

**SPEED POST**

**No. 13016/55/2008-CA-I  
Government of India  
Ministry of Coal**

.....

New Delhi, the 3<sup>rd</sup> January, 2014

To,

<b>M/s. Bhushan Steel Ltd.,</b> F-Block, 1 <sup>st</sup> Floor, International Trade Tower, Nehru Place, New Delhi-110019.	<b>M/s. Jai Balaji Industries Ltd.,</b> 5, Bentinck Street, 1 <sup>st</sup> Floor, Kolkata - 700001.
<b>M/s. Rashmi Cement Ltd.,</b> Jhargram, Distt. Paschim Midnapore, West Bengal-757502.	

**Subject : Show Cause Notice to M/s. Bhushan Steel Ltd., M/s. Jai Balaji Industries Ltd. and M/s. Rashmi Cement Ltd. in respect of Andal East coal block.**

Sir,

I am directed to refer to this Ministry's letter No.13016/55/2008-CA-I dated 03.07.2009 conveying allocation of Andal East coal block in pursuance of 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 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 6 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, the Committee recommended that the allocatees of coal blocks, production from which will be started in the year 2011-2012 or the near future, be advised to start mining/coal production in 2011-12 or as per the indicated schedule of production failing which appropriate action will be initiated.



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 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. The IMG in its 22<sup>nd</sup> Meeting held on 23.10.2013 inter alia considered the status of the development of the Andal East coal block prepared by the Coal Controller's Organisation (CCO) as on June, 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 June.13)	Remarks	Special Observation
Purchase of GR	3.10.2011 (27 Months from DOA)	30.12.2011	2 Months	Drilling completed	
Submission of Bank Guarantee	3.10.2009 (3 Months)	13.1.2010	3 Months		
Mining Lease Application	30.3.2012 (3 Months from GR preparation)	3.2.2012	-	<b>Mining Lease: 1266 ha.</b>	
Submission of Mining Plan	30.6.2012 (6 Months from GR preparation)	27.9.2012	3 Months		<b>Presentati on done on 25.4.13.</b> Approval is awaited.



Approval of Mining Plan	30.8.2012 (8 Months)	Pending	10 Months		
Application of Previous approval	30.10.2012 (10 Months)	Pending	8 Months		
Granting of Previous approval	30.11.2012 (11 Months)	Pending	7 Months		
Application of Forest clearance	30.12.2012 (12 Months)	No forest land involved			
Grant of Forest Clearance	30.6.2013 (18 Months)				
Application EMP Clearance	30.12.2012 (12 Months)	Pending	6 months	TOR for EMP presentati on done . Approval is awaited	
Grant of EMP Clearance	30.6.2013 (18 Months)	Pending	-		
Grant of Mining Lease	30.12.2013 (24 Months)	Pending	-		
Application of Land Acquisition	30.9.2012 (9 months) from GR	Pending	9 months	Socio economic survey done by IISWBM, Kol	
Completion of Land Acquisition	30.12.2014 (36 Months)	Pending	-		
Application for opening permission	30.10.15 (46 Months)	Pending	-		
Grant of Opening permission	30.11.15 (47 Months)	Pending	-		
Coal Production	<b>30.12.2015</b> (48 Months)	Pending	-	UG mine with forest land.	DVC refused to give NOC in r/o ML

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 Andal East 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.