

By Speed Post

F.No.13016/44/2003-CA-I

Government of India

Ministry of Coal

New Delhi, dated 22<sup>nd</sup> November, 2012

To

- (i) The Chairman & Managing Director,  
M/s Electrosteel Casting Limited  
40, Stephen House,  
4, B.B.D. BAG (East)  
Kolkata - 700 001
- (ii) M/s Adhunik Alloys & Power Limited,  
2- Inner Circle Road,  
Shanti Hari Towers,  
Bistupur, Jamshedpur- 831 001
- (iii) M/s Jharkhand Ispat Pvt. Limited  
Near PNB Main Road,  
Ramgarh Cantt. - 629 122  
Jharkhand.
- (iv) M/s Pawanjay Steel & Power Limited  
Y- 6, Civil Township  
Rourkela- 769 004

**Sub: De-allocation and deduction of Bank Guarantee of North Dhadu coal block in the State of Jharkhand allocated to M/s Electrosteel Casting Limited, M/s Adhunik Alloys & Power Limited, M/s Jharkahnd Ispat Pvt. Limited and M/s Pawanjay Steel & Power Limited - Regarding.**

Sir,

I am directed to refer to this Ministry's allocation letter No. 13016/31/2005-CA-I dated 13th January, 2006 (Annexure-I) and to this Ministry's show cause notice No. 13011/29/2012-CA-I dated 3rd May, 2012 (Annexure-II) and to your reply to the show cause notice, your presentation made/documents submitted before the Inter Ministerial Group (IMG) in respect of North Dhadu coal block and the status note on the development of the block prepared by Coal Controller and Ministry of Coal on the above subject.

2. North Dhadu coal block located in the State of Jharkhand was allocated to M/s. Electrosteel Casting Limited (ESCL), M/s Adhunik Alloys & Power Limited (AAP), M/s Jharkhand Ispat Pvt. Limited (JIPL) and M/s Pawanjay Steel & Power Limited (PSPL) under the Section 3(3)(a)(iii) of the Coal Mines (Nationalization) Act, 1973 for working through a joint venture company to meet the coal requirement of 120 mt, 43 mt, 49 mt and 33 mt of M/s ESCL,

AAP, JIPL and PSPL respectively for use in their plants for sponge iron production and captive power generation. This allocation is in pursuance of the provisions contained in Section 3 (3) (a) (iii) of the Coal Miners (Nationalisation) Act, 1973 and as per Option-I, and subject to certain terms and conditions.

In the allocation letter, One of the conditions of allocation was that 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 allocation letter. The end- use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of allocation and one of other important conditions 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 sponge iron plant/power plant.
- (b) Unsatisfactory progress in the development of coal mining projects.
- (c) For breach of any of the conditions of allocation.

The De-allocation/ cancellation of mining lease shall be without any liability to the Govt. 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 Govt. or its agencies.

3. The progress of allocated coal block as well as linked/associated end use project has been reviewed by the Ministry through Review Committee from time to time wherein the allocatee company give presentation in respect of the development made by the company with reference to the milestones prescribed in the allocation letter during which it was noted as following:

i) Review meeting held on 15/16.10.2008, all activities including GR, Bank Guarantee, Mining Lease and Mining Plan submission etc. are pending. No significant progress after last review meeting. No representative attending the meeting.

ii) Review meeting held on 22/23.06.2009 JVC formed. All other milestones are pending. FC, ML application already made. As regards EUP, it was stated that their 30 MW power plant will come by August, 2009. Coal washery has been set up. It was informed by M/s Adhunik Alloys and Power Limited that the coal reserve in the block is more than the requirement of their EUP and requested to correct the figure before submission of MP. At the stage, Chairman advised to furnish the MP first and not to raise this issue before submission of MP. The issue of coal reserve more than requirement will be settled separately. He further advised to submit the statement of activity to CCO early.

iii) Review meeting held on 20/21.07.2010, Forest Clearance, EMP, Mining Plan, Mining Lease and Land Acquisition are pending. Fire clay areas involved in the block lease hold area. EUP details of Adhunik Alloys not being submitted by the JVC. Committee advised to settle the fire clay issue in ML holds area with the State Govt. Secretary (Mines), GoJH would facilitate. To submit status report in respect of EUP of Adhunik Alloys Limited to CCO. The committee was dissatisfied with the development of



mine and asked to issue show cause for de-allocation. Show cause notice was issued on 2<sup>nd</sup> December, 2010 for inordinate delay in development of the block.

iv) The Committee examined the replies on 28th January, 2011 and 4th February, 2011, submitted by the allocatees against the show cause notice issue to the allocatees vide letter dated 2nd December, 2010 and recommended deduction of Bank Guarantee.

v) Review meeting held on 11/12.01.2012, Forest Clearance. EMP, Mining Lease, Land Acquisition are pending. ML application submitted. 220 acres land acquired. Modified / revised mining plan submitted to MOC in Oct, 2011. Forest clearance application submitted. Dump area problem is there. Approval of revised mining plan is the main issue. The company was issued the show cause notice. The company furnished their reply to the show cause notice.

4. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) under the Chairpersonship of Additional Secretary (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The 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. The case of the allocatee company was referred to IMG. Accordingly, the IMG asked the allocatee company to make the Presentation before it on the progress of development of allocated coal blocks and associated end use project. The representatives of the allocatee company gave presentation on 19<sup>th</sup> September, 2012 before the IMG. The IMG considered the presentation, the status note of the North Dhadu coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation (Annexure-III). The progress of development of the block with reference to the milestones and their achievement is as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Status of Exploration in case where exploration is required.	13.4.2008	Not applicable	-	
Purchase of GR	27.2.2006	29.12.2008	2Yrs 10 Months	
Submission of Bank Guarantee	13.4.2006	31.3.2009	3 Yrs	
Mining Lease Application	13.4.2006	20.6.2009	3 Yrs 2 Months	
Submission of Mining Plan	13.7.2006	17.11.2009	3 Yrs 4 Months	
Approval of Mining Plan	13.9.2006	7.12.2010	4 Yrs 3 Months	
Application of Previous approval	13.11.2006	N	5 Yrs 7 Months	

Granting of Previous approval	13.12.2006	N	5Yrs 6 Months.	
Application of Forest clearance	13.1.2007	15.6.2011	4Yrs 5 Months	
Grant of Forest Clearance	13.7.2007	N	4Yrs 11 Months	
Application EMP Clearance	13.1.2007	28.2.2010	3Yrs 1 Months	
Grant of EMP Clearance	13.7.2007	N	4Yrs 8 Months	
Grant of Mining Lease	13.1.2008	N	4Yrs 5Months	
Application of Land Acquisition	13.8.2007	26.7.2010	3 Yrs	
Completion of Land Acquisition	13.1.2009	N	3Yrs 5 Months	
Application for opening permission	13.5.2009	N	3Yrs 1 Months	
Grant of Opening permission	13.6.2009	N	2 Yrs 9 Months (as on 3/2012)	
Coal Production	13.7.2009	N	2Yrs 8 Months (as on 3/2012)	

5. After detailed deliberations, the IMG made its recommendation to **de-allocate North Dhadu** Coal block which was allocated to M/s Electrosteel Casting Limited, M/s Adhunik Alloys & Power Limited, M/s Jharkhand Ispat Pvt. Limited and M/s Pawanjay Steel & Power Limited in its Eleventh meeting held on 19<sup>th</sup> September 2012. The recommendations made by the IMG are as follows:-

**M/s Electrosteel Castings Limited, M/s Pawanjay Steel & Power Limited, M/s Jharkhand Ispat Pvt. Ltd., M/s Adhunik Alloys and Power Ltd. (North Dhadu)**

*The IMG considered the terms and conditions of allocation, the show cause notice issued, the reply and the presentation made by the company along with the latest status paper presented to the IMG. The IMG noted that 6 years and 8 months have elapsed from the date of allotment i.e. 13.1.2006. During the time given for making presentation, the allocate company did not make or submit any power point presentation and only made oral submission. IMG noted that the allocatees were required to form a JV within 30 days from the date of allotment but they formed the JV only on 22.10.2008. Consequently the company purchased the GR after a lapse of 2 years 10 months and submitted the BG after a lapse of 3*



years from the date of allotment. The mining plan has been approved on 7.12.2010 after which other processes could have been initiated. Revised mining plan has also been approved in the meeting of the Standing Committee on 24.7.2012. The IMG noted that the first mining plan itself was submitted with a delay of 3 years and 4 months. EC and FC have not been obtained. Submission of application for the same has also been delayed. 435 acres of private land was stated to be in possession but supporting documents were not provided. The only letter produced before IMG showed that 208 ha. was in the name of M/s Electrosteel Castings Ltd. (but not in the name of JV which has to develop the coal block). CA certificates in support of investment made in the coal block were not submitted by the JV company. There are 4 end-use plants linked to the block. The end-use plants of M/s Adhunik Alloys & Power Ltd. and Jharkhand Ispat Pvt. Ltd. were stated to be in operation. The end-use plant of M/s Pawanjay Steel & Power Ltd. was reported to be in progress and that of M/s Electrosteel Castings Ltd. is still at proposal stage. CA certificate in support of investment has been provided only by M/s Adhunik Alloys & Power Ltd for Rs. 615.75 crores (from July, 2003 till March, 2012) reported on the end-use steel plant and by Jharkhand Ispat Pvt. Ltd. for Rs. 66.52 crores in their sponge iron and induction furnace division. During presentation, the company argued that the entire delay was not attributable to them and they assured that they will be in a position to open the mine in another 15 months. The IMG noted that the normative date of production is 13.7.2009.

*Taking into account all factors and that there is no substantial progress in development of the coal block, though some investment has been made in some of the end-use plants, the IMG recommends that the coal block may be de-allocated with forfeiture of BG.*

6. The recommendation of the IMG has since been considered and accepted by the Government. As the company has been given a number of opportunities to develop the coal block and the associated end use project and the allocatee 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 North Dhadu coal block in the State of Jharkhand allocated M/s Electrosteel Casting Limited, Kolkata; M/s Adhunik Alloys & Power Limited, Jamshedpur; M/s Jharkhand Ispat Pvt. Limited, Jharkhand; and M/s Pawanjay Steel & Power Limited, Rourkela. In addition, it is further **recommended by IMG the Bank Guarantee in complete is also forfeited (Rs. 56.03 crores)**. The company shall not be eligible for allocation of any alternative coal block in lieu of the de-allocated coal block.

7. M/s Electrosteel Castings Ltd. Has filed W.P. (C) 6272/2012 in the Hon'ble High Court of Delhi and the Hon'ble Court has passed the following order on 01.01.2012:

'In a connected Writ Petition being W.P. (C) 5877/2012, I had passed the following order

"...After some arguments, Mr Sorabjee, learned senior counsel, on instructions seeks leave to withdraw the writ petition with liberty to approach this Court in case an order adverse to the interest of the petitioner is passed. He further prays that if any adverse order is passed, the same may not be given effect to for a short period of time.

The petition is dismissed as withdrawn with liberty as prayed for. In case an adverse order is passed, the same will not be given effect for a period of one week..."

Mr Singhvi, learned senior counsel, says that he is seeking the same directions as passed in WP (C) 5877/2012. Accordingly, the captioned writ petition is disposed of in terms of directions contained in WP (C) 5877/2012.'

In compliance of the above order, this order is made effective after a period of one week from the date of issue.

Yours faithfully,



(V.S. Rana)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Jharkhand,
2. The Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
3. Chairman, CIL, Kolkatta
4. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to take necessary steps to deduct the Bank Guarantee amount.
5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure I  
By Registered Post

13016/31/2005-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 13<sup>th</sup> January, 2006.

To

1. M/s. Electrosteel Castings Limited,  
40, Stephen House,  
4, B.B.D.BAG (East),  
Kolkata - 700 001

2. M/s Adhunik Alloys & Power Ltd.,  
2- Inner Circle road,  
Shanti Hari towers,  
Bistupur,  
Jamshedpur- 831 001.

3. M/s. Jharkhand Ispat Pvt. Ltd.,  
Near PNB, Main Road,  
Ramgarh Centt - 829 122,  
Distt. Hazaribagh,  
Jharkhand.

M/s. Pawanjay Steel & Power Ltd.,  
Y-6, Civil Township,  
Rourkela - 769 004.

(7.01.06)  
FOR  
FOR STEEL  
LD  
DAG A

Subject

Allocation of the coal block of North Dhadu for working by a joint venture company of M/s. Electrosteel Castings Ltd., M/s. Adhunik Alloys & Power Ltd., M/s. Jharkhand Ispat Ltd. and M/s Pawanjay Steel & Power Ltd. as per option-1.

Sir,

I am directed to refer to the request of M/s. Electrosteel Castings Ltd., M/s. Adhunik Alloys & Power Ltd., M/s. Jharkhand Ispat Ltd. and M/s. Pawanjay Steel & Power Ltd., for allocation of coal blocks in the CCL area and to state that the requests of these companies have been considered by the Central Government and it has been decided to allot the coal block of North Dhadu jointly to M/s Electrosteel Castings Ltd., (ESCL), M/s. Adhunik Alloys & Power Ltd. (AAPL), M/s. Jharkhand Ispat Pvt. Ltd. (JIPL) and M/s. Pawanjay Steel & Power Ltd., for working through a joint venture company to meet the coal requirement of 120 mt., 43 mt., 49 mt. and 33 mt. of M/s ESCL, AAP, JIPL and PSPL respectively for use in their plants for sponge iron production and captive power generation. This allocation is in pursuance of the PROVISIONS contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 and as per option-1, and is subject to the following conditions :-



A joint venture company be formed between ESCL, AAP, JIPL and PSPL. The equity holding in the joint venture company will be in proportion to the assessed coal requirement of the companies

- ii) M/s ESCL, AAP, JIPL and PSPL shall submit a joint venture agreement to the Ministry of Coal within 30 days from the date of issuance of the letter.
- iii) The joint venture company shall be formed and registered by the allocatees within 60 days from the date of this allocation of this letter.
- iv) The mining lease shall be obtained in the name of the Joint Venture Company and coal extracted from the mine shall be distributed among the allocatee companies in the proportion of their assessed requirement. Any surplus coal overall or individually shall be handed over to CCL at transfer price to be delivered by the Central Government.
- v) The block is meant for captive use in the specified end-use projects of M/s. ESCL, AAP, JIPL and PSPL.
- vi) 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 allocatees. 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.
- vii) 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) from the date of this letter in case of UG mine. The end-use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of this letter (copy of milestone chart is enclosed).
- viii) The company shall buy geological report from CMPDIL within six weeks of the date of this letter.
- ix) The joint venture company of M/s. ESCL, AAP, JIPL and PSPL shall submit a bank guarantee for Rs. 56.03 crores (equal to one year's royalty amount) based on mine capacity of 8.15 mtpa assessed by CMPDIL, grades of coal from C to G grades and the weighted average royalty @ Rs. 68.75 per tonne) within three months of the date 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.
- x) 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.



The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. 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. M/s. ESCL, AAP, JPL and PSPL jointly or through their joint venture company 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.

- xii) 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.
- xiii) 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.
- xiv) 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 Govt.
- xv) 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 Govt. The final mining lease shall be as vetted/modified by the Central Govt. Any deviation from the vetted/modified draft shall render the mining lease dead *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.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation mentioned above.

The De-allocation/cancellation of mining lease shall be without any liability to the Government or its agencies, whatsoever. Any expenses incurred by the allocatees or any right or liability arising on the allocatees out of the measures taken by them shall solely be to their account and in no way be transferred to or borne by the Government or its agencies.

3. The company joint venture or M/s. ESCL, AAP, JPL & PSPL may approach CMPDIL for the geological report and contact the State Government authorities

concerned for the necessary permissions/clearances etc. for attaining mining rights and related matters. The arrangement of transport of coal will have to be worked out by the company.

Yours faithfully,

  
(Premraj Kumar)  
Section Officer.

Encls. As above.

To

1. The Chairman, Coal India Ltd., 10 Netaji Subash Marg, Kolkata-700001
2. Chairman-cum-Managing Director, Central Mine Planning and Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi, Jharkhand.
3. Chairman-cum-Managing Director, Central Coalfields Ltd., Darbhanga House, Ranchi.
4. Ministry of Steel (Shri Vishwapati Trivedi, Joint Secretary), Udyog Bhawan, New Delhi.
5. The Chief Secretary, Government of Jharkhand, Secretariat, Jharkhand, Ranchi.
6. The Coal Controller, Office of the Coal Controller, 1 Council Street, Kolkata-700 001
7. CPAM Section.

  
(Premraj Kumar)  
Section Officer.



Answer II

**SHOW CAUSE NOTICE**

No.13011/ 29 /2012-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 3<sup>rd</sup> May, 2012

To

(i) M/s Electrosteel Castings Limited 40, Stephen House, 4, B.B.D.BAG (East), Kolkata – 700001	(ii) M/s Jharkhand Ispat Pvt. Ltd. Near PNB, Main Road, Ramgarh Cantt- 829122 Distt. Hazaribagh , Jharkhand.
(iii) M/s Pawan Jay Steel & Power Pvt. L Y-6, Civil Township, Rourkela- 769 004	(iv) M/s Adhunik Alloys and Power Ltd 2 – Inner Circle Road, Santi Hari Towers, Bistupur, Jamshedpur- 831 001

**Subject: Show cause notice in respect of North Dhadu coal block.**

Sir,

I am directed to refer to this Ministry's letter No.13016/31/2005-CA-I dated 13.01.2006 conveying allocation of North Dhadu coal block in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions. One of the conditions of allocation was that 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 allocation letter. The end- use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of allocation.



2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of the company. In the review meeting held on 11/12.01.2012, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that all the important/critical milestones such as grant of previous approval, Mining Lease, Forest Clearance and Land Acquisition are pending for North Dhadu coal block. The company has repeatedly failed to keep its promises made to the Ministry and is thus non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	27.2.2006	29.12.2008	2Yrs 10 Months
Submission of Bank Guarantee	13.4.2006	31.3.2009	3 Yrs
Mining Lease Application	13.4.2006	20.6.2009	3 Yrs 2 Months
Submission of Mining Plan	13.7.2006	17.11.2009	3 Yrs 4 Months
Approval of Mining Plan	13.9.2006	7.12.2010	4Yrs 3 Months
Application of Previous approval	13.11.2006	Pending	5 Yrs 4 Months (as on 3/12)
Granting of Previous approval	13.12.2006	Pending	5Yrs 3 Months (as on 3/12)
Application of Forest clearance	13.1.2007	15.6.2011	4Yrs 5 Months
Grant of Forest Clearance	13.7.2007	Pending	4Yrs 8 Months (as on 3/12)
Application EMP Clearance	13.1.2007	28.2.2010	3 Yrs
Grant of EMP Clearance	13.7.2007	Pending	4Yrs 8 Months
Grant of Mining Lease	13.1.2008	Pending	4 Yrs 2 Months (as on 3/12)
Application of Land Acquisition	13.8.2007	11.9.2007	1 Months



Completion of Land Acquisition	13.1.2009	Pending	3 Yrs 2 Months
Application for opening permission	13.5.2009	Pending	2Yrs 10 Months
Grant of Opening permission	13.6.2009	Pending	2 Yrs 9 Months
Coal Production	13.7.2009	Pending	2Yrs 8 Months

3. 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 the 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 allotment of **North Dhadu** 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 **North Dhadu** coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to The Coal Controller, Coal Controller Organisation, Kolkata.

- 65 -  
Annexure I

# Status Note

Sl No	Items	Remarks
1	Name Of the Block	North Dhadhu Coal Block
2	Name Of the allocate	M/s Electrosteel Castings Ltd. M/s Adhunik Alloys & Power Ltd. M/s Jharkhand Ispat Pvt. Ltd. & M/s Pawanjay Steel & Power Ltd.
3	Date Of allocation	13 <sup>th</sup> January, 2006
4	End use plant and Capacity	Sponge iron production and captive power generation Capacity : M/s Adhunik Alloys & Power Ltd: - 2.2 MT integrated steel plant Total investment made in the End Use plant as on 31 <sup>st</sup> March, 2012 is Rs. 615.75 crores as certified by Chartered Accountant. Other Companies: - Not Given.
5	Important terms and conditions of allocation	AS per Allocation letter enclosed.
6	Milestones of allocation and Slippages against Milestones as stated in the SCN	Status of the block is enclosed as Annexure - I (As per CCO Report as on June, 2012).
7	History Previous review / action	Review meeting was held on 22 <sup>nd</sup> and 23 <sup>rd</sup> June, 2009 and it was noticed that Mining Lease, MP, Forest Clearance, EMP & Land Acquisition were still pending. Review meeting was held on 20 <sup>th</sup> and 21 <sup>st</sup> July, 2010 and was noticed that Mining Lease, MP, Forest Clearance, EMP & Land Acquisition were still pending. Fire clay areas involved in the block lease hold area. Show-Cause Notice was issued on 2 <sup>nd</sup> December, 2010 for inordinate delay in development of the block.
8	Condonation of delay or extension of Zero date granted if any and permissible grace period if any whether any request for Condonation is pending with the Ministry	NO
9	Litigation any orders of	A Civil Writ Petition No. 1823/07 was filed before the Hon'ble





	the court, if any	Delhi High Court by the Allocatee Companies against the Show-Cause notice dated 06.01.07/06.02.07 wherein MOC had asked the petitioners to submit a JV Agreement. Hon'ble HC directed (vide its order dated 03.12.2007) the Ministry to take as decision on the show-cause notice after taking in consideration the submission made by the parties and report of CMPDI. Ministry directed to form a JV.
10	Summary of reply of the company including reasons for delay	It was stated that Mining lease proposal for obtaining prior approval under section 5(1) of MMDR ACR is lying with Director (Mines), GOJH since last 2 years. North Dhadu coal block was initially fallen in No Go Area which was subsequently modified in Oct.2011. Purchase of land and compensatory afforestation land delayed due to the order of Jharkhand High Court wherein it was stated that to purchase of SC,ST & OBC land, the approval of DC of respective district to be required. Approval of modified mining plan is pending in Ministry of Coal since Oct.2011.
11	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.	Application for approval of MP submitted by JV Company on 12 <sup>th</sup> Nov, 2009. The standing committee approved the same on 22.10.2010 and MOC conveyed to the JV Company vide letter dated 07.12.2010.  M/s Electrosteel Castings Ltd suggested dividing the block into two separate mines with almost equal reserves. MOC vide its letter dated 23 <sup>rd</sup> January, 2008 conveyed that the government is of the considered view that the block should not be divided into two sub-blocks. Accordingly, all the parties are hereby directed to comply with the terms and conditions of allocation and forming a JV within a period of 30 days from the date of this order (i.e. 23.01.2008) and appraise the MOC and the representations of M/s Electrosteel Castings Ltd and other three joint allocatees stand disposed of. No further representation at this stage shall be entertained.



**Status of Coal Block as on June.2012**

(As per report furnished by Block owners)

1. Name of Company:- M/s Electro steel Castings Ltd., M/s. Adhunik Alloys & Power Ltd, M/s. Pawanjay Steel & Power Ltd. & Jharkhand Ispat Pvt Ltd..
2. Name of Coal Block:- North Dhadu / OC Mine.
3. Date of Allocation:- 13.1.2006 ✓
4. Total investment made (as on 3/2012) :-13.42 Crores and for land 6.3 Crores (CA report)
5. Reserve (Mill Tonnes): 923.945
6. Yearly Rated Capacity:- 8.15 MTPA
7. Cost of GR:- 11.04 Crores
8. Location: North Karanpura, Jharkhand
9. BG Amount:- 56.03 Crores Valid upto 15.3.2013
10. Type of EUP:- Sponge Iron Plant and Captive Power Plant
11. Location of Project:- Kandra, Saraikela JH for ALPL, Distt Lohardaga, JH for PSPL, Distt Bokaro, Jh for ESCL and Ramgarh, JH for JIL.
12. Capacity of the Project:- 1400 TPD SIP & 60 MW CPP for ALPL, 1000 TPD SIP for PSPL, 1 MTPA Steel and 180 MW CPP for ESCL and 1450 TPD SIP for JIL
13. Explored/Un Explored:- Explored
14. Zero Date:- As per allotment letter Para No (vii) zero date considered 13.1.2006 i.e. from the date of allocation of coal block.
15. Previous recommendation: BG deduction.

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM	Remarks
Status of Exploration in case where exploration is required.	13.4.2008	Not applicable	-	
Purchase of GR	27.2.2006	29.12.2008	2Yrs 10 Months	
Submission of Bank Guarantee	13.4.2006	31.3.2009	3 Yrs	
Mining Lease Application	13.4.2006	20.6.2009	3 Yrs 2 Months	

checked by *[Signature]*



*[Signature]*  
**COAL CONTROLLER**  
76

Submission of Mining Plan	13.7.2006	17.11.2009	3 Yrs 4 Months
Approval of Mining Plan	13.9.2006	7.12.2010	4 Yrs 3 Months
Application of Previous approval	13.11.2006	N	5 Yrs 7 Months
Granting of Previous approval	13.12.2006	N	5 Yrs 6 Months.
Application of Forest clearance	13.1.2007	15.6.2011	4 Yrs 5 Months
Grant of Forest Clearance	13.7.2007	N	4 Yrs 11 Months
Application EMP Clearance	13.1.2007	28.2.2010	3 Yrs 1 Months
Grant of EMP Clearance	13.7.2007	N	4 Yrs 8 Months
Grant of Mining Lease	13.1.2008	N	4 Yrs 5 Months
Application of Land acquisition	13.8.2007	26.7.2010	3 Yrs

checked by *[Signature]*



*[Signature]*  
CENTRAL CONTROLLER



Application of Land Acquisition	13.1.2009	N	3Yrs 5 Months
Application for opening permission	13.5.2009	N	3Yrs 1 Months
Grant of Opening permission	13.6.2009	N	2 Yrs 9 Months (as on 3/2012)
Coal Production	13.7.2009	N	2Yrs 8 Months (as on 3/2012)

PL:-

Existing 1.2 LTPA (4x100 TPD) SIP is operative at Ramgarh, Jharkhand. Since 2008, Proposed:- 1050 TPD or 15 (3x350 TPD) LTPA SIP and 35MW CPP Projects are in process. Financial closure completed. Land for 1<sup>st</sup> phase purchased and 2<sup>nd</sup> phase is in progress after land acquisition. Completion of 1<sup>st</sup> phase. NOC for the 1<sup>st</sup> phase obtained. Railway siding is under construction. Railway siding at Barkekana & Gola Road Rly. Station. Selection of equipment & Civil works completed for 1<sup>st</sup> phase.

Iwanjay Steel:-

Proposed:-3.3. LTPA or 1000 TPD DRI plant at Lohardaga, Jharkhand. 1000 TPD of SIP is expected to be commissioned by Oct.2012, 650 TPD SIP by Dec.2013 and full 1000 TPD SIP by Dec.2014. Proposed:-1 MTPA capacity SIP & 180 MW CPP project to be completed in Dec.2016-17 in phased manner in Bokaro Distt. Jharkhand.

SCL:-

33 MTPA SIP in phase-I to be commissioned by Dec.2013-14. Land purchased. Financial closure for phase-I completed. 2.2 MTPA integrated steel plant in Bokaro through Blast furnace route is expected to be commissioned in June,2012 (Phase-I). Once the above project is completed, company will take up to develop 1 MTPA Sponge Iron Project. Transportation through rail siding. Financial closure partially completed. 90 acres of land purchased. Order placed for Sponge Iron kiln. Land survey and soil test completed for 80 acres. Coal transportation through rail mode.

APL:-

Existing:- 30 MW CPP and 2x350 TPD DRI plant at Kendra, Saraikela, Kharswani, Jharkhand are operative.

Expansion:- 30 MW CPP and 2x350 TPD DRI (KIn 3,4) plant at Kendra, Saraikela, Kharswani, Jharkhand will be commissioned as per DPR. For expansion part of the plant financial closure are under progress. 140 Acres of land acquired. Acquisition of 2.49 acres of land is under process. Consent to establish from JSOPB valid upto 31.3.2012.

Checked by: *[Signature]*



*[Signature]*

Major Constraint faced by the block allocates

It was stated that Mining lease proposal for obtaining prior approval under section 5(1) of MMDR ACR is lying with Director (Mines), GOJH since last 2 years. North Dhadu coal block was initially fallen in No Go Area which was subsequently modified in Oct.2011. Purchase of land and compensatory afforestation land delayed due to the order of Jharkhand High Court wherein it was stated that to purchase of SC,ST & OBC land, the approval of DC of respective district to be required. Approval of modified mining plan is pending in Ministry of Coal since Oct.2011.

Checked by *[Signature]*



*[Signature]*  
COAL CONTROLLER

1. Name of Company:- M/s Electrosteel Casting Ltd., Pawanjay Steel & Power Ltd., Jharkhand Ispat Pvt. Ltd, Adhunik Alloys and Power Ltd.  
2. Name of Coal Block:- North Dhadu  
3. Date of Allocation:- 13.01.2006  
4. Normative Date of production:-13.7.2009 (as per allotment letter)

5. BG Amount submitted:- 56.03 Crores

6. Recommendation: IMG recommends that the coal block may be de-allocated with forfeiture of BG.

-x-

*Handwritten signature*

*Handwritten signature*  
Ho.

*Handwritten signature*  
Coal Controller