

SPEED POST

**No. 13016/96/2006-CA-I
Government of India
Ministry of Coal**

Shastri Bhawan, New Delhi
Dated the 8th October, 2010

To

The Managing Director,
M/s Jharkhand State Mineral Development Corp. Ltd.
Khanij Nigam Bhawan, Doranda
Ranchi- 834 002.

Subject- Show cause notice for inordinate delay in development of Latehar coal block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 02.08.2006 conveying 'in principle' approval of the Central Government to the working of Latehar coal block by M/s Jharkhand State Mineral Development Corporation Limited (JSMDC) under the Government Company Dispensation in pursuance of Section 3(3)(a)(i) 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 of M/s Jharkhand State Mineral Development Corp. Ltd. After the **review meeting held on 25/26.03.2008, a show cause notice was issued to the company** as it was noticed that no visible action had been taken by the allocatee to either carry out the detailed exploration or to develop the block. Then, during the **review meeting held on 22nd and 23rd June, 2009, it was noticed that all the milestones were pending. The Chairman, Review Meeting urged Chief Secretary Jharkhand to intervene and review the matter of all blocks allocated to M/s JSMDCL.**

3. Further, during the next review meeting held on 20/21.07.2010, it was again noticed that no serious efforts have been made by the company to develop the coal block. It is also noted that all the milestones are pending for Latehar coal block. It is seen that the company has repeatedly failed to keep its promises made 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	2.11.2008		Pending
Submission of Bank Guarantee	NA	-	
Mining Lease Application	2.2.2009		Pending
Submission of Mining Plan	2.5.2009		Pending
Approval of Mining Plan	2.7.2009		Pending
Application of Previous approval	2.9.2009		Pending
Granting of Previous approval	2.10.2009		Pending

Application of Forest clearance	2.11.2009		Pending
Grant of Forest Clearance	2.5.2009		Pending
Application EMP Clearance	2.11.2009		Pending
Grant of EMP Clearance	2.5.2009		Pending
Grant of Mining Lease	2.11.2010		Pending
Application of Land Acquisition	2.6.2009		Pending
Completion of Land Acquisition	2.11.2011		Pending
Application for opening permission	2.3.2012		Pending
Grant of Opening permission	2.4.2012		Pending
Coal Production	2.5.2012		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 Latehar 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 deallocation of Latehar coal block.

Yours faithfully,



(S.K. Singh)
Section Officer

Copy to: The Chief Secretary, Govt. of Jharkhand, Ranchi.

✓ Nic M/o Coal