

**No. 47011/1(19)/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 Domco Smokeless Fuels (P)Limited,  
Prakash Kunj, Booty Road,  
Bariatu, Ranchi- 834 009

Subject- Show cause notice for inordinate delay in development of Lalgarh (North) coal block.

Sir,

I am directed to refer to this Ministry's letter No. 47011/1(19)/2000-CPAM/CA dated 08.07.2005 conveying allocation of Lalgarh (North) sub-coal block to meet the coal requirement of 5 lakh tonne per annum capacity pig iron plant at Rairangpur in the District of Mayurbhunj, Orissa.

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 Domco Smokeless Fuels (P)Limited. In the review meeting 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009 all the milestone were pending except purchase of GR, submission of MP and BG.

3. 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 was also noted that all the milestone were pending except purchase of GR, submission of MP and BG for Lalgarh (North) coal block. The committee advised the allocatee company to "settle the dispute within three months and to withdraw one of the two mining plants within ten days time. The company was also directed to renew the BG within 15 days." Since then nothing has been heard from the allocatee company and 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:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	23.8.2005	23.8.2005	-
Submission of Bank Guarantee	8.10.2005	11.3.2006	5 Months
Mining Lease Application	8.10.2005		Pending

Submission of Mining Plan	8.1.2006	7.9.2006	8 Months
Approval of Mining Plan	8.3.2006		Pending
Application of Previous approval	8.5.2006		Pending
Granting of Previous approval	8.6.2005		Pending
Application of Forest clearance	8.7.2005		Pending
Grant of Forest Clearance	8.1.2007		Pending
Application EMP Clearance	8.7.2005		Pending
Grant of EMP Clearance	8.1.2007		Pending
Grant of Mining Lease	8.7.2007		Pending
Application of Land Acquisition	8.2.2007		Pending
Completion of Land Acquisition	8.7.2008		Pending
Application for opening permission	8.11.2008		Pending
Grant of Opening permission	8.12.2008		Pending
Coal Production	8.1.2009		Pending

**BG lapsed from 8.7.2007.**

4. 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 Lalgah (North) 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 Lalgah (North) coal block.

Yours faithfully,

  
(V. S. Rana)

Under Secretary to the Government of India

✓ NIC M/o coal