

SHOW CAUSE NOTICE

By Speed Post

No. 13016/33/2008-CA-I
Government of India
Ministry of Coal

New Delhi, dated 1st January, 2014

To,

1. M/s. JLD Yavatmal Energy Ltd., Prithvi Vanaum, Gandhi Chowk, Dist. Yavatmal, Maharashtra.	2. M/s. R.K.M. Powergen Pvt. Ltd., 16, First Canal Cross Road, Gandhi Nagar, Adyar, Chennai-600020.
3. M/s. Visa Power Ltd., HLL Building, 2 nd Floor, 9, Shakespear Sarani, Kolkata-700071.	4. M/s. Green Infrastructure Pvt. Ltd., 201, Golf Apartment, Sujan Singh Park, Maharishi Raman Marg, New Delhi - 110003.
5. M/s. Vandana Vidyut Ltd., Vandana Bhawan, M.G. Road, Raipur - 492001.	

Subject: Show Cause Notice to joint allocatees of Fatehpur East Coal block - regarding.

Sir,

I am directed to refer to this Ministry's letter No. 38011/1/2007-CA-I dated 23.01.2008 conveying allocation of **Fatehpur East Coal block** in pursuance of the provisions contained in Section 3(3)(a)(iii) 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 preparation of GR. 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 specified end use plants.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation.



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3. 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 production from **Fatehpur East Coal block** will be started in the year 2011-2012 or the near future as per the indicated schedule. The Committee advised the allocattee to start mining/ coal production in 2011-2012 or as per the indicated schedule of production failing which appropriate action will be initiated.

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 21st meeting held on 06.08.2013 *inter alia* considered the status of the development of the **Fatehpur East Coal block** prepared by the Coal Controller's Organisation (CCO) as on March, 2013 and noted that the progress of the block is unsatisfactory. 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 Observati on
Purchase of GR	22.4.2010 (27 Months	28.2.2011	10 Months		
Submission of Bank Guarantee	22.4.2008 (3 months	Yes	-		
Mining Lease Application	28.5.2011 (3 months from GR completion))	30.7.2010	-	ML area:- 1728.208 Ha Forest land:- 1093.485 Ha Tenancy land:- 416.561 Ha Govt land:- 218.162 Ha	Zero date considere d on 28.2.2011
Submission of Mining Plan	28.8.2011 (6 months from)	26.8.2011	-		
Approval of	28.10.2011	27.4.2012	6 months		



Mining Plan	(8 months from)				
Application of Previous approval	28.12.2011 (10 months)	30.7.2010	-		
Granting of Previous approval	28.1.2012 (11 months)	Pending	1Yr 2 Months		Reply from MOC on clarification sought by Govt of CG has been submitted on 25.2.13.
Application of Forest clearance	28.2.2012 (12 months)	16.4.2011	- 7 months	FC processing at DFO.	Stg-I nFC is pending.
Grant of Forest Clearance	28.8.2012 (18 months)	Pending			
Application EMP Clearance	28.2.2012 (12 months)	29.9.2012	7 Months	Public hearing is scheduled on 17.5.2013.	
Grant of EMP Clearance	28.8.2012 (18 months)	Pending	7 Months		
Grant of Mining Lease	28.2.2013 (24 months)	Pending	1 Month		
Application of Land Acquisition	28.9.2012 (19 months)	Yes	6 Months	Out of total land 1913.208 Ha, the area applied for 1728.208 Ha for land acquisition.	Land: 1728.208 Hec. Govt land: 218.162 Ha Pvt land: 416.561 Ha Forest land : 1093 Ha.
Completion of Land Acquisition	28.2.2014 (36 months)	Pending	-		
Application for opening permission	28.6.2014 (40months)	Pending	-		
Grant of Opening permission	28.7.2014 (41 Months)	Pending	-		
Coal Production	28.8.2014 (42 Months)	Pending	-	OC mine without forest land	

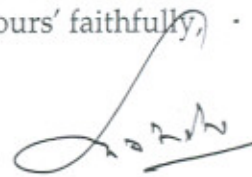
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Keeping in view the unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

5. Under the above circumstances, you are hereby called upon to show cause, on each milestone separately to this Ministry within a period of **20 days** from the date of issue of 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 allocation of **Fatehpur East Coal block** and why the block should not be de-allocated, 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.

6. 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, 1- Council House Street, Kolkata.

✓ (ii) NIC, Ministry of Coal for uploading the letter on Ministry's website.