

**SHOW CAUSE NOTICE**  
**BY Speed Post**

**No.13016/31/2006-CA-I**  
**Government of India**  
**Ministry of Coal**

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New Delhi, dated 10<sup>th</sup> June, 2013

To,

- (i) The Managing Director,  
M/s Tenughat Vidhyut Nigam Limited  
Hinoo, Doranda, Ranchi, Jharkhand- 834 002
  
- (ii) The Managing Director,  
M/s Damodar Valley Corporation  
DVC Tower, VIP Road, Kolkata- 700 054

**Subject: Show cause notice in respect of Gondulpara coal block.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/31/2005-CA dated 13th January, 2006 conveying allocation of **Gondulpara** coal block in pursuance of the 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 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, 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 Gondulpara coal 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

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meeting held on 01.05.2013 inter alia considered the status of the development of the **Gondulpara** Coal 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:

<b>Mile Stones</b>	<b>Schedule date of Completion</b>	<b>Actual date of Completion</b>	<b>Slippage in YY/MM (as on Dec .12)</b>	<b>Remarks</b>	<b>Special Observ ation</b>
Purchase of GR	27.2.2006 (45 days)	6.7.2006	5 Months		
Submission of Bank Guarantee	13.4.2006 (3 monhs)	27.4.2009	3 Yrs		
Mining Lease Application	13.4.2006 ( 3 months)	24.8.2011	5 Yrs 4 months	ML area 332.80 Hect	
Submission of Mining Plan	13.7.2006 (6 months)	6.10.2008	2Yrs 3 Months		
Approval of Mining Plan	13.9.2006 (8 months)	24.6.2009	2 Yrs.9 Months		
Application of Previous approval	13.11.2006 (10 months)	25.9.12	5yrs 10 months		
Granting of Previous approval	13.12.2006 (11 months)	<b>Pending</b>	6 Yrs	Previous approval of ML is awaited from Central Govt.	
Application of Forest clearance	13.1.2007 (12 months)	20.9.2010	3Yrs 8 Months		
Grant of Forest Clearance	13.7.2007 (18 months)	<b>Pending</b>	5yrs 5 months		
Application EMP Clearance	13.1.2007 (12 months)	23.9.2009	2 Yrs 8 Months		
Grant of EMP Clearance	13.7.2007 (18 months)	<b>Pending</b>	5yrs 5 months		

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Grant of Mining Lease	13.1.2008 (24 months)	<b>Pending</b>	4yrs 11 months		
Application of Land Acquisition	13.8.2007 (19 months)	26.4.2010	2 Yrs 8 Months		
Completion of Land Acquisition	13.1.2009 (36 months)	<b>Pending</b>	3yrs 11 months		
Application for opening permission	13.5.2009 (40 Months)	<b>Pending</b>	3yrs 7 months		
Grant of Opening permission	13.6.2009 (41 months)	<b>Pending</b>	3yrs 6 months		
Coal Production	13.7.2009 (42 months)	<b>Pending</b>	3yrs 5 months	OC with Forest land.	Slow Progress

<b>Observation of Field Office of CCO during inspection of the block</b>	
Date of Inspection	28.11.12
Infrastructure development	As per site inspection carried out by OSD Office, Ranchi, it was reported that the company has established one site office at Hazaribagh and one at Ranchi.
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	Company has done some CSR activities jointly with Badam Coal Block.
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 **Gondulpara** coal block failing

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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 .