

No. 13016/49/2010-CA-I
Government of India
Ministry of Coal

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Shastri Bhawan, New Delhi
Dated the 23rd November, 2010

To

(i) M/s Bhushan Steel & Stripes Limited, F-Block, 1 st Floor, International Trade Tower, Nehru Place, New Delhi- 110 019	(v) Orissa Sponge Iron Ltd. Chatterjee International 11 th Floor, 33-A, Jawahar Lal Nehru Road, Kolkata – 700 071
(ii) M/s Adhunik Metaliks Limited, (Formerly Neepaz Metaliks Ltd.) “Lansdowne Towers” Sarat Bose Road, Kolkata – 700 020	(vi) M/s SMC Power Generation Ltd. E- 13/29, Harsha Bhawan, 2 nd Floor, Middle Circle, Connaught Place, New Delhi -110 001
(iii) M/s Deepak Steel & Power Limited, P.O.Barbil- 758 035 Distt. Koenjhar Orissa	(vii) M/s Sree Metaliks Ltd. Power House Road, Rourkela – 769 001 Orissa
(iv) M/s Adhunik Corporation Ltd. 14, N.S. Road, IInd Floor, Kolkata- 700 001	(viii) M/s VISA Steel Limited (formerly VISA Industries Limited) VISA House 8/10 Alipore Road, Kolkata- 700 027

Subject- Show cause notice for delay in development of New Patrapara (Patrapara-Aunli- Machhakata part) coal block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/33/2005 -CA-I dated 13.01.2006 conveying the allocation of New Patrapara (Patrapara-Aunli- Machhakata part) coal block to jointly to M/s Bhushan Steel & Stripes Limited, M/s Adhunik Metaliks Limited, M/s Deepak Steel & Power Limited, M/s Adhunik Corporation Ltd. Orissa Sponge Iron Ltd., M/s SMC Power Generation Ltd., M/s Sree Metaliks Ltd. and M/s VISA Steel Limited under Option –III to meet their proportionae share of requirement of coal for 10.86 mtpa, 1.04 mtpa, 1.23 mtpa, 0.83mtpa, 3.80 mtpa, 1.20 mtpa, 2.20 mtpa and 1.8 mtpa respectively in pursuance of provisions contained in

Section 3(3)(a)(iii) of the Coal Mines (Nationalization) 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 Bhushan Steel & Stripes Limited, M/s Adhunik Metaliks Limited, M/s Deepak Steel & Power Limited, M/s Adhunik Corporation Ltd. Orissa Sponge Iron Ltd., M/s SMC Power Generation Ltd., M/s Sree Metaliks Ltd. and M/s VISA Steel Limited. In the **review meeting 22nd and 23rd June, 2009**, it was noted that the matter is sub-judice before the Orissa High Court. The Review Committee had expressed dissatisfaction as to why the allocatees have not entered into agreement as per the model form and advised the representative of the companies that they should conclude the agreement first, and then raise the issue of share problem. Further, in the review meeting held on 20/21.07.2010 and it was noted that the important /critical milestones such as Mine Plan, Mining Lease, Forest clearance, EMP clearance and Land Acquisition are still pending. The Review Committee noted that the developmental work of the block can continue by the leader. The company assured that they would resolve the issue by mutual understanding within a week time. It is seen that the company is 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:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	27.2.2006	23.2.2006	-
Submission of Bank Guarantee	13.4.2006	10.8.2007	1 Yr 4 Months
Mining Lease Application	13.4.2006	27.9.2007	1 Yr 5 Months
Submission of Mining Plan	13.7.2006	10.8.2007	1 Yr
Approval of Mining Plan	13.9.2006	-	Pending
Application of Previous approval	13.11.2006	-	Pending
Granting of Previous approval	13.12.2006	-	Pending
Application of Forest clearance	13.1.2007	-	Pending
Grant of Forest Clearance	13.7.2007	-	Pending
Application EMP Clearance	13.1.2007	-	Pending
Grant of EMP Clearance	13.7.2007	-	Pending
Grant of Mining Lease	13.1.2008	-	Pending
Application of Land Acquisition	13.8.2007	-	Pending
Completion of Land Acquisition	13.1.2009	-	Pending
Application for opening permission	13.5.2009	-	Pending
Grant of Opening permission	13.6.2009	-	Pending
Coal Production	13.7.2009	-	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 New Patrapara 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 block.

Yours faithfully,



(V. S. Rana)

Under Secretary to the Government of India

✓ Nic m/o coal