

SPEED POST

**No.38035/2/97-CA/CA-I
Government of India
Ministry of Coal**

.....

New Delhi, the

16th

December, 2013

To,

The Managing Director

Jharkhand State Mineral Development Corporation,
Khanij Nigam Bhavan, Nepal House Area,
Doranda,
RANCHI-834002

Subject : Show Cause Notice to Jharkhand State Mineral Development Corporation (JSMD) in respect of Jogeswar and Khas Jogeswar coal blocks - regarding.

Sir,

I am directed to refer to this Ministry's letter No.38035/2/97-CA/CA-I dated 11th April, 2008 conveying allocation of Jogeswar and Khas Jogeswar coal blocks in pursuance of section 3(3)(a)(i) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions.

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 Jogeswar and Khas Jogeswar coal blocks allocated to the company is not satisfactory. Committee expressed concern over unsatisfactory progress and advised Jharkhand State Mineral Development Corporation to expedite the development of the coal block. Accordingly, an advisory letter dated 26th April, 2012 was issued to the companies with the direction to expedite the development of the coal block and development of end use plant so as to ensure expeditious production of coal from the allotted coal block 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 (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The IMG has 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 19th Meeting held on 25.06.2013 *inter alia* considered the status of the development of the Jogeswar and Khas Jogeswar coal blocks prepared by the Coal Controller's Organisation (CCO) as on March, 2013 and noted that no significant progress has been made by your company

towards development of 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 :-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on Mar.13)	Remarks	Special Observation
Purchase of GR	26.5.2008 (45 days)	29.5.2008	-		
Submission of Bank Guarantee	11.7.2008 (3 months from DOA)	24.7.2010	2 Yrs		
Mining Lease Application	11.7.2008 (3 months)	18.7.2008	-	ML area:- 275.643 Ha	
Submission of Mining Plan	11.10.2008 (6 months)	10.9.2012	4 Yrs		
Approval of Mining Plan	11.12.2008 (8 Months)	Pending	4Yrs 3 Months		
Application of Previous approval	11.2.2009 (10 months)	Pending	4Yrs 1 Months		
Granting of Previous approval	11.3.2009 (11 months)	Pending	4Yrs		
Application of Forest clearance	11.4.2009 (12 months)	Pending	3Yrs 11 Months	FDP has been prepared	
Grant of Forest Clearance	11.10.2009 (18 months)	Pending	3Yrs 5 Months		
Application EMP Clearance	11.4.2009 (12 months)	14.7.2012	3 Yrs 3 Months	Form-I submitted to MOC for TOR	
Grant of EMP Clearance	11.10.2009 (18 months)	Pending	3Yrs 5 Months		
Grant of Mining Lease	11.4.2010 (24 months)	Pending	2Yrs 11 Months		Mining Lease application submitted to DMO, Hazaribagh.

Application of Land Acquisition	11.11.2009 (19 months)	Pending	3Yrs 4 Months	Land Schedule has been prepared.	Total Land: Ha. Pvt. Land: Ha. Govt. land: Ha. Forest Land: Ha.
Completion of Land Acquisition	11.4.2011 (36 months)	Pending	2Yrs		
Application for opening permission	11.8.2011 (40 Months)	Pending	1Yr 7 Months		
Grant of Opening permission	11.9.2011 (41 months)	Pending	1Yr 6 Months		
Coal Production	11.10.2011 (42 Months)	Pending	1Yr 5 Months	OC mine with forest land involved.	

Keeping in view the unsatisfactory progress, IMG recommended issue of show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

5. 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 this 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 allocation of Jogeswar and Khas Jogeswar coal blocks and why the blocks should not be de-allocated failing which it would be presumed that the your company has no explanation to offer and action as appropriate would be taken against your company for de-allocation of the said coal block.

6. 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, 1- Council House Street, Kolkata.
- (ii) NIC, Ministry of Coal for uploading the letter on Ministry's website.

