

No. 13016/ 61/2013-CA-I
Government of India
Ministry of Coal

.....
New Delhi, the 23rd December, 2013

To,

M/s Karanpura Energy Limited,
Engineering Building, HEC Dhurwa,
Ranchi – 834 004


Subject: Show Cause Notice to M/s. Karanpura Energy Limited in respect of Mourya (OC) coal block - regarding.

Sir,

I am directed to refer to this Ministry's letter No. 13016/19/2007-CA-I dated 26th June, 2009 conveying 'in-principle' approval of the Central Government to the working of Mourya (OC) coal block in South Karanpura coalfields of Central Coalfields Limited to be set up by M/s Karanpura Energy Limited, an SPV of Jharkhand State Electricity Board (JSEB) under the tariff based competitive bidding route subject to certain condition.

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 Mourya OC coal block allocated to the company was not satisfactory but it was seen that these blocks were delayed due to 'Go/NO Go' categorization, location of wildlife corridors, allocation to PFC for UMPPs and overlapping of coal bearing area with CBM/Aerotropolis project. The Committee expressed concern over unsatisfactory progress and advised M/s Karanpura Energy Limited to expedite the development of the coal block. Accordingly, an advisory letter dated 26th April, 2012 was issued to the company with the direction to expedite the development of the coal block and development of end use plant so as to ensure expeditious production of coal from the allotted coal block 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 (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The IMG 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 19th Meeting held on 25.06.2013 *inter alia* considered the

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status of the development of the Mourya OC coal block prepared by the Coal Controller's Organisation (CCO) as on March, 2013 and noted that no significant progress has been made by your company towards development of 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 Mar.13)	Remarks	Special Observation
Purchase of GR	10.8.2009 45 days	Yes	-		
Submission of Bank Guarantee	26.9.2009 3 months	Pending	3Yrs 6 Months	BG will be submitted by successful bidder.	
Mining Lease Application	26.9.2009 3 months	Pending	3Yrs 6 Months		
Submission of Mining Plan	26.12.09 6 months	Pending	3Yrs 3 Months		
Approval of Mining Plan	26.2.10 8 months	Pending	3 Yrs 1 Month		
Application of Previous approval	26.4.10 10 months	Pending	2Yrs 11 Months		
Granting of Previous approval	26.5.10 11 months	Pending	2Yrs 10 Months		
Application of Forest clearance	26.6.10 12 months	Pending	2Yrs 9 Months		
Grant of Forest Clearance	26.12.2010 18 months	Pending	2Yrs 3 Months		
Application EMP Clearance	26.6.10 12 months	Pending	2Yrs 9 Months		
Grant of EMP Clearance	26.12.2010 18 months	Pending	2Yrs 3 Months		
Grant of Mining Lease	26.6.2011 24 months	Pending	1Yrs 9 Months		
Application of Land Acquisition	26.1.2011 19 months	Pending	2Yrs 2 Months		

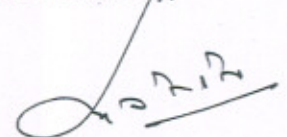
Completion of Land Acquisition	26.6.2012 36 months	Pending	9 Months		
Application for opening permission	26.10.2012 40 months	Pending	8 Months		
Grant of Opening permission	26.11.2012 41 months	Pending	7 Months		
Coal Production	16.12.2012 (42 Months)	Pending	9 months	MOP needs to expedite the project.	Selection of bidder through competitive bidding is pending.

3. 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.

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 this 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 Mourya (OC) coal block and why the block should not be de-allocated failing which it would be presumed that the your company has no explanation to offer and action as appropriate would be taken against your company for de-allocation of the said 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, 1- Council House Street, Kolkata.

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