

By Speed Post

No.13016/41/2009-CA-I  
Government of India  
Ministry of Coal  
\*\*\*\*\*

New Delhi, dated 20<sup>th</sup> March, 2014

To,  
The Managing Director,  
M/s Andhra Pradesh Mineral Development Corporation Ltd.,  
Pancom Business Centre, 2<sup>nd</sup> & 3<sup>rd</sup> Floor,  
8-3-945, Aameepet, Hyderabad - 500073.

**Subject: Deduction of Bank Guarantee in respect of Suliyari Coal block allocated to M/s Andhra Pradesh Mineral Development Corporation Ltd. - 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 **Suliyari** coal block in the State of Madhya Pradesh in pursuance of the provisions contained in Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions (**Annexure-I**). One of the conditions of allocation was that there shall be annual review of progress achieved by an allocattee 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. One of the conditions also stipulates that any violation of the conditions imposed in the allocation letter in mining of coal from the **Suliyari** 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 **Suliyari** 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. It was also intimated 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 willful delay is noticed, appropriate action including deduction of bank guarantee/de-allocation of 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 18<sup>th</sup> meeting held on 01.05.2013 *inter alia* considered the status of the



development of the **Suliyari** Coal Block prepared by the Coal Controller's Organisation (CCO) as on 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 18.06.2013 was issued (**Annexure-II**).

4. 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 **Suliyari** 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	25.10.2009 (27 Months from DOA)	31.10.2011	2 Yrs	Delay in awarding the work.	
Submission of Bank Guarantee	25.10.2007 (3 Months)	25.10.09	2 Yrs		
Mining Lease Application	31.1.2012 (3 Months from GR preparation)	28.10.2012	9 Months		Zero date taken from date of GR preparation ie. 31.10.11
Submission of Mining Plan	31.4.2012 (6 Months) from GR preparation	8.10.2012	6 months		
Approval of Mining Plan	31.6.2012 (8 Months)	Pending	1 yr. 0 month		
Application of Previous approval	31.8.2012 (10 Months)	Pending	10 Months		
Granting of Previous approval	31.9.2012 (11 Months)	Pending	9 Months		
Application of Forest	31.10.2012 (For Phase-II)	Pending	8 months	234 Hec forest	Phase_I does not

clearance	(12 Months)			land within ML hold area.	have any forest land.
Grant of Forest Clearance	31.4.2013 (For Phase-II mining) (18 Months)	Pending	2 months	Phase-I without forest land.	
Application EMP Clearance	31.10.2012 (12 Months)	30.4.2012	6 months		
Grant of EMP Clearance	31.4.2013 (18 Months)	Pending	2 months		
Grant of Mining Lease	31.10.2013 (24 Months)	Pending	-		
Application of Land Acquisition	31.7.2012 (Phase-I) 9 months from GR 31.5.2013 (phase-II) (19 months) from GR	10.12.1011	-	704 Ha Pvt. land.	
Completion of Land Acquisition	31.4.2014 (Phase-I) 30 months 31.10.2014 (Phase-II) 36 Months)	Pending	-		
Application for opening permission	31.8.2014 (Phase-I) 34 months 31.2.2015 (Ph-II) (40 Months)	Pending	-		
Grant of Opening permission	31.8.2014 (Ph-I) 35 months 31.3.2015 (Ph-II) (41 Months)	Pending	-		
Coal Production	<b>31.9.2014</b> (Ph-I) 36 months from GR completion. <b>31.4.2015</b> (Phase-II) (42 Months from GR completion)	Pending	-	Phase-I is OC mining without forest land and Phase-II is OC mining with forest land.	

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6. After detailed deliberations, IMG recommended for deduction of proportionate amount of Bank Guarantee (BG) linked to milestones set for development of **Suliyari** coal block. The recommendations made by the IMG are as follows:-

"The IMG considered the terms and conditions of allocation, the show cause notice issued, the reply of the block allocatee to the show cause notice issued, 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, land acquisition completed; however, there have been delays in achieving milestone. Mining plan approval, EC and FC, previous approval of Central Govt., grant of mining lease, mine opening permission and coal production are pending.

The IMG considered the reply of the allocatee to the show cause notice wherein the allocatee has mainly stated that there was an initial delay of 2 years in obtaining prospecting license from govt. of MP. As regards grant of Stage-II forest clearance, the delay is due to having forest land of 234 ha. and delay in grant of permission by MP Forest Dept. for exploration of forest land. APMDC has selected M/s SCCL, a State PSU as its JV partner and number of preparatory and pre-mining activities have been completed like preparation of geological reports, preparation of mining plan, and detailed project report of phase-I project and the required financial commitments in the form of Bank Guarantee etc. Action has already been taken by APMDC for acquisition of Government land, private land and APMDC deposited Rs.30 crores with M.P. Government and notification has been issued for acquisition of private land. Various other actions have also been initiated. Company has given milestone-wise reasons for delay. The allocatee apprised the IMG of its preparedness to start mining operations under Phase-I in the non-forest land by November 2014. The allocatee has informed that it will, in the meanwhile, obtain other pending clearances.

The company was requested to hand over the CA certificate during the time of presentation. The company subsequently provided CA certificate dated 26.03.2013 indicating an investment of Rs.16.37 crores towards the coal block.

**Recommendation:** Taking into account the facts placed before it including the fact that GR purchased, BG submitted and land acquired and grant of mining lease EC & FC and mine opening permission are pending, IMG noted that this was a regionally explored block and the allocatee had to undertake detailed exploration to prepare GR/mining plan. IMG noted that GR has been prepared, however, achievement of other milestones have been delayed. IMG, therefore, recommends proportionate deduction of Bank Guarantee (BG) linked to the milestones set for development of the block as per the terms and conditions of allocation."



7. The recommendation of the IMG has since been considered and approved by the Government. In view of above, an amount of Rs. 2.24885 crores ( Rupees two crore twenty four lakhs eighty eight thousand and five hundred only) is being deducted from Bank Guarantee submitted to the Office of Coal Controller and deposited in relevant head of account of the Government (The calculation of imposition of BG is as per **Annexure-IV**).

Yours faithfully,

Encls: As above

  
(S.K. Shahi)  
Director  
Tel: 23382807

Copy to:

- (i) The Chief Secretary, Government of Madhya Pradesh, Ballabh Bhawan, Bhopal.
- (ii) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata with the direction to take necessary steps for deduction of Bank Guarantee under intimation to this Ministry.
- (iii) The Chairman, Coal India Ltd., 10 - Netaji Subhash Road, Kolkata - 700 001.
- (iv) NIC, Ministry of Coal for uploading the letter on Ministry's website.



F.No. 13016/8/2007-CA-I  
Government of India  
Ministry of Coal

New Delhi, the 25<sup>th</sup> July, 2007

To

Vice Chairman and Managing Director,  
Andhra Pradesh Mineral Development Corporation.  
Pancom Business Centre, 2<sup>nd</sup> and 3<sup>rd</sup> Floor,  
8-3-945, Ameerpet,  
Hyderabad 500 073

Subject: Allocation of Suliyari coal block to Andhra Pradesh Mineral Development Corporation (APMDC).

Sir,

I am directed to refer to letter number as mentioned below from the Andhra Pradesh Mineral Development Corporation (APMDC) on the above subject and to convey the 'in principle' consent of the Government of India to the working of Suliyari block as under:

Sl. No.	Name of the applicant company	Reference No.	Project Name	Share of reserves (MT)
1	Andhra Pradesh Mineral Development Corporation (APMDC)	No. APMDC/GEO-38/Coal/05-06/2752	Commercial Mining	75 MT

2. The above allocation has been made under the Government Company dispensation in pursuance of the provisions of Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act 1973 and the Revised Policy on Coal Mining by State Government (copy enclosed), subject to further following conditions:

(i) Prospecting/Detailed exploration and coal mining shall be carried out by M/s APMDC or a separate company to be created with participation of M/s APMDC provided that the separate created company is a Government company eligible to do coal mining as per the provisions of the Coal Mines (Nationalisation) Act, 1973.

(ii) The mining lease will be executed between the State Government and the allocatee as per the provisions of the MMDR Act 1957 and the rules framed there under.

(iii) The allocatee will do exploration and coal mining in accordance with the provisions of the Coal Mines (Nationalisation) Act 1973, the Mines and Minerals (Development & Regulation) Act, 1957, the Contract Labour

(Regulation & Abolition) Act, 1970, all the minerals, environmental and labour laws along with other regulations governing coal industry.

(iv) Detailed exploration shall be carried out on their own, subject to guidelines laid down in consultation with the CMPDIL.

(v) Mining of coal from the allocated coal block shall be carried out in accordance with the applicable Statutes/Rules/Orders/Directions governing the mining of coal in the country so as to extract the reserve to the maximum extent possible.

(vi) Those of the conditions mentioned herein 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.

(vii) 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.

(viii) Coal produced from the allocated coal block **Suliyari** coal block will not be supplied to the consumers of Coal India Limited/SCCL against their existing linkages.

(ix) M/s APMDC may approach CIL/CMPDIL/GSI to obtain the available geological data on the block on payment of necessary exploration cost.

(x) In respect of an unexplored block, the allocatee company shall apply for a prospecting license within three months of the date of issue of allotment letter. The exploration shall be completed and geological report prepared within two years from the date of issue of prospecting license. After the detailed exploration is completed the allocatee of the block shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee.

(xi) M/s APMDC shall submit a bank guarantee of Rs. 5.81 crore (equal to one year's royalty amount based on mine capacity of 0.48 mtpa as assessed by CMPDIL, grade of coal and the weighted average royalty @ Rs. 121 per tonne) within three months from the date of this letter. Subsequently, upon approval of mining plan the Bank Guarantee amount will be modified on the basis of final peak/rated capacity of the mine.

(xii) 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:



(i) There shall be an annual review of progress achieved by an allottee 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.

(ii) Once production commences, in case of any lag in the production of coal/lignite, 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.

(iii) The allottee 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.

(xiii) Any violation of the conditions imposed above in mining of coal from the Suliyari coal block will render the mining lease liable for cancellation and withdrawal of allocation.

  
(V.S. Rana)

Under Secretary to the Government of India.

Copy to

1. The Chief Secretary, Government of Andhra Pradesh, Hyderabad
2. Chairman, CIL, Kolkatta
3. CMD, CMPDIL, Ranchi CIL
5. CMD, NCL
6. Coal Controller, Kolkatta
7. Office Folder.



**SHOW CAUSE NOTICE**  
**By Speed Post**

No.13016/41/2009-CA-I (Part)  
Government of India  
Ministry of Coal  
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New Delhi, dated 18<sup>th</sup> June, 2013

To,  
The Managing Director,  
M/s Andhra Pradesh Mineral Development Corporation Ltd.,  
Pancom Business Centre, 2<sup>nd</sup> & 3<sup>rd</sup> Floor,  
8-3-945, Aameepet, Hyderabad – 500073.

**Subject: Show Cause Notice to M/s Andhra Pradesh Mineral Development Corporation Ltd. in respect of Suliyari 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 **Suliyari** coal block in the State of Madhya Pradesh 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 there shall be annual review of progress achieved by an allocattee 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. One of the conditions also stipulates that any violation of the conditions imposed in the allocation letter in mining of coal from the **Suliyari** 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 **Suliyari** 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 constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the chairpersonship 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 mandate to review the progress of development of allocated coal/lignite 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 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 **Suliyari** 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	25.10.2009 (27 Months from DOA)	31.10.2011	2 Yrs	Delay in awarding the work.	
Submission of Bank Guarantee	25.10.2007 (3 Months)	25.10.09	2 Yrs		
Mining Lease Application	31.1.2012 (3 Months from GR preparation)	28.10.2012	9 Months		Zero date taken from date of GR preparation ie. 31.10.11
Submission of Mining Plan	31.4.2012 (6 Months) from GR preparation	8.10.2012	6 months		
Approval of Mining Plan	31.6.2012 (8 Months)	Pending	6 months		
Application of Previous approval	31.8.2012 (10 Months)	Pending	4 Months		
Granting of Previous approval	31.9.2012 (11 Months)	Pending	3 Months		
Application of Forest clearance	31.10.2012 (For Phase-II) (12 Months)	Pending	2 months	234 Hec forest land within ML hold area.	Phase-I does not have any forest land.
Grant of Forest Clearance	31.4.2013 (For Phase-II mining) (18 Months)	Pending	-	Phase-I without forest land.	
Application EMP Clearance	31.10.2012 (12 Months)	30.4.2012	6 months		
Grant of EMP Clearance	31.4.2013 (18 Months)	Pending	-		
Grant of Mining Lease	31.10.2013 (24 Months)	Pending	-		
Application of Land Acquisition	31.7.2012 (Phase-I) 9 months from GR	10.12.1011	-	704 Hec Pvt land.	

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	31.5.2013 (phase-II) (19 months) from GR				
Completion of Land Acquisition	31.4.2014 (Phase-I) 30 months 31.10.2014 (Phase-II) 36 Months)	Pending	-		
Application for opening permission	31.8.2014 (Phase-I) 34 months 31.2.2015 (Ph-II) (40 Months)	Pending	-		
Grant of Opening permission	31.8.2014 (Ph-I) 35 months 31.3.2015 (Ph-II) (41 Months)	Pending	-		
Coal Production	31.9.2014 (Ph-I) 36 months from GR completion. 31.4.2015 (Phase-II) (42 Months from GR completion)	Pending	-	Phase-I is OC mining without forest land and Phase-II is OC mining with forest land.	

Observation of Field Office of CCO during inspection of the block	
Date of Inspection	1.12.2012
Infrastructure development	As per site inspection carried out by OSD Office, Ranchi, Bilaspur it was reported that no Infrastructure has been developed.
Activities related to coal transportations	• 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

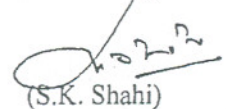
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Keeping in view unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

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 **Suliyari** 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.

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.



## Status Note

Sl. No.	Items	Remarks
1	Name of the Block	Suliyari Coal Block
2	Name of the allocate	M/s Andhra Pradesh Mineral Development Corporation Ltd.
3	Date of allocation	25.07.2007
4	End Use Plant & Capacity	Commercial Mining
5	Important terms and conditions of allocation	Copy of allocation letter enclosed as <b>Annexure-I</b>
6	Milestones of allocation and slippages against milestone	Copy of status note from CCO enclosed as <b>Annexure-II</b>
7	History Previous review / action	<p>In the review meeting held on 20/21.07.2010 it was noted that BG submitted, RE block. Grant of PL is pending with Govt. of MP. Forest clearance for exploratory drilling not granted. Socio economic survey in 7 villages completed. MECL is selected for drilling. MDO appointment not decided. The committee was dissatisfied with the development of mine &amp; asked to issue show cause notice. The reply of the company to the show cause notice was considered by review committee and it was subsequently decided to issue warning.</p> <p>In the review meeting held on 11/12.01.2012, it was noticed that it is a RE block. Mining Plan to be ready by April, 13. 220 Ha is forest land. Exploration in non forest land completed. Exploration in Ph-II forest land not yet done. Drilling ready. R&amp;R activity is in progress. 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 <b>Suliyari</b> 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, the company was issued show cause notice.</p>
8	Condonation of delay or	No

	extension of Zero date granted if any and 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	APMDC is taking all possible steps to complete the development works of Suliyari coal block in time and start coal production by October/November 2014. APMDC has selected M/s SCCL, a State PSU as its JV partner and number of preparatory and pre-mining activities have been completed like preparation of geological reports, preparation of mining plan, and detailed project report of phase I project and the required financial commitments in the form of Bank Guarantee etc. Action has already been taken by APMDC for acquisition of Government land, private land and APMDC deposited Rs. 30 crores with M.P. Government and draft notification has been issued for acquisition of private land. Various other actions have also been initiated. Company has given milestone-wise reasons for delay. A copy of reply from the Company is enclosed as <b>Annexure-III</b> . A copy of reply of the Company was sent to the 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.	Mining Plan of the company is under consideration with CPAM Section in the Ministry.



**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:- Andhra Pradesh Mineral Development (APMDC) Corp. Ltd
2. Name of Coal Block:- Suliyari Belwar (RE)/Govt
3. Name of Owner/Address:- Vice Chairman & Managing Director, Suliyari Coal Block, Singrauli Coal fields, Singrauli, Dist. Madhya Pradesh
4. Date of Allocation:- 25.7.2007
5. Location: Singrauli, MP
6. Project cost :- Rs. 720 Cr.
7. **Total investment made Cr (As per CA report) :-** Rs. 48 Cr. (upto June'13)
8. Reserve (Mill tonnes):- 141 (Geological)
9. Mineable Reserve:- 115 MT
10. Yearly rated capacity (MTPA):- 5
11. Grade of Coal:- B-E
12. Cost of GR:- Rs. 69.84 Lakh for regional GR
13. BG Amount :- Rs. 5.81 Cr.
14. Type of EUP:- **Commercial**
15. Location of Project:- Within state of AP (As per condition of allocation letter)
16. Capacity of Project:- -
17. Explored/Un explored:- Regionally Explored (Now Explored)
18. Type of Mine:- OC Mine(As per exploration, coal block to be mined by OC method)
19. Zero Date:- 31.10.2011 (From the date of preparation of GR)
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.

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Purchase of GR	25.10.2009 (27 Months from DOA)	31.10.2011	2 Yrs	Delay in awarding the work.	
Submission of Bank Guarantee	25.10.2007 (3 Months)	25.10.09	2 Yrs		
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Submission of Mining Plan	31.4.2012 (6 Months) from GR preparation	8.10.2012	6 months		
Approval of Mining Plan	31.6.2012 (8 Months)	Pending	1 yr. 0 month		

Previous approval	31.8.2012 (10 Months)	Pending	10 Months		
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Coal Production	<b>31.9.2014</b> (Ph-I) 36 months from GR completion. <b>31.4.2015</b> (Phase-II) (42 Months from GR completion)	Pending	-	Phase-I is OC mining without forest land and Phase-II is OC mining with forest land.	



**Observation of Field Office of CCO during inspection of the block**

Date of Inspection	1.12.2012
Infrastructure development	As per site inspection carried out by OSD Office, Ranchi, Bilaspur <sup>37</sup> it was reported that no Infrastructure has been developed.
Activities related to coal transportations	• 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**

MP:- Mining plan submitted to MOC on 8.10.2012. Mining Plan presented before SC on 25.4.13 and suggested certain modifications to be incorporated which *was received on 10.7.13.*

**ML: Mining Lease application submitted on 28.10.2012.**

**LA:** LA application made on 10.12.2011. NOC obtained from all the villagers of coal block regarding land acquisition for the project and submitted to Government authorities of MP. **EMP:** TOR approved by MOEF on Sept. 20-12. **EIA report submitted to PCB, MP and environmental PH of phase-I completed on 4.6.13. Report sent to MOEF on 3.7.13.**

**FC: Phase-I project does not have any forest land.** Application will be submitted after exploration of area in phase-II project.

EMP:- Draft EMP report submitted .

**Total land:** 1722. 93 Hec. **Pvt. Land:** 707.34 Hec. **Govt. land:** 501.35 Hec. **Forest land:** 514.24 Hec.

Property valuation completed in Govt land and JVC with SCCL-APMDC incorporated on 1.7.13.

Expected production target by Oct. 2014.

(Calculation of bank guarantee is done as per previous practice and on basis of information supplied by the company)

1. Name of Company:-M/s Andhra Pradesh Mineral Development (APMDC) Corporation Ltd.
2. Name of Coal Block:- Suliary
3. Date of Allocation:-25.07.2007
4. Normative Date of production:-02.02.2012
5. BG Amount:- Rs. 5.81 Crore
6. **Recommendation:** The IMG recommends proportionate deduction of Bank Guarantee (BG) linked to the milestones set for development of the block as per the terms and conditions allocation.
7. **Allocation condition:** The deduction of BG as per allocation letter is linked 50% to the achievement of milestones set for development of block and remaining 50% to the deficit in production.

Therefore, in view of the slippage in milestones, deduction from 50% of the BG linked to development of the block is done as per the weightage formula adopted by the IMG for proportionate deduction.

Calculation of BG deduction has been made on the basis of non-achievement of Milestones as on IMG Meeting held on 24.10.2013 & 25.10.2013

Sl No.	Mile Stones	Weight (in %)	Actual Status	Marks	Remarks
1	Purchase of GR	5	Completed	5	
2	Submission of Bank Guarantee	8	Completed	8	
3	Mining Lease Application	7	Completed	7	
4	Submission of Mining Plan	10	Completed	10	
5	Approval of Mining Plan	10	Not Completed	0	
6	Application of Previous approval	6	Not Completed	0	
7	Granting of Previous approval	5	Not Completed	0	
8	Application of Forest clearance	8	Not Completed	0	
9	Grant of Forest Clearance	5	Not Completed	0	
10	Application EMP Clearance	8	Completed	8	
11	Grant of EMP Clearance	5	Not completed	0	
12	Grant of Mining Lease	5	Not completed	0	
13	Application of Land Acquisition	8	Completed	8	
14	Completion of Land Acquisition	4	Not Completed	0	
15	Application for opening permission	2	Not Completed	0	
16	Grant of Opening permission	2	Not Completed	0	
17	Coal Production	2	Not Completed	0	
	<b>TOTAL</b>	<b>100</b>		<b>46</b>	



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Total Bank Guarantee amount: Rs. 5.81 Cr.

A= 50% of BG =Rs. 2.905 Crore

Score obtained for achieving of milestone = 46%

B=Score obtained for not achieving of mile stone = (100-46) =54%

BG to be deducted for not achieving Milestones as on Oct'2013= AxB = Rs. 2.905 crore x 54%= Rs. 1.5687 Crore

Total amount of BG may be deducted for not achieving Milestones = Rs. 1.5687 Crore ( Rupées One crore fifty six lakhs eighty seven thousand only)

*D.P.B.* *Bhaw* *B*

*Jindan*

*date*  
*10/03/14*



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