

SEEKING OF EXPLANATION

By Speed Post

No. 38011/2/2007-CA-I (Part-II)

Government of India

Ministry of Coal

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New Delhi, dated 30<sup>th</sup> December, 2013

To,

1. M/s. API Ispat & Powertech Pvt. Ltd.,  
(Action Group), D-15, Udyog Nagar,  
Main Rohtak Road, New Delhi-41.

2. M/s. C.G. Sponge Manufacturing Consortium  
Coalfield Pvt. Ltd., C/o Baldev Alloys Pvt. Ltd.,  
Ph-II, Limahi Road, Siltara, Raipur, Chhattisgarh.

**Subject: Seeking of explanation from M/s. API Ispat & Powertech Pvt. Ltd. and M/s. C.G. Sponge Manufacturing Consortium Coalfield Pvt. Ltd for slow progress in respect of Rajgamar Dipside (Deavnara) Coal block - regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 38011/2/2007-CA-I (Part-II) dated 14.10.2011 conveying allocation of **Rajgamar Dipside (Deavnara) 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 prospecting/exploration and preparation of GR have to be completed within 27 months from the date of allocation. 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.

2. Allocation letter also stipulates that 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 plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation.

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 11/12.01.2012, it was noticed that the progress of the **Rajgamar Dipside (Deavnara) 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.

4. 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 **Rajgamar Dipside (Deavnara)** coal block prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> 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 Observation
Purchase of GR	18.11.2011 (45 days)	6.7.2012	8 Months		
Submission of Bank Guarantee	14.1.2012 (3 months)	12.1.2012	-		
Mining Lease Application	14.1.2012 (3 months)	13.1.2012	-		
Submission of Mining Plan	14.4.2012 (6 months)	Pending	11 Months	Preparation of MP was taken after receipt of	Supplementary note on MP submitted to MOC on



				GR	26.3.2013
Approval of Mining Plan	14.6.2012 (8 months)	Pending	9 Months		
Application of Previous approval	14.8.2012 (10 Months)	Pending	7 Months		
Granting of Previous approval	14.9.2012 (11 months)	Pending	6 Months		
Application of Forest clearance	14.10.2012 (12 months)	18.4.2012	-		Application for NOC submitted to Collector on 18.4.2012.
Grant of Forest Clearance	14.4.2013 (18 months)	Pending	-		
Application EMP Clearance	14.10.2012 (12 months)	12.10.2012	-	TOR presentation made before EAC of MOEF 18.12.2012.	Hydro geology study in progress.
Grant of EMP Clearance	14.4.2013 (18 months)	Pending	-		
Grant of Mining Lease	14.11.2013 (24 months)	Pending	-		
Application of Land Acquisition	14.5.2013 (19 months)	Pending	-	20 Ha Pvt land will be acquired within ML area.	Total Land: 730 Ha. Pvt. Land: 168.51 Ha. Govt. land: 6.714 Ha. Forest Land: 554.776 Ha.
Completion of Land Acquisition	14.11.2014 (36 months)	Pending	-		
Application for opening permission	14.2.2016 (52 Months)	Pending	-		
Grant of Opening permission	14.3.2016 (53 months)	Pending	-		
Coal Production	14.4.2016 (54 months)	Pending.	-	UG mine with forest land.	


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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.

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 coal block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken.

6. 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.