

SEEKING OF EXPLANATION

By Speed Post

No. 13016/24/2011-CA-I (Part)  
Government of India  
Ministry of Coal

New Delhi, dated <sup>3<sup>rd</sup> January,</sup> December, 2011

To,  
M/s Madhya Pradesh State Mining Corporation Ltd.,  
Paryavas Bhawan, Block No. 1(A),  
Second Floor, Jail Road, Arera Hills,  
Bhopal -462011.

**Subject: Seeking of explanation from M/s Madhya Pradesh State Mining Corporation Ltd. in respect of Bicharpur 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 **Bicharpur 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. One of the conditions of allocation was that 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. Further, the allocation stipulates that any violation of the condition imposed in mining and disposing of coal from the 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 production from **Bicharpur 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 **Bicharpur 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.

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 22<sup>nd</sup> meeting held on



23.10.2013 *inter alia* considered the status of the development of Bicharpur 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 Observati on
Purchase of GR	25.10.2009 (27 Months from DOA)	31.3.2011	1Yrs 5 Months		
Submission of Bank Guarantee	25.10.2007 (3 Months)	Yes	-		
Mining Lease Application	30.6.2011 (3 Months from GR preparation)	28.1.2011	-	ML area:- 500 Ha	
Submission of Mining Plan	30.9.2011 (6 Months) from GR preparation	26.8.2011	-		
Approval of Mining Plan	30.11.2011 (8 Months)	2.8.2012	9 Months		
Application of Previous approval	31.1.2012 (10 Months)	Yes	-		
Granting of Previous approval	29.2.2012 (11 Months)	8.5.2013	1Yr 3 Months		
Application of Forest clearance	31.3.2012 (12 Months)	17.2.1011	-		
Grant of Forest Clearance	30.9.2012 (mining) (18 Months)	Pending	9 Months	Stage-I forest granted on 3.4.2013	
Application EMP Clearance	31.3.2012 (12 Months)	24.9.2010	-		
Grant of EMP Clearance	30.9.2012 (mining) (18 Months)	6.11.2012	2 Months		
Grant of Mining Lease	31.3.2013 (24 Months)	Pending	3 Months		
Application of Land Acquisition	31.10.2012 (19 months)	14.12.2010	-	Total land:- 10 Ha. Pvt	

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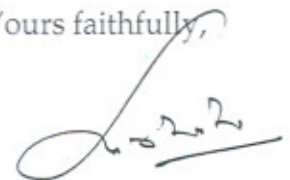
	from GR			land 10 Ha. Govt land - NIL	
Completion of Land Acquisition	31.3.2014 36 Months)	Pending	-	Till June.13, 11.235 Ha land has been directly purchased for infrastructure and incline location.	
Application for opening permission	31.7.2015 (52 Months)	Pending	-		
Grant of Opening permission	31.8.2015 (53 Months)	Pending	-		
Coal Production	30.9.2015 (54 Months from GR completion)	Pending	UG mine with forest land		Needs to expedite the project for early start of mining operation

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.

5. 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.

