

SEEKING OF EXPLANATION

By Speed Post

No. 13016/39/2008-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 1<sup>st</sup> January 2014

To,  
M/s Bharat Aluminium Company Ltd.,  
P.O. Balco Nagar, Korba - 495684,  
Chhattisgarh.

**Subject: Seeking of explanation from M/s Bharat Aluminium Company Ltd. in respect of Durgapur-II/Taraimar Coal block - regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 38011/1/2007-CA-I dated 06.11.2011 conveying allocation of **Durgapur-II/Taraimar 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 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. 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. 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 sponge iron plant/power plant/cement 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 production from **Durgapur-II/Taraimar coal block** allocated to the company would be started in the year 2011-2012 or in the near future as per the indicated schedule. It was the recommendation of the Committee that the allocatee of **Durgapur-II/Taraimar coal block** be advised to start mining/coal production in 2011-12 or as per the indicated schedule of production failing which appropriate action would be initiated.

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



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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 22<sup>nd</sup> meeting held on 23.10.2013 *inter alia* considered the status of the development of Durgapur-II/Taraimar coal block prepared by the Coal Controller's Organisation (CCO) as on June, 2013 and noted that there is slow progress in the development of the block and recommended to seek explanation from the allocatee. 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	21.12.2007	5.12.2007	1 Months		
Submission of Bank Guarantee	6.2.2008	18.1.2008	-		
Mining Lease Application	6.2.2008	2.2.2008	-		
Submission of Mining Plan	6.5.2008	4.6.2008	-		
Approval of Mining Plan	6.7.2008	17.10.2008	3 Months		
Application of Previous approval	6.9.2008	2.2.2008	-		
Granting of Previous approval	6.10.2008	5.1.2010	1Yr 3 Months		
Application of Forest clearance	6.11.2008	12.3.2008	-		
Grant of Forest Clearance	6.5.2009	14.11.2012	3Yrs 6 Months		
Application EMP Clearance	6.11.2008	20.6.2008	-		
Grant of EMP Clearance	6.5.2009	24.5.2012	3Yrs		
Grant of Mining Lease	6.11.2009	Pending	3Yrs 7 Months		
Application of Land Acquisition	6.6.2009	19.10.2008	-	210 acres land acquired.	Total land:1070 Ha. Pvt land 600.17 Ha Forest land:

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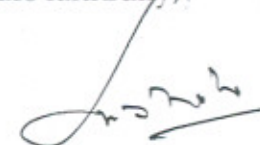
					365.054 HaGovt land: 104.765 Ha
Completion of Land Acquisition	6.11.2010	Pending	2Yrs 7 Months	Govt. land will be transferred.	
Application for opening permission	6.3.2011	Pending	2Yr 3 Months		
Grant of Opening permission	6.4.2011	Pending	2Yr 2 Months		
Coal Production	6.5.2011 Revised to 9.5.2012 (MOC granted) (42 Months)	Pending	1Yr 1 Months	OC mine with Forest Coal production is expected to start by Dec. 2013.	

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.