

SHOW CAUSE NOTICE

BY Speed Post

**No. 13016/77/2006-CA-I
Government of India
Ministry of Coal**

New Delhi, dated 10th June, 2013

To,

- (i) The Managing Director,
M/s. Rungta Mines Limited,
C-I(3rd Floor), Panchsheel Enclave,
New Delhi- 110017.
- (ii) The Managing Director,
M/s OCL India Limited
11th Floor, Narain Mandal,
23-Barakhamba Road, New Delhi 110 001
- (iii) The Managing Director,
M/s Ocean Ispat Limited,
203, Kushal Bazar, 32-33, Nehru Place,
New Delhi

Subject: Show cause notice in respect of Radhikapur (West) coal block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/33/2005-CA dated 25th April, 2006 conveying allocation of **Radhikapur (West)** 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 3 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 **Radhikapur (West)** 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.

3. In the meantime, the Government constituted an Inter-Ministerial

...2...



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 **Radhikapur (West)** 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	5.2.2010 (45 days)	11.5.2006	-	
Submission of Bank Guarantee	21.3.2010 (3 Months)	19.7.2010	4 months	BG introduced in March.2005
Mining Lease Application	21.3.2010 (3 Months)	8.10.2010	7 months	ML area 1048 Hect.
Submission of Mining Plan	21.6.2010 (6 months)	17.2.2011	8 months	
Approval of Mining Plan	21.8.2010 (8 Months)	23.6.2011	10 months	
Application of Previous approval	21.10.2010 10 Month	Pending	2 yr 2 months	
Granting of Previous approval	21.11.2010 (11 Months)	Pending	2 yr 1 months	
Application of Forest clearance	21.12.2010 (12 Months)	6.5.2011	5 months	Forest land:- 91.93 Hec.
Grant of Forest Clearance	21.6.2011 (18 Months)	Pending	1yr 6 months	
Application EMP Clearance	21.12.2010 (12 Months)	27.1.2011	-	
Grant of EMP Clearance	21.6.2011 (18 Months)	Pending	1yr 6 months	Talcher CF as critically polluted area.

...3...

Grant of Mining Lease	21.12.2011 (24 Months)	Pending	1 Yr	
Application of Land Acquisition	21.7.2011 (19 Months)	27.1.2011	-	
Completion of Land Acquisition	21.12.2012 (36 Months)	Pending	-	Gram Sabha for 6 villages completed.
Application for opening permission	21.4.2013 (40 Months)	Pending	-	
Grant of Opening permission	21.5.2013 (41 Months)	Pending	-	
Coal Production	21.6.2013 (42 Months)	Pending	-	OC mining commence first.

Observation of Field Office of CCO during inspection of the block	
Date of Inspection	7.12.2012
Infrastructure development	As per site inspection carried out by OSD Office, Ranchi, Dhanbad it was reported that no infrastructure has been developed.
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 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 **Radhikapur (West)** 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.

...4...

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 .