

By Speed Post

No.13016/58/2008-CA-I  
Government of India  
Ministry of Coal  
\*\*\*\*

New Delhi, dated <sup>2nd</sup> January, 2014

To,  
The Managing Director,  
M/s Rathi Udyog Ltd.,  
A-3, Industrial Area,  
South of G.T. Road, Ghaziabad - 201009.

**Subject: De-allocation of Kesla North Coal block allocated to M/s Rathi Udyog Ltd. - regarding.**

Sir,

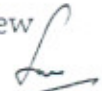
I am directed to refer to this Ministry's letter No. 38011/2/2007-CA-I dated 05.08.2008 conveying allocation of Kesla North coal block in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions (**Annexure-I**). One of the conditions of allocation was that the 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 were to be modified accordingly and submitted to the Ministry within 6 months from the date of allocation.

2. One of the other important conditions was that the 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.

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. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 22/23.06.2009 it was noticed that GR purchased, BG and MP submitted. All other milestones were pending. In the review



meeting held on 20/21.07.2010 it was noticed that GR purchased, BG and MP submitted. FC, EMP, ML & LA were pending. ML was at Secretary, Govt. of CG. FC application was made. Asked to submit the change of company's name to MOC for record. Review committee noticed slow progress & behind schedule.

4. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Kesla North** coal block allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

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 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. IMG in its 18<sup>th</sup> meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Kesla North** Coal Block prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> December, 2012 and noted that no significant progress was made by the company towards development of the coal block. It was noticed that a number of important/critical milestones were pending. Keeping in view the unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. Accordingly a show cause notice dated 06.06.2013 was issued (**Annexure-II**).

6. Subsequently, on receipt of reply in response to show cause notice, the IMG asked the allocatee company to make a presentation before it on the progress of development of allocated coal block and associated end use project(s). The representatives of the company gave presentation on 25.10.2013 before the IMG in its 23<sup>rd</sup> meeting. The IMG considered the presentation, the status of the **Kesla North** coal block and associated end use project(s) prepared by the Ministry of Coal and Coal Controller's Organisation (**Annexure-III**). 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 on June'13)	Remarks	Special Observation
Purchase of GR	15.9.08 45 days	21.10.09	1yr		
Submission of Bank Guarantee	5.11.08 3 months	24.4.09	5 months		
Mining Lease	5.11.08	24.6.09	7 months	Most of the	ML area

Application	3 months			area under CBA Act.	:- 750 Hec.
Submission of Mining Plan	5.2.09 6 months	22.9.09	7 months		
Approval of Mining Plan	5.4.09 8 months	27.10.10	1yr 6 months		
Application of Previous approval	5.6.09 10 months	Pending	4yr 0 months		
Granting of Previous approval	5.7.09 11months	Pending	3yr 11 months		
Application of Forest clearance	5.8.09 12 months	22.2.11	1 yr 6 months		
Grant of Forest Clearance	5.2.10 18 months	Pending	3yrs 4 months		
Application EMP Clearance	5.8.09	Oct.09	2 months		
Grant of EMP Clearance	5.2.10 18 months	Pending	3yrs 4months	Presentation to MOEF done on 23.4.12	
Grant of Mining Lease	5.8.10 24 months	Pending	2yr 10 months		
Application of Land Acquisition	5.3.10 19 months	Pending	3yr 3 months		
Completion of Land Acquisition	5.8.11 36 months	Pending	1yr10 months		
Application for opening permission	5.12.12 52 months	Pending	6 months		
Grant of Opening permission	5.1.13 53 months	Pending	5 months		
Coal Production	5.2.13 (54months)	Pending	4 months	UG mine with forest land.	

6. After detailed deliberations, the IMG made recommendation for de-allocation of **Kesla North** coal. The recommendations made by the IMG are as follows:-

"The IMG considered the terms and conditions of allocation, the show cause notice issued, reply of the block allocatee to the show cause notice issued, comments of Govt. of Chhattisgarh, status report of CCO, presentation made by the allocatee company on 25.10.2013 along with the status paper presented to the IMG. IMG noted that as per CCO's status report, GR purchased, BG submitted; however, there have been delays in achieving milestone. EC & FC pending, previous approval of Central Govt. to mining lease, grant of mining lease, land acquisition, mine opening permission and coal production are pending.

The IMG considered the reply of the allocatee to the show cause notice wherein the allocatee company has stated that the delay has occurred because of non-availability of land records because the process of survey of concerned villages were under process and land records could be supplied till the completion of the survey work and publication

thereof by the authorities. Other stumbling block in achieving the milestones has been the fact that almost the entire allocated area (approx. 90%) is covered under CBA Act. Meetings have been held with SECL officers in Ministry of Coal for relinquishment of CBA land.

The company was requested to submit the CA certificates on investment made in the coal block and EUP. The company did not submit the CA certificates during presentation. However, Company on 30.10.2013 has since submitted the CA certificates. As per CA Certificate, the company has made an investment of Rs.274.07 crores on the EUP and Rs.8.57 crores on the coal block as on 30.09.2013.

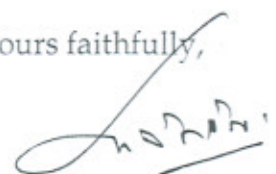
It is noted by the IMG that the allocatee could not resolve the land issue with the SECL. All other milestones like EC, FC, etc. are pending. Further the State Govt. of Chhattisgarh has in its comments, opined that in view of no progress within the given time frame; the coal block may be de-allocated.

**Recommendation:** Taking into account the facts placed before it including the fact that though GR had been purchased and BG submitted, most of the major milestones such as mining plan, EC & FC, land acquisition as well as grant of mining lease, have not been achieved despite a lapse of more than 5 years since allocation, IMG recommends de-allocation of coal block."

7. The recommendation of the IMG has since been considered and approved by the Government. As the allocatee company have been given a number of opportunities to develop the coal block and the associated end use project and the 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 **Kesla North** coal block in the State of Chhattisgarh allocated to **M/s Rathi Udyog Ltd.** The company shall not be eligible for allocation of any block in lieu of de-allocated block. As per order dated 06.12.2013 of Hon'ble High Court of Delhi in W.P. (C) 7692/2013 and CM 16383-84/2013, this order shall come into effect after ten (10) days from the date of dispatch.

Encls: As above

Yours faithfully,



(S.K. Shahi)  
Director  
Tel: 23382807

Copy to:

- (i) The Chief Secretary, Government of Chhattisgarh, Raipur.
- (ii) The Chief Secretary, Government of Odisha, Bhubaneswar.
- (iii) The Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
- (iv) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata.
- (v) The Chairman, Coal India Ltd., 10 - Netaji Subhash Road, Kolkata - 700 001.
- (vi) NIC, Ministry of Coal for uploading the letter on Ministry's website.

Annex-I

No 38011/2/2007-CA-I  
Government of India  
Ministry of Coal

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New Delhi, dated the 5<sup>th</sup> August, 2008.

To

M/s. Rathi Udyog Ltd.,  
1/3, Khirki Village,  
Malviya Nagar,  
New Delhi - 110 017.

Subject: Allocation of Kesla North coal block in the State of Chhattisgarh for captive mining of coal by M/s. Rathi Udyog Ltd. for their 0.75 mtpa Sponge Iron Plant in Dist. Sambalpur, Orissa.

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Sir,

I am directed to refer to the application of M/s. Rathi Udyog Ltd. for allocation of coal block in the State of Chhattisgarh and to state that this has been considered by the Central Government and it has been decided to allot Kesla North coal block in the command area of South Eastern Coalfields Ltd. to M/s. Rathi Udyog Ltd to meet the coal requirement for 0.75 mtpa of capacity in their Sponge Iron Plant in Dist. Sambalpur, Orissa. The allocation of Kesla North coal block to M/s. Rathi Udyog 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 Kesla North coal block to M/s. Rathi Udyog Ltd. has been made to meet the coal requirement of 0.75 mtpa of capacity in their Sponge Iron Plant in Dist. Sambalpur, Orissa.
- 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. Rathi Udyog 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.

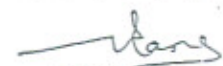
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- v. Coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) in case of UG mine from the date 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. 4.35 crores (equal to one year's royalty amount based on mine capacity of 0.3 mtpa assessed by CMPDIL, grade of coal of A to E and the weighted average royalty @ Rs. 145.06 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.

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.

To

1. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
2. The Chief Secretary, Government of Chhattisgarh, Secretariat, Raipur.
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, South Eastern Coalfields Limited, Seepat Road, Bilaspur.
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**  
**By Speed Post**

No.13016/58/2008-CA-1  
Government of India  
Ministry of Coal  
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New Delhi, dated 6<sup>15</sup> June, 2013

To,  
The Managing Director,  
M/s Rathi Udyog Ltd.,  
1/3, Khirki Village, Malviya Nagar,  
New Delhi-110017.

**Subject: Show Cause Notice to M/s Rathi Udyog Ltd. in respect of Kesla North Coal block  
- regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 38011/2/2007-CA-1 dated 05.08.2008 conveying allocation of **Kesla North** coal block in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions. One of the conditions of allocation was that the 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 were to be modified accordingly and submitted to the Ministry within 6 months from the date 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 **Kesla North** block allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

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 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. IMG in its 18<sup>th</sup> meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Kesla North** Coal Block prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> December, 2012 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 on Dec 12)	Remarks	Special Observation
Purchase of GR	15.9.08 45 days	21.10.09	1yr		
Submission of Bank Guarantee	5.11.08 3 months	24.4.09	5months	BG introduced in March 2005	
Mining Lease Application	5.11.08 3 months	24.6.09	7 months	Most of the area under CBA Act.	ML area :- 750 Hec.
Submission of Mining Plan	5.2.09 6 months	22.9.09	7 months		
Approval of Mining Plan	5.4.09 8 months	27.10.10	1yr 6 months		
Application of Previous approval	5.6.09 10 months	Pending	3yr 6 months		
Granting of Previous approval	5.7.09 11 months	Pending	3yr 5 months		
Application of Forest clearance	5.8.09 12 months	22.2.11	1 yr 6 months		
Grant of Forest Clearance	5.2.10 18 months	Pending	2yrs 10 months		
Application EMP Clearance	5.8.09	Oct.09	2 months		
Grant of EMP Clearance	5.2.10 18 months	Pending	2yrs 10 months	Presentati on to MOEF done on 23.4.12	
Grant of Mining Lease	5.8.10 24 months	Pending	2yr 4 months		
Application of Land Acquisition	5.3.10 19 months	Pending	2yr 9 months		
Completion of Land Acquisition	5.8.11 36 months	Pending	1yr 4 months		
Application for opening permission	5.12.12 52 months	Pending	-		
Grant of Opening permission	5.1.13 53 months	Pending	-		

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Coal Production	5.2.13 (54months)	Pending	-	UG mine with forest land.
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Observation of Field Office of CCO during inspection of the block	
Date of Inspection	26.11.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that an office in a rented house at Kotma.
Activities related to coal transportation	• No
Presence of mining equipment.	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	• No
Engagement of MDO	• No information

Keeping in view unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

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 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 allocation of Kesla 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 said coal block.

5. You are also requested to furnish a detailed status note on the progress of end use plant(s) (EUPs) for which the above mentioned coal block was allocated to you.

Yours' faithfully,



(S.K. Shahi)  
Director  
Tel: 23382807

Copy to:

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

(ii) NIC, Ministry of Coal for uploading the letter on Ministry's website.

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Annex-III

### Status Note

Sl. No.	Items	Remarks
1	Name of the Block	Kesla North Coal Block
2	Name of the allocate	M/s Rathi Udyog Ltd.
3	Date of allocation	05.08.2008
4	End Use Plant & Capacity	Sponge Iron Plant, capacity 0.75 mtpa
5	Important terms and conditions of allocation	Copy of allocation letter enclosed as Annexure-I
6	Milestones of allocation and slippages against milestone	Copy of status note from CCO enclosed as Annexure-II
7	History Previous review / action	<p>In the review meeting held on 20/21.07.2010 it was noted that GR purchased, BG and MP submitted. FC, EMP, ML &amp; LA were pending. ML was with Secy, Govt. of CG. FC application was made. Asked to submit the change of company's name to MOC for record. Review committee observed slow progress &amp; behind schedule.</p> <p>In the review meeting held on 11/12.01.2012, it was noticed that ML grant, FC/EMP, LA were pending. Public hearing was completed. Land surveyed. 80-90% land notified under CBA Act. SECL had to transfer land to State Govt. ML application was not forwarded to MOC for 5(1) approval. Company requested MOC to convey joint meeting with Govt. of CG. Land transfer issue was to be sorted out with SECL. It was requested to shift zero date for development. Committee noticed that the progress was not satisfactory and advised to expedite the development of the coal block and be cautioned to be careful in future w.r.t. the milestones stipulated.</p> <p>The progress of the block has been further reviewed by IMG in its meeting held on 01.05.2013. The IMG noted that no significant progress has been made by the company towards development of the coal block. It has been noticed that a number of important/critical milestones are pending. IMG recommended issuing show cause notice for delay in development of coal block. Accordingly, a show cause notice was issued to the company.</p>
8	Condonation of delay or extension of Zero date granted if any and	No

	permissible grace period if any whether any request for Condonation is pending with the Ministry	
9	Litigation any orders of the court , if any	No
10	Summary of reply of the company including reasons for delay	The delay has occurred because of non-availability of land records because the process of survey of concerned villages were under process and land records could be supplied till the completion of the survey work and publication thereof by the authorities. Other stumbling block in achieving the milestones has been the fact that almost the entire allocated area (approx. 90%) is covered under CBA Act. Meetings have been held with SECL officers in Ministry of Coal for relinquishment of CBA land. Milestone-wise reasons of delay have been intimated by the company. Copy of reply of the company is enclosed as <b>Annexure-III</b> . A copy of reply of the company was sent to State Govt. for comments.
11	Comments of State Govt. on reply of the allocattee company.	No reply has been received from the State Govt. *
12	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.	CBI has lodged FIR against the company.

\* was received subsequently and placed before 1974

**Coal Controller Office, Kolkata**  
**Updated Status of Coal Block as on June 2013**  
**(As per Status report submitted by the company)**

1. Name of Company:- M/s. Rathi Steel & Power Ltd.
2. Name of Coal Block:- Kesla North (UG)/Pvt
3. Name of Owner/Address:- Authorised Signatory, A-3 Industrial Area, South of G.T.Road, Ghaziabad- 201009
4. Date of Allocation:- 5.8.2008
5. Location: Korba/CG
6. Project cost :- Not available
7. **Total investment made Cr (till June'13) :- 7.88 (as per CA report)**
8. Reserve (Mill tonnes):- 36.48 (Geological)
9. Mineable Reserve in MT:- 14
10. Yearly rated capacity (MTPA):- 0.3
11. Grade of Coal:- A-G
12. Cost of GR:- Rs. 3.26 Crs
13. BG Amount :- Rs. 4.35 Crs (valid 24.4.2013 )
14. Type of EUP:- SIP
15. Location of Project Sambalpur Orissa
16. Capacity of Project:- 7.5 LTPA
17. Explored/Un explored:- Explored
18. Type of mine:- UG
19. Zero Date:- 5.8.2008 (As per block allocation letter)
20. **Previous Recommendation, if any:-** Caution notice issued by MOC as per decision of review meeting dated 11/12.1.2012. Again in 18<sup>th</sup> IMG held on 01.05.2013 advised to issue show cause notice.

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on June'13)	Remarks	Special Observation
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Grant of EMP Clearance	5.2.10 18 months	Pending	3yrs 4months	Presentation to MOEF done on 23.4.12	
Grant of Mining Lease	5.8.10 24 months	Pending	2yr 10 months		
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Coal Production	5.2.13 (54months)	Pending	4 months	UG mine with forest land.	

Observation of Field Office of CCO during inspection of the block	
Date of Inspection	26.11.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that an office in a rented house at Kotma.
Activities related to coal transportation	• No
Presence of mining equipment.	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	• No
Engagement of MDO	• No information

**Other details and constraint faced by the block allocates**

**ML:** *Mining lease application has got stuck because most of the area of the block stands notified under CBA Act and technically is under the control of SECL.* Land records were not available initially. Company stated that progress cannot be possible unless the block is made free from all encumbrances.

**FC:** Forest application returned for want of in principle approval from Govt of Chhattisgarh which cannot be given by the State Govt unless and until the entire block is made free from all encumbrances. Most of the coal block area is under control of SECL and under CBA Act. In any case they have since registered FC proposal under registration NO. 2013/01. Forest clearance proposal is pending with State Forest Department.

**EMP:-** TOR from MOEF has been received in June 2010. Action for all the activities such as ,EI/EMP preparation, study of Flora and Fauna and water level Hydrological study etc and other requirements as mentioned in the TOR have been completed. After completion of PH, the proposal for EMP submitted. Initially the company proposed for OC on 112.11 Ha in protected forest. However, the MOEF approved the TOR with 52.9 Ha for OC in protected forest. After approval of TOR , *The MOEF reduced the area of open cast mining again from 52.9 Ha to 24.07 Ha and instructed to file revised proposal for EMP. Revised EMP proposal filed on 19.5.12. EAC meeting held on 3.6.13 while recommending the U/G proposal for EC.* MOEF directed to consider UG mining for entire OC mining area. This was a major setback.

**LA:-** SECL land overlapped within the blocks area.

**Matter needs to settle as requested by company :**

- To direct SECL for Denotification of entire area under CBA Act falling under 750 acres of Kesla block for joint survey.
  - State Govt needs to forward Mining lease application to Central Govt for prior approval.
- Register the proposal for forest clearance.
- Shifting the zero date for development of coal block.
  - **EUP:** Total capacity 7.5 LTPA. Existing: 1.5 LTPA SIP started production at Sambalpur, Orissa. Proposed 6 LTPA is expected to be commissioned by 2012-13 to 2014-15 subject to availability of further allotment of coal block. Coal requirement 2.40 LTPA..
  - **Project cost:- Not available**
  - **Investment made (As per CA report):- Rs.220 Cr. (As on June'13)**