

SPEED POST

No. 38011/23/2003-CPAM/CA-I
Government of India
Ministry of Coal

....

Shastri Bhawan, New Delhi
Dated the 4th November, 2010

To

M/s Tata Iron and Steel Company Limited,
Jamshedpur- 831 001
C/O Chief Resident Executive,
Jeevan Bharati Building
New Delhi

Subject- Show cause notice for inordinate delay in development of Kotre-Basantpur and Pachmo coal blocks.

Sir,

I am directed to refer to this Ministry's letter No. 38011/23/2003-CA-I dated 11.08.2005 conveying allocation of Kotre-Basantpur and Pachmo coal blocks to meet the coal requirement of 5 mtpa capacity of steel production at Jamshedpur.

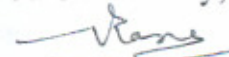
2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of M/s Tata Iron and Steel Company Limited. The matter was reviewed in the Review Meeting held on 25.03.2008 and the company was directed to take necessary action for timely achievement of normative milestones. In the **review meeting held on 22nd and 23rd June, 2009, the company assured production in December, 2011.** However, 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 some of the important/critical milestones such as Forest clearance, Mining Lease and Land acquisition are pending for Kotre-Basantpur and Pachmo coal blocks. It is seen that the

company has repeatedly failed to keep its promises made on earlier occasions 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	25.09.2005	23.09.2005	advance
Submission of Bank Guarantee	11.11.2005	01.11.2005	Advance
Mining Lease Application	11.11.2005	05.12.2007	2Yrs a Months
Submission of Mining Plan	11.02.2006	20.12.2006	10 Months
Approval of Mining Plan	11.04.2006	16.08.2007	1Yr 4 Months
Application of Previous approval	11.06.2006		Pending
Granting of Previous approval	11.07.2006		Pending
Application of Forest clearance	11.08.2006	14.05.2008	1Yr 9 Months
Grant of Forest Clearance	11.02.2007		Pending
Application EMP Clearance	11.08.2006	25.04.2008	1Yr 8 Months
Grant of EMP Clearance	11.02.2007	18.05.2009	2 Yrs 3 Months
Grant of Mining Lease	11.08.2007		Pending
Application of Land Acquisition	11.03.2007		Pending
Completion of Land Acquisition	11.08.2008		Pending
Application for opening permission	11.12.2008		Pending
Grant of Opening permission	11.01.2009		Pending
Coal Production	11.02.2009		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 Kotre-Basantpur and Pachmo coal blocks 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 deallocation of the said coal blocks.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

Mic m/o Coal