

SPEED POST

No. 13016/63/2008-CA-I
Government of India
Ministry of Coal

....

Shastri Bhawan, New Delhi
Dated the 12th November, 2010

To

M/s Pushp Steel & Mining Limited,
751, Ground Floor,
Kwandewelan Street,
Ajmeri Gate,
Delhi – 110 006.

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

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I dated 16.07.2007 conveying allocation of Brahampuri coal block to M/s Pushp Steel & Mining Limited to meet the coal requirement of 0.42 MT sponge iron plant in Dist. Durg, Chhattisgarh. Subject to certain conditions. One of the conditions of the 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 underground mine from the date of allocation. 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 this letter.

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 Pushp Steel & Mining Limited. In the **review meeting held on 22nd and 23rd June, 2009, the company had assured financial closure by 2009, EUP by 2010 and production of coal by 2012 end.** 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 and it was noted that some of the important/critical milestones such as Mining Lease, EMP and Forest clearance are still pending for Brahmapuri coal block. 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	30.08.2007	12.03.2008	7 Months
Submission of Bank Guarantee	16.10.2007	30.10.2008	1 Yr
Mining Lease Application	16.10.2007	15.10.2007	-
Submission of Mining Plan	16.01.2008	19.09.2008	8 Months
Approval of Mining Plan	16.03.2008	23.04.2010	2 Yrs 1 Months
Application of Previous approval	16.05.2008		Pending
Granting of Previous approval	16.06.2008		Pending
Application of Forest clearance	16.07.2008	15.8.2008	1 Months
Grant of Forest Clearance	16.01.2009		Pending
Application EMP Clearance	16.07.2008	19.9.2008	2 Months
Grant of EMP Clearance	16.01.2009		Pending
Grant of Mining Lease	16.07.2009		Pending
Application of Land Acquisition	16.02.2008	24.9.2009	1 Yr 7 Months
Completion of Land Acquisition	16.07.2010		Pending
Application for opening permission	16.05.2011		
Grant of Opening permission	16.06.2011		
Coal Production	16.07.2011		

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 Brahampuri 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 the said coal blocks.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

② NIC. Mp/coal ✓