

SHOW CAUSE NOTICE
BY SPEED POST

No. 13016/54/2009-CA-I
Government of India
Ministry of Coal

New Delhi, dated ^{13th} June, 2013

To,

The Managing Director,
M/s. Strategic Energy Tech. System Limited,
Bombay House, First Floor,
24 Homi Modi Street,
Mumbai- 400 001

Subject: Show cause notice in respect of North of Arkhapal Srirampur CTL block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/34/2008-CA dated 27th February, 2009 read with letters of even number dated 23rd March, 2009, dated 24th November, 2010 and dated 20th December, 2010 conveying allocation of **North of Arkhapal Srirampur CTL block** in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions, including development of the block as well as associated end use plant (EUP) as per prescribed milestones.

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 **North of Arkhapal Srirampur CTL block** allocated to company was 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 company 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 constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the chairpersonship 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 18th meeting held on 01.05.2013 inter alia considered the status of the development of the **North of Arkhapal Srirampur CTL block** prepared by the Coal Controller's Organisation (CCO) as on 31st December, 2012 and noted that no significant progress has been made by your company towards development of the coal block. It has been noticed that a

....2....



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 Observati on
Purchase of GR	11.4.2009 (45 days)/27.5.11 (27 Months)	Dec.2010 (proved portion)	-	GR prepared based on 50% explored area.	Exploration is pending in RE part.
Submission of Bank Guarantee	27.5.09 (3 months from DOA)	May,2009	-	BG introduced in March.2005	
Mining Lease Application	Explored part 27.5.2009 (3 Months)/ RE part 27.8.11 (3months)	Pending	1yr 4 Months		Zero date considered from DOA in explored part.
Submission of Mining Plan	Explored part 27.8.2009 (6 months)/RE part 27.11.11 (6 months)	Feb2011	-		50% explored part and 50% regionally explored part.
Approval of Mining Plan	Explored part 27.10.2009 (8 months from DOA)/RE part 27.1.12 (8 months from GR completion)	Feb.2012	2yrs 4 months	Mining plan based on 10 Sq. Km area proved reserves.	Mine closure plan approved by Ministry of Coal.

....3....

Application of Previous approval	Explored part 27.12.2009(10 Months from DOA)/RE part 27.3.12 (10 months from GR completion))	Pending.	3 Yrs (For explored part) 9 Months RE part		
Granting of Previous approval	Explored part 27.1.10 (11 months from DOA)/RE part 27.4.12 (11 months)	- Pending.	2 Yrs 11 months for explored part		
Application of Forest clearance	Explored part 27.2.2010(12 months from DOA)/RE part 27.5.12 (12 months)	July.2011	1Yr 5 Months (For explored part)		
Grant of Forest Clearance	Explored part 27.8.2010(18 months from DOA)/RE part 27.11.12 (18 months from Gr completion)	Pending.	2Yr 4 months (For explored part)		
Application EMP Clearance	Explored part 27.2.2010(12 months from DOA)/RE	Nov.2011	1Yr 9 months (For explored part)		

100400

	part 27.5.12 (12 months from GR completion)				
Grant of EMP Clearance	Explored part 27.8.2010(1 8 months from DOA)/RE part 27.11.12 (18 months from GR completion)	Pending.	2yrs 4 months (For explored part)		
Grant of Mining Lease	Explored part 27.2.2011(2 4 months from DOA)/RE part 27.5.13 (24 months)	Pending.	1yr 10 months (For explored part)		
Application of Land Acquisition	Explored part 27.09.2011(19 months from DOA)/Re part 27.12.12 (19 Months)	Pending.	1yr 3 months (For explored part)		
Completion of Land Acquisition	Explored part 27.2.2012 (36 months from DOA)/RE part 27.5.14 (36 months from GR completion)	Pending.	10 months (For explored part)		
Application for opening permission	Explored part 27.6.2012(4	Pending.	6 months (For explored		



	0 Months form DOA)/RE part 27.9.14 (40 Months from GR completion)		part)		
Grant of Opening permission	Explored part 27.7.12 (41 months from DOA)/RE part 27.10.14 (41 months)	Pending.	5 months (For explored part)		
Coal Production	Explored part 27.8.2012 (42 Months from DOA) Regionally explored part 27.11.14 (42 months from GR completion))	Pending.	4 months (For explored part)	OC mine with forest land	

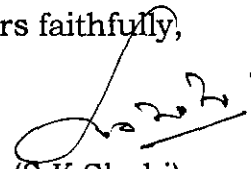
Observation of Field Office of CCO during inspection of the block	
Date of Inspection	7.12.2012
Infrastructure development	As per site inspection carried out by OSD Office, Ranchi, Dhanbad it was reported that there is two offices established near the coal blocks one is camp office and other is land office.
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 the unsatisfactory progress, IMG recommended issuing 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 the 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 allotment of **North of Arkhapal Srirampur CTL 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 (EUP) 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, Kolkata.
- ✓(ii) NIC, M/o Coal for uploading the letter on Ministry's website .