

**No. 13016/67/2008-CA-I**  
**Government of India**  
**Ministry of Coal**

New Delhi, dated 14<sup>th</sup> June, 2013

To,

- (i) The Managing Director,  
M/s. Monnet Ispat Ltd.,  
Monnet House,  
11 Masjid Moth, Greater Kailash Part -II,  
New Delhi 110 048
- (ii) The Managing Director,  
M/s TATA Power Comp. Ltd.  
Jeevan Bharati, 10th Floor,  
Tower No.1,124, Connaught Circus New Delhi.
- (ii) The Managing Director,  
M/s Jindal Photo Ltd.,  
56/2, Hanuman Road,  
New Delhi -110 001.

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

Sir,

I am directed to refer to this Ministry's letter No. 38011/1/2007-CA dated 9<sup>th</sup> January, 2008 conveying allocation of **Mandakini 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 **Mandakini 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.

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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 **Mandakini 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 Observation</b>
Purchase of GR	23.2.08 (45 days)	12.6.08	4 months	Delay due to price finalization of GR.	
Submission of Bank Guarantee	9.4.08 (3 months)	8.7.08	3 months	BG introduced in March.2005	
Mining Lease Application	9.4.08 (3 months)	3.10.08	6 months	ML area 649 Ha	
Submission of Mining Plan	9.7.08 (6 months)	11.11.08	4 months		
Approval of Mining Plan	9.9.08 (8 months)	23.2.09	5 months		
Application of Previous approval	9.11.08 (10 months)	1.10.08	-	Department of (S & M) recomm. ML application for 5(1) approval.	
Granting of Previous approval	9.12.08 (11 months)	Pending	4yrs		

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Application of Forest clearance	9.1.09 (12 months)	11.11.2008	-		
Grant of Forest Clearance	9.7.09 18 months	Pending	3yrs 5 months	Forest land:- 324.5 Ha	
Application EMP Clearance	9.1.09 12 months	26.8.2008	-		
Grant of EMP Clearance	9.7.09 18 months	17.1.2011	1 yrs 6 Months		
Grant of Mining Lease	9.1.10 24 months	Pending	2yrs 11 months	Pending with S & M Department Govt of Odisha	
Application of Land Acquisition	9.8.09 19 months	21.2.2011	1yrs 1 months	Agency appointed on 27.7.09 for conducting socio Economic survey.	
Completion of Land Acquisition	9.1.11 36 months	Pending	1yr 11 months	Pvt land:- 269.86 Ha	Lease deed executed for Pvt land in 2 villages.
Application for opening permission	9.5.11 40 months	Pending	1yrs 7 months		
Grant of Opening permission	9.6.11 41 months	Pending	1yr 6 months		
Coal Production	9.7.11 (42 months from DOA)	Pending	1Yr 5 months	OC mine with forest land.	

<b>Observation of Field Office of CCO during inspection of the block</b>	
Date of Inspection	6.12.2012
Infrastructure development	As per site inspection carried out by OSD office at Bilaspur & Ranchi, it was reported that Company obtained permission for ground water extraction, Canal diversion and Power from the Orissa State Electricity Board has been obtained.

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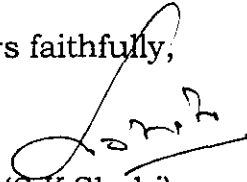
Activities related to coal transportation	<ul style="list-style-type: none"><li>• No</li></ul>
Presence of mining equipment	<ul style="list-style-type: none"><li>• No</li></ul>
Any sign of mining activities.	<ul style="list-style-type: none"><li>• No</li></ul>
Escrow A/c for mine closure	<ul style="list-style-type: none"><li>• No</li></ul>
Other activities	Development of rehabilitation colony is in progress. Company has not made any physical mining activity in the lease area.
Engagement of MDO	<ul style="list-style-type: none"><li>• LOA likely to be issued by end of April, 13.</li></ul>

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 **Mandakini 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 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 .