

No.13016/35/2009-CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 26th December, 2013

To,

- (i) M/s Rungta Mines Limited
Rungta House,
Chaibasa- 833 201
Jharkhand
- (ii) M/s Kohinoor Steel Limited
16A "Everest House"
48C, J.L. Nehru Road,
Kolkata – 700 071

Subject: Show Cause Notice to M/s Rungta Mines Limited and M/s Kohinoor Steel Limited in respect of Mednirai coal block – regarding.

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I dated 28th May, 2009 conveying allocation of **Mednirai coal block** in pursuance of 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 fall under forest land) in case of Underground mine. 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 **Mednirai coal block** allocated to the company is not satisfactory. Committee expressed concern over **unsatisfactory progress** and advised **M/s Rungta Mines Limited and M/s Kohinoor Steel (P) Limited** to expedite the development of the coal block. Accordingly, an advisory letter dated 26th April, 2012 was issued to the companies 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 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-

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allocation, if required. IMG in its 19th Meeting held on 25.06.2013 *inter alia* considered the status of the development of the Mednirai 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	12.7.2009 (45 days)	28.8.2009	1Month		
Submission of Bank Guarantee	28.8.2009 (3 months)	15.9.2009	1 Month		
Mining Lease Application	28.8.2009 (3 months)	26.3.2010	7 months	ML:- 1053 Ha	
Submission of Mining Plan	28.11.2009 (6 months)	25.11.2010	1 Yr		
Approval of Mining Plan	28.1.2010 (8 months)	Pending	3Yrs 2 Months	Due to non payment of exploration cost.	
Application of Previous approval	28.3.2010 (10 months)	Pending	3Yrs	ML is pending with State Govt.	
Granting of Previous approval	28.4.2010 (11 months)	Pending	2Yrs 11 Months		
Application of Forest clearance	28.5.2010 (12 months)	Pending	2Yrs 10 Months		Kept in abeyance due to non grant of TOR.
Grant of Forest Clearance	28.11.2010 (18 months)	Pending	2Yrs 4 Months		
Application EMP Clearance	28.5.2010 (12 months)	11.10.2010	5 Months	EAC refuse to look into it as the area is close vicinity of Palamau Tiger Reserve.	Put hold by MOEF.
Grant of EMP Clearance	28.11.2010 (18 months)	Pending	2Yrs 4 Months		
Grant of Mining Lease	28.5.2011 (24 months)	Pending	1Yr 10 Months		
Application of Land Acquisition	28.12.2010 (19 months)	Pending	2Yrs 3 Months	Land will be purchased through direct negotiation.	Total Land: 1053 Ha. Pvt. Land: 187

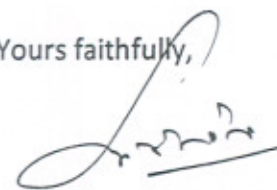
					Ha. Govt. land: 155 Ha. Forest Land: 711 Ha.
Completion of Land Acquisition	28.5.2012 (36 months)	Pending	10 Months		
Application for opening permission	28.9.2012 (40 months)	Pending	9 Months		
Grant of Opening permission	28.10.2012 (41 months)	Pending	5 Months		
Coal Production	28.11.2012 (42 months)	Pending	4 Months	OC mine with Forest land.	Project is in close vicinity of Palamu Tiger Reserve.

3. Keeping in view 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 **Mednirai 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.