

**SHOW CAUSE NOTICE**

No.13011/34/2012-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 4<sup>th</sup> May, 2012

To

M/s Jayaswal Neco Ltd.,  
F-8, MIDC Industrial Area,  
Hingna Road, Nagpur – 440 016

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

Sir,

I am directed to refer to this Ministry's letter No.47011/7(20)/93-CA dated 13.05.2005 conveying allocation of **Moitra** 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 Forest Clearance, Mining Lease and Land Acquisition are pending for **Moitra** 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	27.6.2005	18.7.2005	1 Months
Submission of Bank	13.8.2005	19.1.2006	5 Months



Guarantee			
Mining Lease Application	13.8.2005	11.9.2006	1 Yr 1 Month
Submission of Mining Plan	13.11.2005	20.6.2005	Advance
Approval of Mining Plan	13.1.2006	11.11.2005	Advance
Application of Previous approval	13.3.2006	Y	-
Granting of Previous approval	13.4.2006	29.7.2009	3 Yrs 3 Months
Application of Forest clearance	13.5.2006	20.7.2005	Advance
Grant of Forest Clearance	13.11.2006	Pending	5 Yrs 4 Months (as on Mar.12)
Application EMP Clearance	13.5.2006	26.10.2005	Advance
Grant of EMP Clearance	13.11.2006	16.5.2007	6 Months
Grant of Mining Lease	13.5.2007	Pending	4 Yrs 10 Months (as on Mar.12)
Application of Land Acquisition	13.12.2006	10.7.2005	Advance
Completion of Land Acquisition	13.5.2008	Pending	3 Yrs 10 Months (as on Mar.12)
Application for opening permission	13.9.2008	Pending	3 Yrs 6 Months (as on Mar.12)
Grant of Opening permission	13.10.2008	Pending	3 Yrs 5 Months (as on Mar.12)
Coal Production	13.11.2008 (42 Months)	Pending	3 Yrs 4 Months (as on Mar.12)

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 **Moitra** 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 **Moitra** coal block.

  
(Sandeep Gupta)

Under Secretary to the Govt. of India

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