

SEEKING OF EXPLANATION
By Speed Post

No. 13016/10/2002-CA/CA-I (Part.V)
Government of India
Ministry of Coal

New Delhi, dated 3rd January, 2014

To,
The CMD,
M/s Chhattisgarh Mineral Development Corporation Ltd,
Sona Khan Bhawan, Ring Road No.1,
Purena, Raipur, Chhattisgarh.

Subject: Seeking of explanation from M/s Chhattisgarh Mineral Development Corporation Ltd. for slow progress in respect of Tara Coal block - regarding.

Sir,

I am directed to refer to this Ministry's letter No. 13016/10/2002-CA dated 14.08.2003 conveying allocation of **Tara 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.

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 **Tara** 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 19th meeting held on 25.06.2013 *inter alia* considered the status of the development of the **Tara** coal block prepared by the Coal Controller's Organisation (CCO) as on 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 March.2013)	Remarks	Special Observation
Purchase of GR	29.9.2003 (45 Days)	20.4.2005	1 Yr 7Months		
Submission of Bank Guarantee	Not applicable			BG introduced in March. '05	
Mining Lease Application	14.11.2003 (3 Months)	12.6.2006	2 Yrs 7Months	ML Area:- 2778.19 Ha	
Submission of Mining Plan	14.2.2004 (6 months)	2.3.2006	2 Yrs 1 month		
Approval of Mining Plan	14.4.2004 (8 months)	14.5.2007	3Yrs 1 Month		Revised MP approved on 26.4.2012
Application of Previous approval	14.6.2004 (10 months)	June,2007	5Yrs 5Months		
Granting of Previous approval	14.7.2004 (11 Months)	26.4.2010	5 Yrs 9Months	Previous approval granted for 2400 Ha	
Application of Forest clearance	14.8.2004 (12 months)	Jan.2007	2Yrs 5 Months		
Grant of Forest Clearance	14.2.2005 (18 months)	Pending	8Yrs 1 Months	Stage-I FC granted on 5.7.2011	Stg-II FC is pending
Application EMP Clearance	14.8.2004 (12 months)	Jan.2007	2 Yrs 5Months		
Grant of EMP Clearance	14.2.2005 (18 Months)	23.5.2012	7 Yrs 3 Months		Action initiated for compliance of terms and conditions
Grant of Mining	14.8.2005	Pending	7 Yrs 7		

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Lease	(24 months)		Months		
Application of Land Acquisition	14.3.2005 (19 Months)	7.8.2006	1 Yrs 5 Months		
Completion of Land Acquisition	14.8.2006 (36 months)	Pending	6Yrs 7 Months	The entire Pvt land 477.0 Ha has been passed by Collector, Surguja	Total Land: 477.0 Ha. Pvt. Land: 477.0 Ha. Govt. land: - Nil Forest Land: -
Application for opening permission	14.12.2006 (40 Months)	Pending	6 Yrs 3 Months		
Grant of Opening permission	14.1.2007 (41 months)	Pending	6 Yrs 2 Months		
Coal Production	14.2.2007 (42 months)	Pending	6 Yrs 1 Months	OC mining with forest land involved.	Delay attributed due to NO Go Forest area declared by MOEF.

Keeping in view the slow 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.

4. 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 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.

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