

No.47011/7(9)/93-CPAM/CA-I (Vol. III)
Government of India
Ministry of Coal

Shastri Bhawan, New Delhi

Dated the 21st September, 2010

To

M/s Utkal Coal Ltd.
IMFA Building, Bomikhal
PO Rasulgarh, Bhubaneswar
Orissa-751010.

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

Sir,

I am directed to refer to this Ministry's letter No. 47011/15/95-CPAM dated 29.05.1998 conveying allocation of Utkal-C coal block for supply of coal to the proposed two additional CPP and one existing CPP at Choudhwar.

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 Utkal Coal Ltd. **The company had earlier assured, vide their letter dated 07.10.2008, to complete all formalities within 31.3.2009 and also that the coal shall be extracted from the block from 01.07.2009.** 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, R&R, land acquisition etc. are still pending in spite of passage of 12 years from the date of allocation. It is seen that the company has repeatedly failed to keep its promises made on earlier occasions to this Ministry and 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:-

...2...


Milestones	Schedule date of completion	Actual date of completion	Slippage in YY/MM
Purchase of GR	13.07.1998	18.09.2000	2 Yrs 2 Months
Submission of Bank Guarantee	NA	NA	
Mining Lease Application	29.08.1998	15.07.1998	
Submission of Mining Plan	29.11.1998	05.12.2001	3 Yrs 1 Months
Approval of Mining Plan	29.01.1999	23.06.2005	5 Yrs.5 Months
Application of Previous approval	29.03.1999	16.07.1999	3 Months
Granting of Previous approval	29.04.1999	12/26.07.2007	8 Yrs 3 Months
Application of Forest clearance	29.05.1999	3.9.1999/28.1.2005	4 Months
Grant of Forest Clearance	29.11.1999		Pending
Application EMP Clearance	29.05.1999	08.10.2005	6 Yrs 5 Months
Grant of EMP Clearance	29.11.1999	05.10.2006	7 Yrs
Grant of Mining Lease	29.5.2000		Pending
Application of Land Acquisition	29.12.99	6.09.2005	5 Yrs 8 Months
Completion of Land Acquisition	29.5.2001	Oct.2009	8 Yrs 5 Months
Application for opening permission	29.9.2001		Pending
Grant of Opening permission	29.10.2001		Pending
Coal Production	29.11.2001		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 a violation of the terms and

-3-

conditions of the allotment of Utkal-C 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 Utkal-C coal block.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

✓ NIC M/O coal