

No.13016/37/2009-CA-I  
Government of India  
Ministry of Coal

Shastri Bhawan, New Delhi

Dated the 29<sup>th</sup> October, 2010

To

The Managing Director,  
Damodar Valley Corporation,  
DVC Towers, VIP Road,  
Kolkata-700054.

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

Sir,

I am directed to refer to this Ministry's letter No. 13018/8/2007-CA-I dated 25.07.2007 conveying allocation of Saharpur Jamarpani coal block to M/s Damodar Valley Corporation under government company dispensation in pursuance of Section 3 (3) (a)(i) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions. One of the conditions of the allocation was that there shall be an annual review of progress achieved by the allocatee company. In the event of lapses, if any, in the achievements vis-a-vis the milestones set for that year, a proportionate amount shall be encashed and deducted from the bank guarantee. It was also stipulated that the milestone chart appended shall be strictly adhered to. Any slippage would render the allocation liable for cancellation and withdrawal of the block from the allocatee.

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 DVC. In the review meeting held on 22/23.06.2009, it was noted that the Company is lagging behind the normative milestones abruptly as they have not taken serious effort to develop the coal block within the normative milestones. The only progress recorded then was that the allocatee company had applied for grant of PL. Accordingly, a show cause notice was issued to the allocatee

company vide this Ministry's letter of even No. dated 16.09.2009. The allocatee company then assured to take steps to develop the block within time frame.

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 last three years. It was also noted that all the important/critical milestones were still pending. It is seen that the company has repeatedly failed to keep its promises made on earlier occasions to this Ministry and is 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:-

Milestones	Schedule date of completion	Actual date of completion	Slippage in YY/MM
Purchase of GR	25.10.2009		Pending
Submission of Bank Guarantee	25.10.2007	20.9.2007	-
Mining Lease Application	25.01.2010		Pending
Submission of Mining Plan	25.04.2010		Pending
Approval of Mining Plan	25.06.2010		Pending
Application of Previous approval	25.08.2010		Pending
Granting of Previous approval	25.09.2010		Pending
Application of Forest clearance	25.10.2010		Pending
Grant of Forest Clearance	25.04.2011		Pending
Application EMP Clearance	25.10.2010		Pending
Grant of EMP Clearance	25.04.2011		Pending
Grant of Mining Lease	25.10.2011		Pending
Application of Land Acquisition	25.05.2011		Pending
Completion of Land Acquisition	25.10.2012		Pending
Application for opening permission	25.02.2013		Pending
Grant of Opening permission	25.03.2013		Pending
Coal Production	25.04.2013		Pending

4. Under the above circumstances, you are hereby called upon to show cause, on each milestone separately alongwith supporting documents, 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 conditions of the allotment of Saharpur Jamarpani coal block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken for deallocation of the said coal block.

Yours faithfully,

  
(V. S. Rana)

Under Secretary to the Government of India

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