012.
Grant of Forest Clearance	25.1.2009 (18 months from DOA)	Pending	4Yrs 2 Months		
Application EMP Clearance	25.7.2008 (12 month from DOA)	14.9.2009	1Yr 2 Months		
Grant of EMP Clearance	25.1.2009 (18 months from DOA)	2.1.2013	4Yrs		
Grant of Mining Lease	25.7.2009 (24 months)	Pending	3Yrs 8 Months		After forest clearance
Application of Land Acquisition	23.2.2009 (19 months)	21.1.2010	1Yr	Entire Pvt land acquired.	Total Land: <b>17.98</b> Ha. Pvt. Land: <b>17.98</b> Ha. Govt. land: 0 Forest Land: 0
Completion of Land Acquisition	(25.7.2010) 36 months	15.3.2013	2Yrs 8 Months		
Application for opening permission	25.11.2011 52 Months	Pending	1Yr 4 Months		
Grant of Opening permission	25.12.2011 (53 months)	Pending			
Coal Production	25.1.2012 (54 Months DOA)	Pending	-	UG mine with Forest land.	

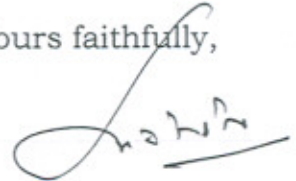
Keeping in view the unsatisfactory progress, IMG recommended to seek explanation for slow progress in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

5. Under the above circumstances, you are hereby called upon to **explain**, on each milestone separately to this Ministry within a period of **20 days** from the date of issue of this letter, the reasons for the slow progress as well as the efforts



made by you in development of the **Mandla South coal block**, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken.

Yours faithfully,



**(S.K. Shahi)**

Director

Tel: 23382807

Copy to:

(i) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata-700001.

✓ (ii) NIC for uploading on the MOC's website