

**SHOW CAUSE NOTICE**

**By Speed Post**

**No. 13016/5/2004-CA-I  
Government of India  
Ministry of Coal**

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

To,

The Managing Director,  
M/s. Jindal Steel & Power Ltd.,  
Jindal Centre,  
12-Bhikaji Cama Place,  
New Delhi - 110 066

**Subject: Show cause notice to M/s Jindal Steel & Power Ltd. in respect of Utkal -B1 coal block.**

Sir,

I am directed to refer to this Ministry's letter No.47011/7(63)/93-CPAM/CA dated 29<sup>th</sup> September, 2003 conveying allocation of **Utkal -B1 coal block** to your company in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions. As per the allocation letter *ibid*, coal mine development project was required to be completed within about 75 months from the date of allocation.

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 **Utkal -B1 coal block** allocated to the company 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 company 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 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 18<sup>th</sup> 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 31<sup>st</sup> December, 2012 and noted that no significant progress has been made by your company towards development of the **Utkal -B1 coal block**. The IMG noted that land acquisition, grant of mining lease and application of mine opening permission are still pending in your case. Keeping in



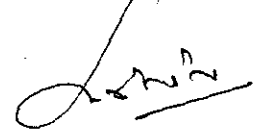
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view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block. The recommendation of IMG has since ~~been~~ been considered and accepted by the Government.

4. Under the above circumstances, you are hereby called upon to show cause, on various stages for development of coal block, to this Ministry within a period of **20 days** from the date of issue of this show cause notice as to why the delay in the development of coal block should not be held as violation of the terms and conditions of the allotment of **Utkal -B1 coal block** failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken for de-allocation of **Utkal -B1 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 .