

F.No 13016/74/2008- CA-I
Government of India
Ministry of Coal

New Delhi, dated 23rd December, 2013

To

- (i) The Managing Director
M/s Jindal Steel & Power Limited,
12, Jindal Centre,
Bhikaji Cama Place,
New Delhi - 110066
- (ii) The Managing Director
M/s Gagan Sponge Iron Pvt. Limited
28, Najafgarh Road,
New Delhi -110 015.

Sub: De-allocation of Amarkonda-Murgadangal coal block in the State of Jharkhand allocated to M/s Jindal Steel & Power Limited and M/s Gagan Sponge Iron Private Limited as per Option -I - Regarding.

Sir,


I am directed to refer to this Ministry's allocation letter No. 38011/1/2007-CA-I dated 17th January, 2008 (**Annexure -I**) and to this Ministry's show cause notice No. 13016/74/2008-CA-I (Part) dated 22nd July, 2013 (**Annexure- II**) and your reply to the show cause notice and the Presentation made/ documents submitted by you on 24th and 25th October, 2013 before the Inter Ministerial Group (IMG) on the above subject.

2. **Amarkonda-Murgadangal coal block** in the command area of CCL in the state of Jharkhand for captive mining of coal was allocated to **M/s Jindal Steel & Power Limited** and **M/s Gagan Sponge Iron Pvt. Limited** on 17th January, 2008. This allocation was in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation Act, 1973 and subject to certain conditions. Condition No. 3 of allocation letter is reproduced below in this regard:-

" 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/power plant/ cement plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation mentioned above."

3. The progress of the allocated coal block as well as linked/associated end use project has been reviewed by the Ministry through an Inter-Ministerial 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

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was noted as following:-

i) **In the Review Committee Meeting held on 20/21.07.2010** the Committee Noted that the block is RE block, JVC formed. PL granted, Drilling not yet started due to L&O problem. The Committee directed the company to submit progress report of EUPs timely to CCO by the 5th of every quarter.

ii) **In the Review Committee meeting held on 11/12.01.2012** the Committed 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 company 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 constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the chairpersonship 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 **18th meeting held on 01.05.2013 inter alia considered the status of the development of the Amarkonda Murgadangal coal block** prepared by the Coal Controller's Organisation (CCO) as on 31st December, 2012 and noted that no significant progress has been made by your company towards development of the coal block. It has been noticed that a number of important/critical milestones are pending. Keeping in view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government. A show cause notice was issued on 22nd July, 2013.

5. The case of the allocatee company was referred to IMG. Accordingly, the IMG gave opportunity to the allocatees company to make the Presentation before it on the progress of development of allocated coal block and associated end use project. The representatives of the allocatees company gave presentation on **24th October, 2013** before the IMG. The IMG considered the presentation 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 (as on June'13)	Remarks	Special Observation
Purchase of GR	17.4.2010 (27 months)	Pending	3Yrs 2 months	PL granted on 29.6.09. But Drilling is not yet completed due to local problem.	

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Submission of Bank Guarantee	17.4.2008 (3 months from DOA)	16.4.2008	-	BG introduced in March. 05	
Mining Lease Application	17.7.2010 (3 months)	Pending	2Yr 11Months		
Submission of Mining Plan	17.10.2010 (6 months)	Pending	2Yr 8 Months		
Approval of Mining Plan	17.12.2010 (8 Months)	Pending	2Yr 6 months		
Application of Previous approval	17.2.2011 (10 months)	Pending	2Yrs 4 Months		
Granting of Previous approval	17.3.2011 (11 months)	Pending	2Yr 3 months		
Application of Forest clearance	17.4.2011 (12 months)	Pending	2Yr 2 months		
Grant of Forest Clearance	17.10.2011 (18 months)	Pending	1Yr 8 Months		
Application EMP Clearance	17.4.2011 (12 months)	Pending	2Yr 2 months		
Grant of EMP Clearance	17.10.2011 (18 months)	Pending	1Yr 8Months		
Grant of Mining Lease	17.4.2012 (24 months)	Pending	1Yr 2Months		
Application of Land Acquisition	17.11.2011 (19 months)	Pending	1Yr 7 Months		
Completion of Land Acquisition	17.4.2013 (24 months)	Pending	2 months		
Application for opening permission	17.8.2013 (40 Months)	Pending	-		
Grant of Opening permission	17.9.2013 (41 months)	Pending	-		
Coal Production	17.10.2013(4 2 Months)	Pending	-	OC mine with Forest land.	

6. After detailed deliberations, the IMG made its recommendation to de-allocate **Amarkonda Murgadangal** block which was allocated to M/s Jindal Steel & Power Limited and M/s Gagan Sponge Iron Pvt. Limited in its meeting held on 24 & 25th October, 2013. The recommendations made by the IMG are as follows:-

“Taking into account the facts brought before it including the fact that only BG has been submitted and all other milestones are pending including the fact that even drilling for detailed exploration could not

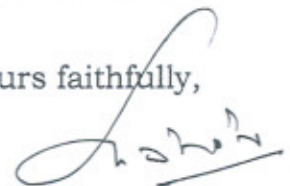
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commence even after a lapse of more than 5 years, IMG recommends de-allocation of the block and deduction and encashment of 50% of the Bank Guarantee (BG) which is linked to the milestones set for development of the block as per the terms and conditions of allocation."

7. The recommendation of the IMG has since been considered and accepted by the Government. As the allocatee company has been given a number of opportunities to develop the coal block and the coal block and the 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-allocated the Amarkonda Murgadangal coal block in the state of Jharkhand allocated to M/s Jindal Steel & Power Limited and M/s Gagan Sponge Iron Pvt. Limited. The company shall not be eligible for allocation of coal block in lieu of the de-allocated coal 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 the Coal Controller, Kolkata.

Encls: As above.

Yours faithfully,



(S.K. Shahi)
Director

Tel. 23382807

Copy to:-

1. The Chief Secretary, Government of Jharkhand.
2. The Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
3. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to send the calculation of Bank Guarantee to the Ministry as per the Minutes of the 23rd IMG meeting, within a period of 7 days.
4. The Chairman, Coal India Limited, 10- Netaji Subhash Road, Kolkata.
- ✓ 5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure-1
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No 38011/1/2007-CA-I
Government of India
Ministry of Coal

New Delhi, dated the 17th January, 2008.

To

- (1) M/s. Jindal Steel & Power Ltd. (CPP)
Jindal Centre, 12- Bikaji Cama Place,
New Delhi - 110 066.
- (2) M/s Gagan Sponge Iron Pvt. Ltd.
28, Najafgarh Road,
New Delhi- 110 015.

Subject : Allocation of **Amarakonda-Murgadanga** coal block in the State of Jharkhand for captive mining of coal by M/s Jindal Steel & Power Ltd and M/s Gagan Sponge Iron Pvt. Ltd. as per Option-I.

Sir,

I am directed to refer to your application for allocation of coal block in the State of **Jharkhand** and to state that this has been considered by the Central Government and it has been decided to allot **Amarakonda- Murgadanga** coal block in the command area of CCI, to M/s Jindal Steel & Power Ltd and M/s Gagan Sponge Iron Pvt. Ltd. to meet the coal requirement as indicated in the table below :-

Geological Reserve (Mt)	Tentative Mine Capacity (Mtpa)	Proposed For Company	Coal Requirement for 30 yrs (Mt)	Proportionate share of reserves of coal (MT)
410	7	M/s. Jindal Steel & Power Ltd.	4.6 x 30 = 138 for 1000 MW (CPP) in Patratu, Hazaribagh, Jharkhand	205
		M/s Gagan Sponge Iron Pvt. Ltd.	4.6 x 30 = 138 for 1000 MW (IPP) in Distt. Dumka, Jharkhand	205
		Total	276	

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

- i) A joint venture company shall be formed between M/s Jindal Steel & Power Ltd and M/s Gagan Sponge Iron Pvt. 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 block is meant for captive use in their own specified end use project as shown in the table above. The coal produced from the block shall not replace any coal linkages given to M/s Jindal Steel & Power Ltd and M/s Gagan Sponge Iron Pvt. Ltd. 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. The end-use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 6 months from the date of this letter. 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 allocattee.

- ix) The company shall submit a bank guarantee for Rs. 71.75 crore (equal to one year's royalty amount based on mine capacity of 7 mtpa assessed by CMPDIL, grade of coal of E and the weighted average royalty @ Rs. 102.50 per tonne) within three months from the date of issue 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 allocattee 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, 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 allocattee 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.
- x) The allocattee 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 allocattee shall be required to submit mine closure plan alongwith the mining plan as per the guidelines issued in this regard.
- xi) 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.
- xii) 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.

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xiii) 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.

xiv) 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. 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 mentioned above.

4. 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 CIL/CMPDII/GSI to obtain available geological data of the block on the payment necessary exploration cost and contact the State Government authorities concerned for necessary permissions/clearances etc. for attaining mining rights and related matters.

6. The arrangement of transport of coal will have to be worked out by the company in consultation with the Ministry of Railways / 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.

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


(V.S. Rana)

Under Secretary to the Govt. of India.

**SHOW CAUSE NOTICE
BY SPEED POST**

No. 13016/74/2008-CA-I(PART)
Government of India
Ministry of Coal

New Delhi, dated 22nd July, 2013

To,

(I) The Managing Director,
M/s Jindal Steel and Power Ltd.
Jindal Centre, 12- Bikaji Cama Place,
New Delhi - 110 066

(II) The Managing Director,
M/s Gagan Sponge Iron Pvt. Ltd.,
28, Najafgarh Road,
New Delhi - 110 015.

Subject: Show cause notice in respect of Amarkonda Murgadandal coal block.

Sir,

I am directed to refer to this Ministry's letter No. 38011/1/2007-CA dated 17th January, 2008 conveying allocation of **Amarkonda Murgadandal coal block** in pursuance of the provisions contained in Section 3(3)(a)(iii) 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 6 months from the date of allocation.

2. In order to expedite the development of the coal block, 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 **Amarkonda Murgadandal coal block** allocated to company was 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 company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

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3. In the meantime, the Government constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the chairpersonship 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 18th meeting held on 01.05.2013 inter alia considered the status of the development of the **Amarkonda Murgadandal coal block** prepared by the Coal Controller's Organisation (CCO) as on 31st December, 2012 and noted that no significant progress has been made by your company 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
Purchase of GR	17.4.2010 (27 months)	Pending	2Yrs 8 months	PL granted on 29.6.09. But Drilling is not yet completed due to local problem.
Submission of Bank Guarantee	17.4.2008 (3 months from DOA)	16.4.2008	-	BG introduced in March.05
Mining Lease Application	17.7.2010 (3 months)	Pending	2Yr 5Months	
Submission of Mining Plan	17.10.2010 (6 months)	Pending	2Yr 2 Months	
Approval of Mining Plan	17.12.2010 (8 Months)	Pending	2Yr	
Application of Previous approval	17.2.2011 (10 months)	Pending	1Yrs 10 Months	
Granting of Previous approval	17.3.2011 (11 months)	Pending	1Yr 9 months	
Application of Forest clearance	17.4.2011 (12 months)	Pending	1Yr 8 months	

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Grant of Forest Clearance	17.10.2011 (18 months)	Pending	1Yr 2 Months	
Application EMP Clearance	17.4.2011 (12 months)	Pending	1Yr 8 months	
Grant of EMP Clearance	17.10.2011 (18 months)	Pending	1Yr 2 Months	
Grant of Mining Lease	17.4.2012 (24 months)	Pending	8 months	
Application of Land Acquisition	17.11.2011 (19 months)	Pending	1Yr 1 Months	
Completion of Land Acquisition	17.4.2013 (24 months)	Pending	-	
Application for opening permission	17.8.2013 (40 Months)	Pending	-	
Grant of Opening permission	17.9.2013 (41 months)	Pending	-	
Coal Production	17.10.2013(42 Months)	Pending	-	OC mine with Forest land.

Observation of Field Office of CCO during inspection of the block	
Date of Inspection	3.12.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that sites of the proposed prospecting boreholes were marked on the ground by concrete pillars, one office in Dumka, and one site office at Barmasia and one camp office at Telangapara one guest house in Dumka.
Activities related to coal transportation	• No
Presence of mining equipment such.	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	Some CSR activities have been carried out by the company.
Engagement of MDO	• No information

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Keeping in view the unsatisfactory progress, IMG recommended issuing 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 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 **Amarkonda Murgadandal 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, Kolkata.
- (ii) NIC, M/o Coal for uploading the letter on Ministry's website .

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:- M/s. JSPL & Gagan Sponge Iron Ltd.
2. Name of Coal Block:- Amarkunda Murgadangal (RE) OC/Pvt
3. Name of Onwer/Address etc:- General Manager (Mines)., Amarkunda-Murgadangal coal block, Dist. Dumka, Jharkhand
4. Date of Allocation:- 17.1.2008
5. Location: Brahmani Coal field/ Jharkhand
6. Project cost :- Rs. 1000 Cr.
7. Total investment made Cr (As per CA report) Rs.6.6894 Cr. (June'13)
8. Reserve (Mill tonnes):- 410 (Geological)
9. Mineable Reserve in MT:- Not assessed
10. Yearly rated capacity (MTPA):- Not available as the block is regionally explored
11. Grade of Coal:- G-E
12. Cost of GR:- Not available (Regionally explored block)
13. BG Amount :- Rs. 71.75 Cr
14. Type of EUP:- IPP
15. Location of Project:- Patratu (JH for JSPL & Dumka for Gagan Sponge)
16. Capacity of Project:- 1000 MW & 1000 MW
17. Explored/Un explored:- Regionally explored
18. Type of Mine:- OC Mine
19. Zero Date:- 17.1.2008 (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 18th 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	17.4.2010 (27 months)	Pending	3Yrs 2 months	PL granted on 29.6.09. But Drilling is not yet completed due to local problem.	
Submission of Bank Guarantee	17.4.2008 (3 months from DOA)	16.4.2008	-	BG introduced in March.05	
Mining Lease Application	17.7.2010 (3 months)	Pending	2Yr 11Months		
Submission of Mining Plan	17.10.2010 (6 months)	Pending	2Yr 8 Months		

Approval of Mining Plan	17.12.2010 (8 Months)	Pending	2Yr 6 months		
Application of Previous approval	17.2.2011 (10 months)	Pending	2Yrs 4 Months		
Granting of Previous approval	17.3.2011 (11 months)	Pending	2Yr 3 months		
Application of Forest clearance	17.4.2011 (12 months)	Pending	2Yr 2 months		
Grant of Forest Clearance	17.10.2011 (18 months)	Pending	1Yr 8 Months		
Application EMP Clearance	17.4.2011 (12 months)	Pending	2Yr 2 months		
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Application of Land Acquisition	17.11.2011 (19 months)	Pending	1Yr 7 Months		
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Grant of Opening permission	17.9.2013 (41 months)	Pending	-		
Coal Production	17.10.2013(42 Months)	Pending	-	OC mine with Forest land.	

Observation of Field Office of CCO during inspection of the block	
Date of Inspection	3.12.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that sites of the proposed prospecting boreholes were marked on the ground by concrete pillars, one office in Dumka, and one site office at Barmasia and one camp office at Telangapara one guest house in Dumka.
Activities related to coal transportation	• No
Presence of mining equipment such.	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	Some CSR activities have been carried out by the company.
Engagement of MDO	• No information

Other details and constraint faced by the block allocates

- PL:- PL granted by Govt. of Jharkhand on 29.6.09.

Forest permission for drilling:- Renewal of forest permission of five boreholes in forest area has been forwarded on 15.5.12 by RCCF Dumka to CF Dumka. Recently on 1.3.2013, work order placed to M/s. Awadh Infra Construction Pvt Ltd and drilling work expected to be started very soon with CSR coordination and Govt help in Law and order issues. On March. 2013, company requested SP,Dumka to provide security during drilling. The district administration on a meeting held on 14.3.13 assured to help in the matter.

EUP: JSPL:- Proposed:1320 (2x660 MW) MW New Power Plant at pit head is expected to be commissioned in 2016-17 .

- **Project cost:** Rs. 6470 Cr.
- **Investment made as on June'13:** Rs.1675.63 Cr. (As per CA report)

Gagan Sponge Ltd. Proposed: 1320 MW IPP at Dumka, Jharkhand. Power Plant is expected to come up by 2016-17.

Project cost: Rs. 8432 Cr.

Investment made as on June'13: Rs. 1.38 Cr. (As per CA report)

AMARAKONDA-MURGADANGAL COAL BLOCK, JHARKHAND

SL NO	ITEMS	REMARKS
1	Name Of the Block	Amarakonda-Murgadangal Coal Block
2	Name Of the allocatee	M/s. Jindal Steel & Power Ltd. and M/s. Gagan Sponge Iron Pvt. Ltd.
3	Date Of allocation	17.01.2008
4	End –use Plant	1000MW CPP in Patratu, Hazirabagh, Jharkhand and 1000MW IPP in District, Dumka, Jharkhand.
5	Important terms and conditions of allocation	As per Allocation letter enclosed as Annexure- I
6	Milestones of allocation /Slippages against Milestones as stated in the SCN	Status of CCO, Kolkata is enclosed (Annexure-II)
7	History Previous review / action	<p>A Review Meeting was held on 20.07.2010 & 21.07.2010 under the Chairmanship of AS (Coal) to review the progress of captive coal blocks and the associated End Use Projects wherein the Committee noted that in the case of present allocatees RE block, JVC formed. PL granted, Drilling not yet started due to L&O problem. The Committee directed the company to submit progress report of EUPs timely to CCO by the 5th of every quarter.</p> <p>In the Review Meeting held on 11.01.2012 & 12.01.2012, chaired by AS (Coal) to review the progress of captive blocks and the associated End Use Projects, the Committee noted the following:-</p> <p>RE block. Company stated that illegal mining is going on. 3 contractors appointed. Law and Order problem is there. Company requested to the State Government to deploy CRPF camp in the area. Land acquisition is the main issue. 2000MW Power Plant of Gagan Sponge and JSPL to be set up jointly. Company intimated that for generation of 2000 MW power plant, 400 MT coal reserves are required.</p> <p>Accordingly, a Caution Letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.</p> <p>In the meantime, the Government constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairpersonship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic</p>

		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 th meeting held on 01.05.2013 inter alia considered the status of the development of the Coal Block prepared by the Coal Controller's Organisation (CCO) as on 30.12. 2012 and noted that no significant progress has been made by the allocatee company towards development of the Amarakonda-Murgadangal coal block. The IMG noted that land acquisition is still pending. Keeping in view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government. The company was issued show cause notice on 22.07.2013.
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	
9	Litigation any orders of the court , if any	
10	Summary of reply of the company including reasons for delay	In reply to the Show Cause Notice dated 22.07.2013, the company submitted that it was not able to achieve the stipulated milestones because of conditions beyond their control. The company has submitted that earlier it was unaware of the severe complexities of the situation like anti displacement and anti-industrialization stand taken by a section of villagers which gained strength from the presence of stone quarry/crusher operators, illegal coal miners and Naxals. The villagers, who are in support of the project are threatened and beaten to submission by the anti-displacement section, who are supported by the stone quarry/crusher operators, illegal coal miners and Naxals. Further, the atmosphere gets vitiated due to the difficult terrain and remoteness of the coal block, which make it extremely difficult for the district administration to ensure rule of law. It is submitted by the company that in spite of the above, they have tried their best and attempted to carry out the exploration works, for eg. Formation of JV Company, furnishing of BG for an amount of Rs.71.75 crores equivalent to one year royalty based on E grade on capacity of coal assessed by CMPDIL, etc. The company submitted that the delay in grant of PL is primarily attributable to the processing time taken by the Government of Jharkhand. The company has further submitted that they have been

		<p>requesting State/Central Government to take remedial measures and provide police protection and take steps for stopping illegal mining so that their company can carry out drilling/exploration activities but no visible action has been taken by the Centre/State till now.</p> <p>Copy of Reply received from the Company is enclosed as Annexure-3.</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>An FIR has been lodged by CBI against the allocatee company. M/s. Jindal Steel & Power Ltd.</p> <p>The JV company M/s Shreshtra Mining and Metals Pvt. limited has submitted mine Plan (June 2013) . Whether JV company has been approved by the Ministry is under examination.</p>