

No.13016/40/2010-CA-I
Government of India
Ministry of Coal

New Delhi, dated 17th June, 2013

To,

The Managing Director,
M/s. Jindal Steel & Power Limited
Jindal Centre, 12, Bikaji Cama Place,
New Delhi 110 066

Subject: Show cause notice in respect of Ramchandi Promotional CTL block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/34/2008-CA dated 27th February, 2009, read with letter even no. dated 23rd March, 2009, dated 24th November, 2010 and dated 20th December, 2010 conveying allocation of **Ramchandi Promotional 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 and 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 **Ramchandi Promotional 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 **Ramchandi Promotional 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 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:

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Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on Dec .12)	Remarks	Special Observation
Purchase of GR	27.5.11 (27 Months from DOA)	Pending.	1Yr 7 Months	PI application filed on 3.9.2010.	
Submission of Bank Guarantee	27.5.09 (3 months from DOA)	19.5.09	-	BG introduced in March.2005	
Mining Lease Application	27.8.11 (3 months from Schedule GR completion date)	Pending.	1yr 4 month		Zero date taken from schedule date of GR completion i.e.27.5.2011
Submission of Mining Plan	27.11.11 (6 months)	Pending.	1Yr 1 Months		
Approval of Mining Plan	27.1.12 (8 months)	Pending.	11 Months		
Application of Previous approval	27.3.12 (10 months)	Pending.	9 Months		
Granting of Previous approval	27.4.12 (11 months)	Pending.	8 Months		
Application of Forest clearance	27.5.12 (12 months)	Pending.	7Months		
Grant of Forest Clearance	27.11.12 (18 months)	Pending.	1 months		
Application EMP Clearance	27.5.12 (12 months)	Pending.	7 months		
Grant of EMP Clearance	27.11.12 (18 months)	Pending.	1 Months		
Grant of Mining Lease	27.5.13 (24 months)	Pending.	-		
Application of Land Acquisition	27.12.12 (19 months)	Pending.	-		
Completion of Land Acquisition-	27.5.14 (36 months)	Pending.	-		



Application for opening permission	27.9.14 (40 Months)	Pending.			
Grant of Opening permission	27.10.14 (41 months)	Pending.	-		
Coal Production	27.11.14 (42 months)	Pending.	-	OC mine with forest land	Slow Progress

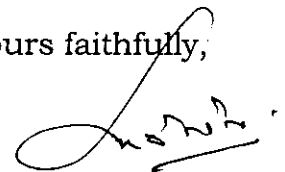
Observation of Field Office of CCO during inspection of the block	
Date of Inspection	6.12.2012
Infrastructure development	As per site inspection carried out by OSD Office, Ranchi, Dhanbad it was reported that No Infrastructure has been developed
Activities related to coal transportation	• No
Presence 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 **Ramchandi Promotion 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 (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, Kolkata.
- (ii) NIC, M/o Coal for uploading the letter on Ministry's website .