

SEEKING OF EXPLANATION
By Speed Post

No. 13016/8/2010-CA-I
Government of India
Ministry of Coal

New Delhi, dated 30th December, 2013

To,
The Managing Director,
M/s Chhattisgarh Surguja Power Ltd.
(Formerly M/s Akaltara Power Ltd.)
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi-110001.

Subject: Seeking of explanation from M/s Chhattisgarh Surguja Power Ltd. (Formerly M/s Akaltara Power Ltd.) for slow progress in respect of Pindrakhi and Puta Parogia Coal blocks – regarding.

Sir,

I am directed to refer to this Ministry's letter No. 13016/19/2007-CA-I dated 09.09.2009 conveying allocation of **Pindrakhi and Puta Parogia Coal blocks** in pursuance of the provisions contained in Section 3(3)(a) 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 allocation. The end- use project schedule and the coal mine development schedule were to be modified accordingly and submitted to the Ministry within 6 months from the date of allocation.

2. Allocation letter also stipulates that 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 power plant.
b. Unsatisfactory progress in the development of coal mining project.
c. For breach of any of the conditions of allocation.

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 11/12.01.2012, it was



noticed that the progress of the **Pindrakhi** and **Puta Parogia Coal blocks** 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.

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 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 **Pindrakhi** and **Puta Parogia Coal blocks** 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	24.10.09 45 days from DOA	Pending	3Yrs 5 Months		<i>Selection of developer is delayed due to No Go Area of the block.</i>
Submission of Bank Guarantee	9.12.09 3 months	Pending	3Yrs 3 Months	BG to be submitted by Selected developer.	

Mining Lease Application	9.12.09 3 months	Pending	3Yrs 3 Months		
Submission of Mining Plan	9.3.10 6 months	Pending	3Yrs		
Approval of Mining Plan	9.5.10 8 months	Pending	2Yrs 10 Months		
Application of Previous approval	9.7.10 10 months	Pending	2Yrs 8 Months		
Granting of Previous approval	9.8.10 11 months	Pending	2Yrs 7 Months		
Application of Forest clearance	9.9.10 12 months	Pending	2Yrs 6 Months		
Grant of Forest Clearance	9.3.2011 18 months	Pending	2Yrs		
Application EMP Clearance	9.9.10 12 months	Pending	2Yrs 6 Months		
Grant of EMP Clearance	9.3.2011 18 months	Pending	2Yrs		
Grant of Mining Lease	9.9.2011 24 months	Pending	2Yrs 6 Months		
Application of Land Acquisition	9.4.2011 19 months	Pending	1Yrs 11 Months		
Completion of Land Acquisition	9.9.2012 36 months	Pending	6 Months		
Application for opening permission	9.1.2013 40 months	Pending	2 Months		
Grant of Opening permission	9.2.2013 41 months	Pending	1Months		
Coal Production	9.3.2013 (42 Months)	Pending	-		<i>The selection of bidder through</i>

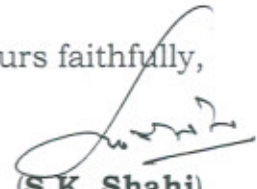
					<i>internation ally competitive bidding is pending.</i>
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Keeping in view the slow progress, IMG recommended to seek explanation for slow progress in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

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 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 plants(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.