

SEEKING OF EXPLANATION
By Speed Post

No. 13016/17/2007-CA-I (Part)

Government of India

Ministry of Coal

New Delhi, dated 3rd January, 2014

To,
The CMD,
M/s Gujarat Mineral Development Corporation Ltd,
Khanij Bhavan, 132 Ft. Ring Road,
University Ground, Vastrapur,
Ahmedabad-380062, Gujarat.

Subject: Seeking of explanation from M/s Gujarat Mineral Development Corporation Ltd for slow progress in respect of Morga-II coal block - regarding.

Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 02.08.2006 conveying allocation of **Morga-II 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 the prospecting license shall be applied for within three months of date of allotment and the detailed exploration shall be completed at the earliest. After the detailed exploration is completed the allocatee shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render the allocation liable for cancellation and withdrawal of block from the allocatee. Allocation letter further stipulates that any violation of the condition imposed in mining and disposing of coal from Morga-II coal block will render the mining lease liable for cancellation.

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 **Morga-II coal block** allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised the allocatees 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



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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 19th meeting held on 25.06.2013 *inter alia* considered the status of the development of the **Morga-II coal block** prepared by the Coal Controller's Organisation (CCO) as on 31st March, 2013 and noted that there has been slow progress towards development of the coal block and no sincere efforts have been made by your company. 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 Mar.13)	Remarks	Special Observati on
Purchase of GR	2.11.2008 (27 Months)	Pending	4 Yrs 4 Months	Drilling will start after clearance received from MOEF	
Submission of Bank Guarantee	2.11.2006 (3 Months)	Not applicable	-	BG introduced in June,2007	
Mining Lease Application	2.2.2009 (3 months from GR completion)	Pending	4 Yrs 1 Month	Forest area:- 1987.912 Ha	
Submission of Mining Plan	2.5.2009 (6 months)	Pending	3Yrs 10 Months		
Approval of Mining Plan	2.7.2009 (8 months)	Pending	3Yrs 8 Months		
Application	2.9.2009	Pending	3 Yrs 6		

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of Previous approval	(10 months)		Months		
Granting of Previous approval	2.10.2009 (11 Months)	Pending	3Yrs 5 Months		
Application of Forest clearance	2.11.2009 (12 months)	Pending	3Yrs 4 Months		
Grant of Forest Clearance	2.5.2010 (18 months)	Pending	2Yrs 10 Months		
Application EMP Clearance	2.11.2009 (12 months)	Pending	3Yrs 4 Months		
Grant of EMP Clearance	2.5.2010 (18 months)	Pending	2Yrs 10 Months		
Grant of Mining Lease	2.11.2010 (24 months)	Pending	2Yrs 4 Months		
Application of Land Acquisition	2.6.2010 (19 months)	Pending	2Yrs 9 Months		Forest land:- 1987.912 Ha
Completion of Land Acquisition	2.11.2011 (36 months)	Pending	1Yr 4 Months		
Application for opening permission	2.3.2012 (40 Months)	Pending	1Yr		
Grant of Opening permission	2.4.2012 (41 month)	Pending	11 Months		
Coal Production	2.5.2012 (42 Months)	Pending	10 Months	OC mine with Forest land	Delay due to No Go classification

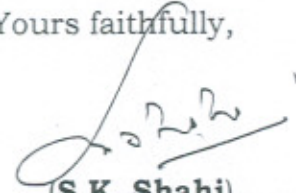
Keeping in view the unsatisfactory progress, IMG recommended to seek explanation for slow progress in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

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 **Morga-II 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, Ministry of Coal for uploading the letter on Ministry's website.