

**SEEKING OF EXPLANATION**  
**By Speed Post**

**No. 13016/90/2006-CA-I (Part)**

Government of India  
Ministry of Coal

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New Delhi, dated 6<sup>th</sup> January, 2014

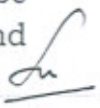
To,  
The CMD,  
M/s Chhattisgarh State Electricity Board,  
101, Vidyut Sewa Bhavan, Dangania,  
Raipur-492013, Chhattisgarh.

**Subject: Seeking of explanation from M/s Chhattisgarh State Electricity Board for slow progress in respect of Parsa coal block - regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 02.08.2006 conveying allocation of **Parsa 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 prospecting license shall be applied for within three months of date of allotment and the detailed exploration shall be completed at the earliest. After the detailed exploration is completed the allocatee shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render the allocation liable for cancellation and withdrawal of block from the allocatee. Allocation letter further stipulates that any violation of the condition imposed in mining and disposing of coal from Parsa coal block will render the mining lease liable for cancellation.

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 **Parsa coal block** allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised the allocatees 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



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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.

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 19<sup>th</sup> meeting held on 25.06.2013 *inter alia* considered the status of the development of the **Parsa 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 Observat ion
Purchase of GR	2.11.2008 (27 Months)	30.4.2012	3Yrs 5 Months		Drilling complete d in March.1 2
Submission of Bank Guarantee	2.11.2006 (3 months from DOA)	Not applicable	-	BG introduced in June,2007	
Mining Lease Application	30.7.2012 (3 months from GR completion)	16.10.2012	3 Months		Zero date consider ed as 30.4.201 2 i.e. preparat ion of GR
Submission of Mining Plan	30.10.2012 (6 months)	July,2012	-		

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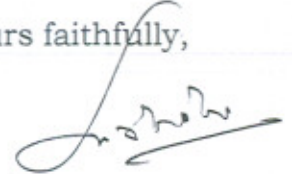
Grant of Opening permission	30.9.2015 (41 months)	Pending	-		
Coal Production	30.10.2015 (42 Months)	Pending	-	OC mine with forest land involved.	

Keeping in view the unsatisfactory 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 **Parsa 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-700001.

✓ (ii) NIC, Ministry of Coal for uploading the letter on Ministry's website.