

SEEKING OF EXPLANATION
By Speed Post

No. 13016/3/2003-CA/CA-I
Government of India
Ministry of Coal

New Delhi, dated 30th December, 2013

To,
The CMD,
M/s Madhya Pradesh State Mining Corporation Ltd,
Prayavas Bhavan, Block No.1(A),
Second Floor, Jail Raod,
Arera Hills, Bhopal-462011.

Subject: Seeking of explanation from M/s Madhya Pradesh State Mining Corporation Ltd for slow progress in respect of Amelia North Coal block - regarding.

Sir,

I am directed to refer to this Ministry's letter No. 13016/3/2003-CA-I dated 12.01.2006 conveying allocation of **Amelia North 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 violation of any of the conditions of allocation imposed in mining and disposing of coal from Amelia (North) 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 **Amelia North** coal block allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised the allocattees 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 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 19th meeting held on 25.06.2013 *inter alia* considered the status of the development of the **Amelia North** coal block prepared by the Coal Controller's Organisation (CCO) as on 31st 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 observation
Purchase of GR	27.2.2006 (45 days)	13.9.2006	7 Months		
Submission of Bank Guarantee	Not applicable	Not applicable			
Mining Lease Application	12.4.2006 (3 month)	10.4.2006	-	ML area:- 728.75 Ha	
Submission of Mining Plan	12.7.2006 (6 months)	4.7.2006	-		
Approval of Mining Plan	12.9.2006 (8 months)	14.11.2006	2 Months		
Application of Previous approval	12.11.2006 (10 months)	3.11.2006	-		
Granting of Previous approval	12.12.2006 (11 months)	24.8.2007	8 months		
Application of Forest clearance	12.1.2007 (12 month)	21.8.2006	-		
Grant of Forest Clearance	12.7.2007 (18 moths)	30.11.2012	5 Yrs 4 Months	Stage-II FC granted	
Application	12.1.2007	9.4.2007	3 Months		



EMP Clearance	(12 months)				
Grant of EMP Clearance	12.7.2007 (18 months)	20.7.2007	-		
Grant of Mining Lease	12.1.2008 (24 months)	4.2.2013	5 Yrs 2 Months	ML executed.	
Application of Land Acquisition	12.8.2007 (19 months)	28.10.2007	2 Months		Total Land: 905.65Ha. Pvt. Land: 137.46Ha. Govt. land: 39.44Ha. Forest Land: 728.75 Ha.
Completion of Land Acquisition	12.1.2009 (36 months)	13.2.2013	4Yrs 2 Months		
Application for opening permission	12.5.2009 (40 months)	4.3.2012	2Yrs 10 Months		
Grant of Opening permission	12.6.2009 (41 months)	Pending	3Yrs 9 Months		Delay in getting approval of mining lease & DGMS permission still pending.
Coal Production	12.7.2009 (42 months)	Pending	3Yrs 8 Months	Mining will be commenced in OC area first.	

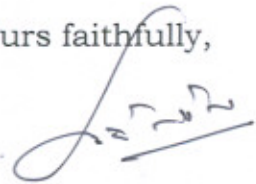
Keeping in view the slow progress, IMG recommended to seek explanation for slow progress in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

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.

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.