

**SHOW CAUSE NOTICE**

**By Speed Post**

No.13016/77/2008-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated <sup>15</sup>6 June, 2013

To,

(i) The Managing Director,  
M/s Jindal Steel & Power Ltd.,  
12, Bhikaji Cama Place, New Delhi-110066.

(ii) The Managing Director,  
M/s Monnet Ispat & Energy Ltd., Monnet House,  
11, Masjid Moth, Greater Kailash Part-II,  
New Delhi-110048.

**Subject: Show Cause Notice to M/s Jindal Steel & Power Ltd. & M/s Monnet Ispat & Energy Ltd. in respect of Urtan North Coal block – regarding.**

Sir,

I am directed to refer to this Ministry's letter of even number dated 12.10.2009 conveying allocation of **Urtan North** 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.

2. In order to expedite the development of the coal blocks, 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 **Urtan North** 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, a caution letter dated 26.04.2012 was issued to the companies with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

3. 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 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-allocation, if required. IMG in its 18<sup>th</sup> meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Urtan North** Coal Block prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> December, 2012 and noted that no significant progress has been



made by your companies towards development of the 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 Dec 12)	Remarks	Special Observation
Purchase of GR	27.11.2009 (45 days from DOA)	27.10.2010	11 Months		
Submission of Bank Guarantee	12.1.2010 3 months	9.7.2010	6 months		
Mining Lease Application	12.1.2010 3 months	18.1.2012	1yrs	ML Area:-475 hec.	
Submission of Mining Plan	12.4.2010 6 months	27.10.11	1yr 6 months	Modified MP and MCP submitted to MOC on 28.9.12.	
Approval of Mining Plan	12.6.2010 8 months	pending	2yrs 6 months	Approval is awaited.	
Application of Previous approval	12.8.2010 10 months	pending	2yr 4 months	ML application is pending at DC Office, Annupur (MP)	
Granting of Previous approval	12.9.2010 11 months	pending	2yr 3 months		
Application of Forest clearance	12.10.201 12 months	No forest land	-		
Grant of Forest Clearance	12.4.2011 18 months				NOC is required.
Application EMP Clearance	12.10.2010	13.10.2011	1yr		
Grant of EMP Clearance	12.4.2011 18 months	pending	1yr 8 months		
Grant of Mining Lease	12.10.2011 24 months	pending	1 Yrs 2 months		
Application of Land Acquisition	12.7.2010 9 months	29.6.2012	2yr 2 months		
Completion of Land Acquisition	12.4.2012 30 months	pending	8 Months		
Application for opening permission	12.8.13 46 months	pending	-		
Grant of Opening	12.9.2013	pending	-		

permission	47 months			
Coal Production	12.10.2013 (48 Months)	pending	-	UG mine without forest land.

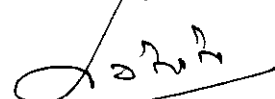
Observation of Field Office of CCO during inspection of the block	
Date of Inspection	27.11.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that an office in a rented house at Kotma.
Activities related to coal transportation	• No
Presence of mining equipment	• No
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	• No
Engagement of MDO	• No information

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 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 **Urtan North** coal block, 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.

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.