

No. 13016/38/2009 -CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 16th September, 2009

To,

- (i) The Managing Director,
M/s Jharkhand State Electricity Board,
HEC, Dharuva,
Ranchi- 4

- (ii) The Managing Director,
M/s Bihar State Mineral Development Corporation
Patna.

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 Urma Paharitola coal block.

Sir,

I am directed to refer to this Ministry's letter of even number dated 25.7.2007 conveying allocation of Urma Paharitola coal blocks to M/s JSEB & BSMDC under Government Company Dispensation in pursuance of Section 3(3) (a)(i) of the Coal Mines (Nationalization) 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 the M/s JSEB & BSMDC. In the meeting taken by MOS(C), the joint allocatees were advised the following:


- (i) Within one month the respective joint allocatees of the block will take approval of their Council of Ministers on the MoA and AoA of the proposed JVC.
- (ii) Before 15th July, 2008 the joint allocatees would form the JVC.
- (iii) JSEB may initiate prospecting license activities.

In the review meeting held on 15/16.10.2008, it was noticed that the BG for JSEB's portion only was submitted. Representative of JSEB informed that JVC will be formed by October, 2008. There has been no serious effort made by the company to develop the coal block as per the milestone chart appended to the allotment letter. In the review meeting held on 22/23.06.2009, it was noticed that the only progress recorded was that you had applied for PL. As per the guidelines on allocation of coal blocks, detailed exploration was to be completed within 2 years and not much progress has been made in this behalf. The progress is very slow. In para 2(x) of the allocation

letter dated 25.07.2007, it is clearly mentioned that the milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee. In spite of a passage of almost 2 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 within a period of 15 days from the date of issue of this notice as to why delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of block, failing which it will be presumed that the your company has no explanation to offer and action as appropriate including de allocation of block will be taken.

Yours faithfully,



(V.S. Rana)

Under Secretary to the Government of India

Copy to :

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

(ii) The Chief Secretary, Govt. of Bihar, Patna for information and necessary action at his end.

(iii) NIC, M/o Coal,



(V.S. Rana)

Under Secretary to the Government of India