

**SHOW CAUSE NOTICE**  
**By Speed Post**

No. 13016/78/2008-CA-I  
Government of India  
Ministry of Coal

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New Delhi, dated 1<sup>st</sup> January, 2014

To,  
(i) M/s AMR Iron & Steel Pvt. Ltd.,  
Prithvi Vandan, Gandhi Chowk,  
Yavatmal, Maharashtra.

(ii) M/s Century Textiles & Industries Ltd.,  
"Century Bhavan", Dr. Annie Besant Road,  
Worli, Mumbai - 400025.

(iii) M/s J.K. Cement Ltd.,  
Kamla Tower, Kanpur - 208001.

**Subject: Show Cause Notice to M/s AMR Iron & Steel Pvt. Ltd., M/s Century Textiles & Industries Ltd. and M/s J.K. Cement Ltd. in respect of Bander Coal block - regarding.**

Sir,

I am directed to refer to this Ministry's letter of even number dated 29.05.2009 conveying allocation of **Bander 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 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. The end- use project schedule and the coal mine development schedule were to be modified accordingly and submitted to the Ministry within 3 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.



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 progress of the **Bander Coal block** allocated to the companies is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, an advisory letter No. 13011/2/2012-CA-I dated 26.04.2012 was issued to the companies stating that the progress would be monitored regularly and if the development of the coal block and associated end use plants is not as per the schedule furnished and if any willful delay is noticed, appropriate action including deduction of bank guarantee/de-allocation of said **Bander coal block** would be considered.

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 21<sup>st</sup> meeting held on 06.08.2013 *inter alia* considered the status of the development of the **Bander 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 Observation
Purchase of GR	13.8.2009 (45 days)	19.7.2009	-		
Submission of Bank Guarantee	29.8.2009 (3 months)	15.9.2009	1 Months		
Mining Lease Application	29.8.2009 (3 months)	30.11.2009	3 Months		
Submission of Mining Plan	29.11.2009 (6 months)	30.4.2010	5 Months	Modified MP submitted on 16.8.2012	

12

Approval of Mining Plan	29.1.2010 (8 months)	Pending	3Yrs 2 Months		Presentation completed in 9.2.2012
Application of Previous approval	29.3.2010 (10 months)	Pending	3Yrs	State Govt is yet to sent to Central Govt.	
Granting of Previous approval	29.4.2010 (11 months)	Pending	2Yrs 11 Months		
Application of Forest clearance	29.5.2010 (12 months)	9.7.2010	2 Months	Modified FC submitted 18.3.2013	
Grant of Forest Clearance	29.11.2010 18 months	Pending	2Yrs 4 Months		Bander Block is within 10 Km of Tiger Sanctuary hence clearance from wildlife board is required.
Application EMP Clearance	29.5.2010 12 months	Yes	-	Tree enumeration competed	TOR granted by MOEF on 3.2.2012.
Grant of EMP Clearance	29.11.2010 18 months	Pending	2Yrs 4 Months		
Grant of Mining Lease	29.5.2011 24 months	Pending	1Yr 10 Months		
Application of Land Acquisition	29.12.2010 19 months	Pending	2Yrs 3 Months		
Completion of Land Acquisition	29.5.2012 36 months	Pending	10 Months		
Application for opening permission	29.9.2013 52 months	Pending	-		
Grant of Opening permission	29.10.2013 53 months	Pending	-		
Coal Production	29.11.2013 (54 months from DOA)	Pending	-	UG mine with forest land.	

*dm*

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 **Bander 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.