

SHOW CAUSE NOTICE

No.13011/37/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 4th May, 2012

To
M/s West Bengal Mineral Development & Trading Corporation (WBMDTC)
13, Nillie Sengupta Sarani, Lindsay Street,
2nd Floor, P.B.NO. 9026,
Kolkata- 700 087

Subject: Show cause notice in respect of Jaganathpur- A block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/8/2007-CA-I dated 25.07.2007 conveying allocation of Jaganathpur- A coal block in pursuance of the provisions contained in Section 3(3)(a) 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 falls under forest land) in case of UG mine from the date of allocation letter. The end- use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of allocation.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of the company. In the review meeting held on 11/12.01.2012, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that all the important/critical milestones such as grant of previous approval, Forest Clearance, EMP, Mining Lease are pending for Jaganathpur- A coal block. The company has



repeatedly failed to keep its promises made to the Ministry and is thus non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	25.10.2009 (27 Months)	9.11.2010	1Yr 1 Month
Submission of Bank Guarantee	25.10.2007	10.4.2008	6 months
Mining Lease Application	25.01.2010	18.2.2011	1Yr
Submission of Mining Plan	25.4.2010	6.5.2011	1Yr 1 Month
Approval of Mining Plan	25.6.2010	Pending	1Yrs 9 Months (as on 3/12)
Application of Previous approval	25.8.2010	Pending	1Yr 7 Months (as on 3/12)
Granting of Previous approval	25.9.2010	Pending	1Yr 6 Months (as on 3/12)
Application of Forest clearance	25.10.2010	22.6.2011	8 Months
Grant of Forest Clearance	25.4.2011	Pending	1Yr (as on 3/12)
Application EMP Clearance	25.10.2010	7.3.2011	5 Months
Grant of EMP Clearance	25.4.2011	Pending	1Yr (as on 3/12)
Grant of Mining Lease	25.10.2011	Pending	5 Months (as on 3/12)
Application of Land Acquisition	25.5.2011	Pending	10 Months (as on 3/12)
Completion of Land Acquisition	25.10.2012	Pending	-
Application for opening permission	25.2.2014	Pending	-
Grant of Opening permission	25.3.2014	Pending	-
Coal Production	25.4.2014 (54 Months)	Pending	-

3. 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 Jaganathpur- A 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 Jaganathpur- A coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to The Coal Controller, Coal Controller Organisation, Kolkata.