

No.13016/ 37/2008 -CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 29th October, 2009

To,

M/s Bankura DRI Mining Manufacturers Co. Pvt. Ltd.
1- Maharashi Devendra Road,
Kolkata – 700 007.

Subject: Review Meeting held on 22nd and 23rd June, 2009 to review the progress of coal blocks- Show-cause notice for delay in implementation of the coal blocks.

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I dated 20.02.2007 conveying allocation of Biharinath coal block in the state of West Bengal for captive mining of coal to M/s Bankura DRI Mining Manufacturers Co. Pvt. Ltd for their 0.960 mtpa sponge iron plant in Distt. Bankura, West Bengal in pursuance of the provisions contained in Section 3(3) (a) (iii) of the Coal Mines (Nationalisation) Act, 1973.

2. In order to expedite the development of the coal block, review meetings were held from time to time with the representatives of Biharinath coal block. In this regard in the review meeting held on 25.03.2008, a show-cause notice was issued on 27.06.2008 as the company had not purchased the geological reports from CMPDIL and all the milestones were pending including submission of Bank Guarantee. In the review meeting held on 22/23.06.2009, it was again noticed that as per clause at para 1(v) of the allocation letter stipulates that the company shall buy the geological report from CMPDIL within six weeks from the date of allocation letter dated 20.02.2007, the company has not yet purchased the GR which is the first steps towards the initiation of development of the block. The company does not seem to be interested in developing the block as per the milestone chart which is evident from the fact that the company has submitted Mine Plan after the Review Meeting held on 22/23.06.2009. Further, the company has not yet obtained ML, FC & EMP clearance. Since the allocated block is an explored block, the company should have completed/obtained as per milestone, approval of Mine Plan, forest clearance, EMP clearance as well as approval of Mining Lease. Since the company has not even applied for ML, FC till date, the progress is not satisfactory and the company seems to be not serious. Para 2 of the allocation letter clearly stipulates that allocation/mining lease of the coal block may be cancelled, inter-alia, on the following grounds:-

- a. Unsatisfactory progress of implementation of their end-use sponge iron plant/power plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation mentioned above.

Inspite of the passage of almost 2 and ½ years no serious effort has been made by your company to develop the coal block as per the milestone chart appended to the allotment letter. Consequently, the development of the coal block has been inordinately delayed.

3. Under the above circumstances, you are hereby called upon to show cause to this Ministry as to why non-compliance of above mentioned conditions of the allocation letter, should not be held as violation of the terms and conditions of the allotment of Biharinath coal block, within a period of 15 days from the date of issue of this letter, failing which it will be presumed that your company has no explanation to furnish and action as appropriate will be taken against your company for de-allocation of Biharinath coal block.

Yours faithfully


(V.S. Rana)

Under Secretary to the Govt. of India

Copy to :

(i) The Chief Secretary, Govt. of West Bengal, for information and necessary action at his end.

✓(ii) MIC, M/o Coal


(V.S. Rana)

Under Secretary to the Government of India