

SPEED POST

No.13016/31/2005-CA-I

Government of India

Ministry of Coal

....

Shastri Bhawan, New Delhi

Dated the 2nd. December, 2010

To

M/s North Dhadu Mining Comp. Pvt. Ltd.
Sandhya Sukriti Appartment,
Flat No. 6C,
8th Floor, Opp. Tagore Hill,
Moradabi- Ranchi- 834 008
Jharkhand

Subject- Show cause notice for inordinate delay in development North Dhadu coal block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/31/2005-CA-I dated 13.01.2006 conveying the allocation of North Dhadu coal block in the State of Jharkhand for captive mining of coal to M/s Electrosteel Castings Limited, M/s Jharkhand Ispat Pvt. Limited, M/s Pavanjay Steel & Power Generation Pvt. Ltd. and M/s Adhunik Alloys & Power Ltd. in pursuance of Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives M/s Electrosteel Castings & Others. The progress of the block was reviewed by the Review Committee in its meeting held on 15/16.10.2008 and it was noted that no significant progress had been made after the last review meeting which was held in March, 2008 as all activities were pending. The Hon'ble Minister of State of Coal had also

reviewed the status of North Dhadu coal block on 19.6.2008, 18.9.2008 and 05.01.2009 respectively. In the review meeting held on 22nd and 23rd June, 2009 it was noticed that the allocatees have only formed the JVC and all activities including purchase of geological report, MI. and MP etc were still pending. The company assured to start coal production by June, 2011, whereas as per milestone chart, the company should have started production before August, 2009.

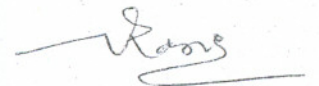
3. Again, in the review meeting held on 20/21.07.2010, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that all the important/critical milestones such as Forest Clearance, EMP, Mining Plan, Mining Lease and Land Acquisition are pending for North Dhadu coal block. There is fire clay area involved in the block lease hold area. EUP details of Adhunik Alloys have not been submitted by the JVC. The company was advised to settle the fire clay issue in MI. holds areas with the State Govt. Moreover, this time, the company did not make any assurance to take timely action for early production of coal. It is seen that 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:-

Milestones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	27.02.2006	29.12.2008	2Yrs 10 Months
Submission of Bank Guarantee	13.04.2006	31.03.2009	3 Yrs
Mining Lease Application	13.04.2006	20.06.2009	3 Yrs 2 Months
Submission of Mining Plan	13.07.2006	17.11.2009	3 Yrs 4 Months
Approval of Mining Plan	13.09.2006		Pending
Application of Previous approval	13.11.2006		Pending
Granting of Previous approval	13.12.2006		Pending
Application of Forest clearance	13.01.2007		Pending
Grant of Forest Clearance	13.07.2007		Pending
Application EMP Clearance	13.01.2007	28.02.2010	3 Yrs
Grant of EMP Clearance	13.07.2007		Pending

Grant of Mining Lease	13.01.2008	Pending
Application of Land Acquisition	13.08.2007	Pending
Completion of Land Acquisition	13.01.2009	Pending
Application for opening permission	13.05.2009	Pending
Grant of Opening permission	13.06.2009	Pending
Coal Production	13.07.2009	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 30 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 North Dhadu 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 the said coal block.

Yours faithfully,



(V. S. Rana)

Under Secretary to the Government of India

Mic Mto Coal