

By Speed Post

No.13016/77/2008-CA-I  
Government of India  
Ministry of Coal  
\*\*\*\*\*

New Delhi, dated 17<sup>H</sup> December, 2013

To,

(i) The Managing Director,  
M/s Jindal Steel & Power Ltd.,  
12, Bhikaji Cama Place, New Delhi-110066.

(ii) The Managing Director,  
M/s Monnet Ispat & Energy Ltd., Monnet House,  
11, Masjid Moth, Greater Kailash Part-II,  
New Delhi-110048.

**Subject: Deduction & encashment of proportionate amount of Bank Guarantee and De-allocation of Urtan North Coal Block allocated to M/s Jindal Steel & Power Ltd. & M/s Monnet Ispat & Energy Ltd. - regarding.**

Sir,

I am directed to refer to this Ministry's allocation letter of even number dated 12.10.2009 (**Annexure-I**) and to this Ministry's show cause notice of even number dated 06.06.2013 (**Annexure-II**) and to your reply to the show cause notice, your presentation made/documents submitted by you on 25.10.2013 before the Inter Ministerial Group (IMG) on the above subject.

2. **Urtan North** coal block located in the State of Madhya Pradesh was allocated in favour of M/s Jindal Steel & Power Ltd. and M/s Monnet Ispat & Energy Ltd. to meet the requirement of their sponge iron plants 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. One of the other important conditions was that the 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 plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation.





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

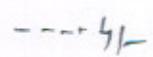
3. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 20/21.07.2010 it was noticed that JVC formed. BG submitted. Allocatees assured to submit Mining Plan shortly. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Urtan North** block allocated to the companies is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the companies with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

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 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. IMG in its 18<sup>th</sup> meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Urtan North** Coal Block prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> December, 2012 and noted that no significant progress was made by your companies towards development of the coal block. It was noticed that a number of important/critical milestones were pending. Keeping in view unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. Accordingly a show cause notice dated 06.06.2013 was issued.

5. The IMG asked the allocatee companies to make a presentation before it on the progress of development of allocated coal block and associated end use projects. The representatives of the companies gave presentations on 25.10.2013 before the IMG in its 23<sup>rd</sup> meeting. The IMG considered the presentation, the status of the Urtan North coal block and associated end use projects prepared by the Ministry of Coal and Coal Controller's Organisation (**Annexure-III**). 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	27.11.2009 (45 days from DOA)	27.10.2010	11 Months		
Submission of Bank Guarantee	12.1.2010 3 months	9.7.2010	6 months		
Mining Lease Application	12.1.2010 3 months	18.1.2012	1yrs	ML Area:-475 hec.	
Submission of Mining Plan	12.4.2010 6 months	27.10.11	1yr 6 months	Modified MP and MCP submitted to MOC on 28.9.12.	
Approval of Mining Plan	12.6.2010 8 months	pending	3 yrs	Approval is awaited.	
Application of Previous approval	12.8.2010 10 months	pending	2yr 10 months	ML application is pending at DC Office, Annupur (MP)	
Granting of Previous approval	12.9.2010 11 months	pending	2yr 9months		
Application of Forest clearance	12.10.201 12 months	No forest land	-		
Grant of Forest Clearance	12.4.2011 18 months				NOC is required.
Application EMP Clearance	12.10.2010	13.10.2011	1yr 6 months		
Grant of EMP Clearance	12.4.2011 18 months	pending	2 yr 2 months		
Grant of Mining Lease	12.10.2011 24 months	pending	1 Yrs 6 months		
Application of Land Acquisition	12.7.2010 9 months	29.6.2012	2yr 2 months		
Completion of Land Acquisition	12.4.2012 30 months	pending	1 Yrs 2months		
Application for opening	12.8.13 46 months	pending	-		



permission					
Grant of Opening permission	12.9.2013 47 months	pending	-		
Coal Production	12.10.2013 (48 Months)	pending	-	UG mine without forest land.	

6. After detailed deliberations, the IMG made recommendation for de-allocation of **Urtan North** coal block and deduction and encashment of proportionate BG linked to the milestones set for the development of the block as per the allocation letter. The recommendations made by the IMG are as follows:-

"The IMG considered the terms and conditions of allocation, the show cause notice issued, reply of the block allocatee to the show cause notice issued, status report of CCO, presentation made by the allocatee company on 25.10.2013 along with the status paper presented to the IMG.

IMG noted that as per CCO's status report, GR purchased, BG submitted, mining plan approval obtained; however, there have been delays in achieving milestone. No forest land involved. EC, grant of mining lease, land acquisition, mine opening permission and coal production are pending.

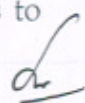
The IMG considered the reply of the allocatee to the show cause notice wherein the JV company has mainly stated that they got the GR from CMPDIL only after 11 months which contributed to the delay in submission of Mining Plan. The Mining Plan was submitted on 27.10.2011 and is yet not approved. State Govt. has not forwarded the Mining Lease application to Central Govt. for previous approval. EMP clearance is delayed due to approval of Mining Plan and Mine Closure Plan is pending.

Approval of Mining Plan along with Mine Closure Plan is pending as the allocatee companies have requested for change in the 'end use' from sponge iron as mentioned in the allocation letter to Steel. The matter is under examination in the Ministry, in consultation with CMPDIL and Coal Controller. EUPs of both the allocatees are in operation.

As per CA certificate submitted by the company, investment made in coal block as on 30.09.2013 is 11.66 crs. Investment in EUP of Monnet Ispat & Energy as on 30.06.2013 is Rs. 6283.07 crs. and in EUP of M/s JSPL as on 30.09.2013 is Rs. 3416 crs.

**Recommendation:** Taking into account the facts placed before it including the fact that while GR has been purchased, BG submitted and mining plan approval obtained, EC, Land acquisition, grant of previous approval of mining lease are pending, IMG recommends de-allocation of coal block and deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter."

7. The recommendation of the IMG has since been considered and approved by the Government. As the allocatee companies have been given a number of opportunities to





develop the coal block and the associated end use project and the companies have 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 **Urtan North** coal block in the State of Madhya Pradesh allocated to **M/s Jindal Steel & Power Ltd. & M/s Monnet Ispat & Energy Ltd.** The companies shall not be eligible for allocation of any block in lieu of de-allocated block. Order regarding deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter would be issued separately after receipt of calculation of amount from the Office of Coal Controller.

Yours faithfully)

Encls: As above

  
(S.K. Shahi)  
Director  
Tel: 23382807

Copy to:

- (i) The Chief Secretary, Government of Madhya Pradesh, Bhopal.
- (ii) The Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
- (iii) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata with the request to intimate the amount for deduction and encashment of proportionate BG linked to the milestones set for development of the block as per the allocation letter.
- (iv) The Chairman, Coal India Ltd., 10 - Netaji Subhash Road, Kolkata - 700 001.
- (v) NIC, Ministry of Coal for uploading the letter on Ministry's website.

No 13016/77/2008-CA-I  
Government of India  
Ministry of Coal

.....  
New Delhi, dated the 24 October, 2009.

To  
(1) M/s Jindal Steel & Power Ltd. (2) M/s Monnet Ispat & Energy Ltd.  
12, Bhikaji Cama Place, Mehta Building, 3rd Floor, 4, Bhikaji Cama  
New Delhi-66. Place, New Delhi-110066.

Subject : Allocation of Urtan North coking coal block in the State of Madhya Pradesh for captive mining of coal by M/s Jindal Steel & Power Ltd. and M/s Monnet Ispat & Energy Ltd. under Option-I(One).

.....  
Sir,

I am directed to refer to your application and to this Ministry's offer letter No.38011/2/2007-CA-I dated 23<sup>rd</sup> December, 2008 on the above mentioned subject and to state that the request of the companies has been considered by the Central Government and it has been decided to allocate Urtan North coking coal block in the State of Madhya Pradesh for captive mining of coal by M/s Jindal Steel & Power Ltd. and M/s Monnet Ispat & Energy Ltd., under Option-I(One), to meet their proportionate share of requirement of coal for their proposed end-use plant as indicated in the table below :-

Name of Company	Geological Reserves (In MT)	EUP Capacity (in MTPA) and location of EUP	Requirement of Coal(Per annum)/EUP	Share (In MT)
1. Jindal Steel & Power Ltd.	69.823	10.55/ Partatu, Jharkhand/Angul, Orissa/Raigarh, Chattisgrah	2 MTPA / Sponge Iron Plant	46.55
2. Monnet Ispat & Energy Ltd.		01.00 / Raigarh, Chhattisgarh	1 MTPA /Sponge Iron	23.27

2. This allocation is made in pursuance of the provisions contained in the Section 3(3)(a)(iii) of the Coal Mines (Nationalization) Act, 1973 and subject to the following conditions :-

- i) A joint venture company be formed between M/s Jindal Steel & Power Ltd. and M/s Monnet Ispat & Energy Ltd. The equity holding in the joint venture company will be in proportion to the assessed coal requirement of the companies.
- ii) The joint venture company shall be formed and registered by the allocatees within 60 days from the date of allocation of this letter.
- iii) 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 allocatees in the proportion of their assessed requirement.



- iv) The coal block is meant for captive use in their own specified end use projects to be set up as per details given in the table above. The coal produced from the block shall not replace any coal linkages given to the allocattees by the Coal India Ltd. / its subsidiary and/or by the Singareni Collieries Company Ltd., without prior permission of this Ministry.
- v) 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 allocatee. 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.
- vi) 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. A copy of the indicative milestone chart is enclosed.
- vii) Detailed exploration shall be carried out on their own, subject to guidelines laid down in consultation with the CMPDIL. A copy of guidelines for exploration is enclosed.
- viii) In respect of an unexplored block, the allocatee company shall apply for a prospecting license within three months of the date of issue of allotment letter. 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.
- ix) The joint venture company shall buy geological report from CMPDIL as per the milestone chart.
- x) The joint venture company shall submit a bank guarantee for Rs.10.97 crore (equal to one year's royalty amount based on mine capacity of 0.60 mtpa assessed by CMPDIL, grade of coal W-III to W-IV and the average royalty @ Rs.182.75 per tonne) within three months from the date of this letter. Subsequently, upon approval of the mining plan, the Bank Guarantee amount will be modified based on the final peak/ rated capacity of the mine.
  - (a) 50% of the bank guarantee shall be linked to the milestones (time schedule) set for development of captive block, and the remaining 50% to the guaranteed production. The bank guarantee shall be liable to be encashed in the following eventuality:
  - (b) There shall be an annual review of progress achieved by an allocatee company. In the event of lapses, if any, in the achievements vis-à-vis the



milestones set for that year, a proportionate amount shall be encashed and deducted from the bank guarantee.

(c) Once production commences, in case of any lag in the production of coal/lignite, 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.

(d) The allottee 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. Any lapses on this count shall lead to de-allocation/ cancellation of mining lease.

xi) The joint venture company shall submit a mining plan for approval by the competent authority under the Central Government as per the milestone chart.

xii) The joint venture company shall be required to comply with the guidelines/rules laid down by the Central Government from time to time relating to mine closure (both progressive and final). The joint venture company shall be required to submit mine closure plan alongwith the mining plan as per the guidelines issued in this regard.

xiii) 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.

xiv) 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.

xv) 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 Government.

xvi) 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 Government. The final mining lease shall be as vetted/modified by the Central Government. Any deviation from the vetted/modified draft shall render the mining lease deed ab-initio null and void and without effect.



3. Further, the previous approval of the Central Government to the grant of prospecting license under Section 5(1) of the Mine and Minerals (Regulation and Development) Act, 1957 is conveyed in favour of the allocatee to undertake prospective operation in the allocated coal block. The detailed exploration can be taken up by the allocatee on their own as per the guidelines circulated by the Ministry of Coal vide its letter No.17022/3/2007-CRC dated 29.08.2007 (copy enclosed). The prospecting shall be carried out to ensure the correctness and accuracy of the geological data generated and geological report prepared in the matter. In respect of coordinates/boundaries of the block, the requisite details along with a map may be obtained from the Central Mining Plan and Design Institute Limited (CMPDIL), Ranchi and this shall be incorporated in the prospecting licence.

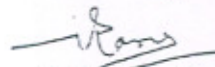
4. Allocation / mining lease of the coal block may be cancelled, inter-alia, on the following grounds :-

- d. Unsatisfactory progress of implementation of their end use power plant.
- e. Unsatisfactory progress in the development of coal mining project.
- f. 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 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 Government or its agencies.

5. The Joint Venture Company 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 in consultation with the Ministry of Railways / the Ministry of Surface Transport depending on the mode of transport.

Yours faithfully,

  
( V.S.Rana )

Under Secretary to the Govt. of India

Encls. As above.

To

1. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
2. Chief Secretary, Government of Madhya Pradesh, Bhopal.
3. Chairman, Coal India Ltd., 10, Netaji Subash Marg, Kolkatta-700001.
4. Chairman-cum-Mng.-Director, Central Mine Planning and Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi, Jharkhand.
5. Chairman-cum-Managing Director, Central Coalfields Limited, Ranchi
6. The Coal Controller, Office of the Coal Controller, 1 Council Street, Kolkatta-700001
7. CPAM Section / Guard file of CA-I Section.

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Annex-II

**SHOW CAUSE NOTICE**  
**By Speed Post**

No.13016/77/2008-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 6<sup>15</sup> June, 2013

To,

(i) The Managing Director,  
M/s Jindal Steel & Power Ltd.,  
12, Bhikaji Cama Place, New Delhi-110066.

(ii) The Managing Director,  
M/s Monnet Ispat & Energy Ltd., Monnet House,  
11, Masjid Moth, Greater Kailash Part-II,  
New Delhi-110048.

**Subject: Show Cause Notice to M/s Jindal Steel & Power Ltd. & M/s Monnet Ispat & Energy Ltd. in respect of Urtan North Coal block – regarding.**

Sir,

I am directed to refer to this Ministry's letter of even number dated 12.10.2009 conveying allocation of **Urtan North** 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. 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 **Urtan North** block allocated to the companies is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the companies with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

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 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. IMG in its 18<sup>th</sup> meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Urtan North** Coal Block prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> December, 2012 and noted that no significant progress has been





made by your companies towards development of the coal block. 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 Dec 12)	Remarks	Special Observation
Purchase of GR	27.11.2009 (45 days from DOA)	27.10.2010	11 Months		
Submission of Bank Guarantee	12.1.2010 3 months	9.7.2010	6 months		
Mining Lease Application	12.1.2010 3 months	18.1.2012	1yrs	ML Area:-475 hec.	
Submission of Mining Plan	12.4.2010 6 months	27.10.11	1yr 6 months	Modified MP and MCP submitted to MOC on 28.9.12.	
Approval of Mining Plan	12.6.2010 8 months	pending	2yrs 6 months	Approval is awaited.	
Application of Previous approval	12.8.2010 10 months	pending	2yr 4 months	ML application is pending at DC Office, Annupur (MP)	
Granting of Previous approval	12.9.2010 11 months	pending	2yr 3 months		
Application of Forest clearance	12.10.201 12 months	No forest land	-		
Grant of Forest Clearance	12.4.2011 18 months				NOC is required.
Application EMP Clearance	12.10.2010	13.10.2011	1yr		
Grant of EMP Clearance	12.4.2011 18 months	pending	1yr 8 months		
Grant of Mining Lease	12.10.2011 24 months	pending	1 Yrs 2 months		
Application of Land Acquisition	12.7.2010 9 months	29.6.2012	2yr 2 months		
Completion of Land Acquisition	12.4.2012 30 months	pending	8 Months		
Application for opening permission	12.8.13 46 months	pending	-		
Grant of Opening	12.9.2013	pending	-		



permission	47 months			
Coal Production	12.10.2013 (48 Months)	pending		UG mine without forest land.

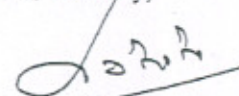
Observation of Field Office of CCO during inspection of the block	
Date of Inspection	27.11.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that an office in a rented house at Kotma.
Activities related to coal transportation	• No
Presence of mining equipment	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	• No
Engagement of MDO	• No information

Keeping in view unsatisfactory progress, IMG recommended to issue show cause notice for delay 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 show cause, on each milestone separately to this Ministry within a period of **20 days** from the date of issue of 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 allocation of **Urtan North** 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 said coal block.

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.



## Status Note

Sl. No.	Items	Remarks
1	Name of the Block	Urtan North Coking Coal Block
2	Name of the allocate	M/s Monnet Ispat & Energy Ltd. M/s Jindal Steel & Power Ltd.
3	Date of allocation	12.11.2009
4	End Use Plant & Capacity	M/s Monnet Ispat & Energy Ltd.- 1.00 MTPA (Sponge Iron Plant at Raigarh, Chhattisgarh)  M/s Jindal Steel & Power Ltd.- 10.55 MTPA Sponge Iron Plant at Patratu Jharkhand/Angul, Odisha & Raigarh, Chhattisgarh.
5	Important terms and conditions of allocation	Copy of allocation letter enclosed as <b>Annexure-I</b>
6	Milestones of allocation and slippages against milestone	Copy of status note from CCO enclosed as <b>Annexure-II</b>
7	History Previous review / action	In the review meeting held on 11/12.01.2012, it was noticed that MP, EMP, ML & LA were pending. No Forest land. ToR approved. Committee noticed that the progress was not satisfactory and advised to expedite the development of the coal block and be cautioned to be careful in future w.r.t. the milestones stipulated.  The progress of the block has been further reviewed by IMG in its meeting held on 01.05.2013. The IMG noted that grant of Mining Plan, Mining Lease, EMP are still pending. Keeping in view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block. Accordingly, the company was issued SCN on 06.06.2013.
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 the court , if any	No



10	Summary of reply of the company including reasons for delay	<p>The JV company of the joint allocatees has stated that they got the GR from CMPDIL only after 11 months which contributed to the delay in submission of Mining Plan. The Mining Plan was submitted on 27.10.2011 and is yet not approved. State Govt. has not forwarded the Mining Lease application to Central Govt. for previous approval. EMP clearance is delayed due to approval of Mining Plan and Mine Closure Plan is pending. (Annexure-III).</p> <p>A copy of the reply of the company was sent to State Govt. of Chhattisgarh for their comments.</p>
11	Comments of State Govt. on reply of the allocatee on SCN	Comments of State Govt. have not been received.
12	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.	<p>All major milestones are pending like grant of mining plan, grant of mining lease, EMP clearance and there are considerable slippages as per milestone schedule dates against each milestone mentioned above.</p> <p>Approval of Mining Plan along with Mine Closure Plan is pending as the allocatee companies have requested for change in the 'end use' from sponge iron as mentioned in the allocation letter to Steel. The matter is under examination in the Ministry, in consultation with CMPDIL and Coal Controller.</p> <p>In regard to M/s Jindal Steel &amp; Power Ltd., CBI has registered an FIR against the company in respect of Amarkonda Murgdangal coal block allocated to it.</p>



**Coal Controller Office, Kolkata**  
**Updated Status of Coal Block as on June 2013**  
**(As per Status report submitted by the company)**

1. Name of Company:- Urtan North Coal Company Ltd (JSPL & Monnet Ispat and Energy Ltd.)
2. Name of Coal Block:- Urtan North (UG)/Pvt
3. Name of Owenr/Address:- Vice President, Urtan North, Sohagpur Coalfields, Monnet House, 11, Masjid Moth, Greater Kailash Part-II New Delhi- 110 048
4. Date of Allocation:- 12.10.2009
5. Location: Sohagpur/MP
6. Project cost :- Rs. 250 Crores
7. **Total investment made Cr (As per CA report) :- Rs.11.31 Cr (as on June 13)**
8. Reserve (Mill tonnes):- 69.82 (Geological)
9. Mineable Reserve in MT:- 25.721
10. Yearly rated capacity (MTPA):- 0.6
11. Grade of Coal:- Coking coal (W-III to IV)
12. Cost of GR:- Rs. 8.35 Crs
13. BG Amount :- Rs. 10.97 Cr.
14. Type of EUP:- SIP
15. Location of Project:- Jharkhand/Orissa and CG (JSPL) and Kharsia CG(MIEL)
16. Capacity of Project:- 10.55 MTPA(JSPL ) and 1 MTPA (MIEL)
17. Explored/Un explored:- Explored
18. Type of mine:- UG
19. Zero Date:- 12.10.2009 (As per block allocation letter)
20. **Previous Recommendation, if any:-** Caution notice issued by MOC as per decision of review meeting dated 11/12.1.2012. Again in 18<sup>th</sup> IMG held on 01.05.2013 advised to issue show cause notice.

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on June'13)	Remarks	Special Observation
Purchase of GR	27.11.2009 (45 days from DOA)	27.10.2010	11 Months		
Submission of Bank Guarantee	12.1.2010 3 months	9.7.2010	6 months		
Mining Lease Application	12.1.2010 3 months	18.1.2012	1yrs	ML Area:-475 hec.	
Submission of Mining Plan	12.4.2010 6 months	27.10.11	1yr 6 months	Modified MP and MCP submitted to MOC on 28.9.12.	
Approval of Mining Plan	12.6.2010 8 months	pending	3 yrs	Approval is awaited.	
Application of Previous approval	12.8.2010 10 months	pending	2yr 10 months	ML application is pending at DC	



				Office, Anuppur (MP)	
Granting of Previous approval	12.9.2010 11 months	pending	2yr 9months		46
Application of Forest clearance	12.10.201 12 months	No forest land	-		
Grant of Forest Clearance	12.4.2011 18 months				NOC is required.
Application EMP Clearance	12.10.2010	13.10.2011	1yr 6 months		
Grant of EMP Clearance	12.4.2011 18 months	pending	2 yr 2 months		
Grant of Mining Lease	12.10.2011 24 months	pending	1 Yrs 6 months		
Application of Land Acquisition	12.7.2010 9 months	29.6.2012	2yr 2 months		
Completion of Land Acquisition	12.4.2012 30 months	pending	1 Yrs 2months		
Application for opening permission	12.8.13 46 months	pending	-		
Grant of Opening permission	12.9.2013 47 months	pending	-		
Coal Production	12.10.2013 (48 Months)	pending	-	UG mine without forest land.	

<b>Observation of Field Office of CCO during inspection of the block</b>	
Date of Inspection	27.11.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that an office in a rented house at Kotma.
Activities related to coal transportation	• No
Presence of mining equipment	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	• No
Engagement of MDO	• No information

**Other details and constraint faced by the block allocates**

**Mining lease hold area:-** 475 Ha. Govt land:- 31.3786 Ha, Pvt land:- 443.6214 Ha

**MP:** Modified Mine plan and Mine closure plan submitted to MOC on 28.9.2012. Observation of SC was communicated. Compliance report of observation submitted to MOC on 27.2.2013.

**Mine plan and Mine closure plan resubmitted to MOC on 15.5.13. Approval is awaited.**

**ML:-** Mining lease application submitted on 18.1.2012. Report of revenue department has been completed and submitted to Collector on 16.1.2013. *It is pending in DFO, Anuppur District. Reminder letter issued to DFO (Anuppur) by DMO Anuppur on 23.5.13.*

**EMP:** Draft EMP has been submitted to MPSPCB on 22.10.2012. *Public hearing held on 12.1.13. EIA report has been submitted to MOEF on 7.3.2013. EAC presentation held on 7.5.13. Minutes of the meeting has been published in the MOEF website. As per point of minutes it has been suggested for study of Hydrology of Kewai River Watershed and*



Environmental impact of mining on water table of both original and unoriginal aquifer system. Hydrological study is expected to be completed July,13 and compliance report to be submitted to MOEF.

LA: Application has been submitted to District Collector (Anuppur, MP) on 29.6.2011. Application for land acquisition (Private land) has been forwarded to the Commissioner Shadol Divison, MP by collector, Anuppur district on 5.3.2013. Gram sabha held on 9.1.2013. As on date, 12 Ha of Pvt land acquired through direct negotiation which is adequate for mining entry.

EUP: JSPL: Existing: 1.67 MTPA Sponge iron Plant at Kharsia Road, Raigarh is operating. Expansion: 3.2 MTPA SIP.

Monnet Ispat & Energy Ltd:- Proposed:0.5 mtpa Phase-I Sponge Iron and 0.5 mtpa Phase-II Sponge Iron plant at Tehsil Kharsia Raigarh, CH. Ph-I is ready to commission and Phase-II to be started by March.2014.

Investment made: Rs.5647.82 Cr. (As per CA report)