

**SPEED POST**

**No. 47011/1(18)/2000 -CPAM/CA-I  
Government of India  
Ministry of Coal**

....

Shastri Bhawan, New Delhi  
Dated the 30<sup>th</sup> September, 2010

To

M/s Corporate Ispat Alloys Ltd.  
32-A, Trust House, Chittaranjan Avenue,  
Kolkata- 700 012

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

Sir,

I am directed to refer to this Ministry's letter No. 47011/1(18)/2000-CPAM/CA dated 02.09.2005 conveying allocation of Chitarpur coal block to meet the coal requirement of 0.75 mtpa capacity of sponge iron production at Hazaribagh, District Hazaribagh in Jharkhand under the Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973.


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 Corporate Ispat Alloys Ltd. In the **review meeting held on 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009, the company assured production in June, 2010.** However, in the next 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, execution / grant of Mining Lease and Land acquisition are pending for Chitarpur coal block. It is seen that the company has repeatedly failed to keep its promises made on earlier 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:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	17.10.2005	15.7.2006	9 Months
Submission of Bank Guarantee	2.12.2005	23.11.2005	Advance
Mining Lease Application	2.12.2005	22.12.2005	
Submission of Mining Plan	2.3.2006	28.11.2005	Advance
Approval of Mining Plan	2.5.2006	19.7.2006	2 Months
Application of Previous approval	2.7.2006	29.5.2007	10 Months
Granting of Previous approval	2.8.2006	14.1.2009	2Yrs 5 Months
Application of Forest clearance	2.9.2006	14.2.2006	Advance

Grant of Forest Clearance	2.3.2007		Pending
Application EMP Clearance	2.9.2006	20.2.2006	Advance
Grant of EMP Clearance	2.3.2007	16.5.2007	2 Months
Grant of Mining Lease	2.9.2007		Pending
Application of Land Acquisition	2.4.2007	5.9.2005	Advance
Completion of Land Acquisition	2.9.2008		Pending
Application for opening permission	2.1.2009		Pending
Grant of Opening permission	2.2.2009		Pending
Coal Production	2.3.2009		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 Chitarpur 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 Chitarpur coal block.

Yours faithfully,

  
(V. S. Rana)

Under Secretary to the Government of India

*NIC M/coal*