

Show cause letter
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भारत सरकार / GOVERNMENT OF INDIA
खान मंत्रालय / MINISTRY OF MINES
भारतीय खान ब्यूरो / INDIAN BUREAU OF MINES
गुवाहाटी क्षेत्रीय कार्यालय / GUWAHATI REGIONAL OFFICE

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No:- IBM/GHY/ASM/NCH/LST-2

Dated- 11.5.2020

To,
Shri. Navneet Agarwal
M/s NECEM Cements Ltd., Housing Colony Road, Rukmaninagar
Dispur, Guwahati – 781006, Assam e-mail: navneet31@gmail.com

Subject: **Show cause letter** for the violation of provisions of Mineral Conservation and Development Rules, 2017, in respect of your Umrangshu limestone mine over an extent of 35 Ha. in Dima Hasao district of Assam.

Reference: (1) This office violation letter of even no. dtd. 10.4.2020
(2) Your letter dtd. 9.5.2020.

Sir,

On the basis of scrutiny of this office records vis a vis the statements made in the final submission of review of mining plan for the period 2020-25, contravention of the below mentioned rules of Mineral Conservation & Development Rules, 2017 were observed at your New Umrangshu limestone mine.

We have examined your reply dtd.9.5.2020 and have found it to be **un-satisfactory**. The reasons are clarified below point-wise –

Rule Number	Nature of violations observed
45(5) The holder of a mining lease shall submit online returns in respect each mine to the Regional Controller or any other authorised official of the IBM &	A. It was observed that "NECEM Cements Ltd. registered with IBM under rule 45(1) of MCDR 2017 bearing registration No. (IBM/6738/2011) is being reported to have only two business activities. The 1st being mining at its New Umrangshu limestone mine (Mine code-38ASM08003) while the 2nd being its mineral consumption at its end use cement plant i.e. Necem Cements Ltd. at 19km stone, Umrangshu, Dima Hasao, Assam".
45(6) Any person engaged in trading or storage or end use or export of minerals shall submit online to the IBM and concerned State Govt. , where the said company is sourcing the minerals the returns in electronic form alongwith a print copy of the same, if it is not digitally signed.	You have stated in your reply that " As per rule 45(4) of MCDR 2017, registration details will be posted on IBM website. According to the website of IBM office registration details, under rule 45 of MCDR IBM registration No. 6738 dtd. 23.12.2011, of Necem Cements Limited shows four activities viz. Mining, Trader, Storage & End user and not two business activities. We request you to arrange correct display of information available publicly".
	The information displayed in the IBM website reflects only two business activities i.r.o IBM registration No. of Necem Cements Ltd. (IBM/6738/2011) i.e. mining & end user. There are no other registered business domains. A screenshot of the above registration details as displayed in the portal of IBM is attached in Annexure.

Rule Number	Nature of violations observed
	<p>B. It was observed that-</p> <p>1. The monthly returns furnished by the mine under rule 45(5) of MCDR 2017 till the last submitted return (Jan.20) reports dispatch of the limestone produced from its New Umrangshu limestone mine (Mine code-38ASM08003) as captive consumption at its cement plant (i.e. Necem Cements Ltd. , 19km stone, Umrangsho, Dima Hasao, Assam bearing IBM registration No. IBM/6738/2011)".</p> <p>2. The end use return of the cement plant submitted under rule 45(6) of MCDR 2017 (i.e. Necem Cements Ltd. , 19km stone, Umrangsho, Dima Hasao, Assam) bearing IBM registration No. (IBM/6738/2011) reports the ore procured from the supplier i.e. IBM/6738/2011 itself under its end use mineral based activity.</p> <p>3. The total dispatch reported from New Umrangshu limestone mine (Mine code 38ASM08003) completely matches with the total ore procured at Necem Cements Ltd., 19km stone, Umrangsho, Dima Hasao, Assam during the year 2017-18 & 2018-19.</p> <p>You have stated in your reply that <i>"The monthly returns in Form F-8 shows dispatch of mineral for captive consumption and IBM registration number and consignee name is given. You will observe from Annual returns in Form-M which show the ore is received at Necem site under enduse activity and IBM registration number and is given. Details of raw materials etc. consumed as End user has been reported to be Nil. This makes it clear that we have not reported that limestone is being consumed at the plant itself. Hence we submit that the observations need to be relooked at since production, dispatch and receipt at site matches, we hope no clarification is required"</i>.</p> <p>In this regard you may note that the monthly returns furnished i.r.o New Umrangshu limestone mine under rule 45(5) of MCDR 2017 till the last submitted return (Jan.20) reports dispatch of the limestone produced from its New Umrangshu limestone mine (Mine code-38ASM08003) under <u>CAPTIVE CONSUMPTION</u>.</p> <p>The Annual return in Form-M, submitted by Necem cement plant, reports the ore procured from the above mine under end use activity which is meant only for <u>CAPTIVE CUNSUMPTION</u>, as per the monthly return of the mine in Form-F8.</p> <p>The submitted review of mining plan revealed that Necem cement plant is closed since Nov. 2014 alongwith a record of production & dispatch post closure of the Necem cement plant for the period 2015-16 onwards to other units outside Dima Hasao (refer page 3 -4 of the submitted document).</p> <p><u>Trading of minerals was not a registered activity under the business domain of Necem Cements Ltd. (IBM/6738/2011) but trading of minerals was done by Necem cements ltd.</u></p> <p>If the minerals were sold, then captive consumption can't be stated in the monthly return of the mine (Form-F8) and sale value of the minerals was required to be reported, which affects the Ex-mine price and so on the Avg. Sale Price published by IBM. Prior to the above, the trade activity was required to be included in the business domain of Necem Cements Ltd.</p>

Rule Number	Nature of violations observed
	<p>C. However, in complete abeyance to all the above, the submitted final document of the review of mining plan of the above mine (Mine code-38ASM08003) reports that the cement plant i.e. Necem Cements Ltd. is closed w.e.f Nov. 2014 and limestone is being transported outside Dima Hasao Dist.</p> <p>You have stated in your reply that “ <i>The final document of the submitted review of mining plan is for future & it does not contain this stated information that limestone will be transported outside the District without permission from competent authorities with a request to furnish to inform the exact page number to enable you to give an appropriate reply</i>”.</p> <p>In this regard you may note that the submitted review of mining plan not only contains a proposal for the future 5 years but it does incorporate a review of its previous completed period of scheme of mining. It was clear from the submitted review of mining plan that the Necem cement plant is closed since Nov. 2014 with production & dispatch post closure of the cement plant for the period 2015-16 onwards to other units outside Dima Hasao (refer page 3 -4 of the submitted document).</p> <p><u>Trading of minerals was not a registered activity under the business domain of Necem Cements Ltd. (IBM/6738/2011) but trading of minerals was done by Necem cements ltd.</u></p> <p>If the minerals were sold, then captive consumption can't be stated in the monthly return of the mine (Form-F8) and sale value of the minerals was required to be reported, which affects the Ex-mine price and so on the Avg. Sale Price published by IBM. Prior to the above, the trade activity was required to be included in the business domain of Necem Cements Ltd.</p> <p>D. The IBM registration No. of the end use plant outside Dima Hasao Dist. has never been reported till the last submitted monthly return (Jan.20) under rule 45(5) of MCDR 2017 of the mine concerned (Mine code-38ASM08003).</p> <p>You have stated in your reply that “<i>This is a new point & you have specified that limestone mined is being received at your Necem cement plant site. You have also mentioned that you will receive back clinker manufactured out of the limestone supplied to some other manufacturer. The manufacturer will give you back clinker as such this is not for his end use/ consumption</i>”.</p> <p>Trading of minerals was not a registered activity under the business domain of Necem Cements Ltd. (IBM/6738/2011) but trading of minerals was done by Necem cements ltd. which is clear from the submitted review of mining plan indicating that Necem cement plant is closed since Nov. 2014 but production & dispatch post closure of the cement plant for the period 2015-16 onwards was there to other units outside Dima Hasao (refer page 3 - 4 of the submitted document). The information given in your reply was not provided even in your submitted review of mining plan.</p> <p>If the minerals were sold, then captive consumption can't be stated in the monthly return of the mine (Form-F8) and sale value of the minerals was required to be reported <u>alongwith the IBM registration no. of the manufacturer to whom the mineral was sold to by Necem cement Ltd.</u></p>

Rule Number	Nature of violations observed
	<p>E. Neither any end use return of the plant reported to be outside Dima Hasao under rule 45(6) of MCDR 2017 has ever been submitted to this office till date.</p> <p>You have stated in your reply that "Since you are still the end user there should be no necessity to give the manufacturer as end use returns".</p> <p><u>It may be noted that till date Necem cements Ltd. is still not furnishing the name of manufacturer to whom the minerals were sold thereby facilitating this office to take necessary action against them as deemed fit under the rules for not registering and/or furnishing the end use return of its plant.</u></p> <p><u>Trading of minerals was not a registered activity under the business domain of Necem Cements Ltd. (IBM/6738/2011) but trading of minerals was done by Necem cements ltd.</u></p> <p><u>If the minerals were sold, then captive consumption can't be stated in the monthly return of the mine (Form-F8) and sale value of the minerals was required to be reported alongwith the IBM registration no. of the manufacturer to whom the mineral was sold to by Necem cement Ltd. In the online scrutiny of the monthly returns the same were also intimated to you.</u></p>

02. In this connection, it is again brought to your notice that the above violations constitute an offence punishable under Rule 62 of Mineral Conservation and Development Rules, 2017.

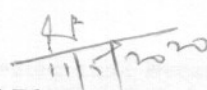
03. If the above rules are not complied, the Regional Controller of Mines, may advise to State Govt. to take following action under rule 45(7)(a) of MCDR 2017

- a) Order suspension of all mining operations in the mine and to revoke the order of suspension after ensuring proper compliance;
- b) Take action to initiate prosecution under the rules
- c) Recommend termination of the mining lease, in case such suppression or misrepresentation of information indicates abetment or connivance of illegal mining.

04. You are, therefore, directed to show cause within a period of 30 days from the date of issue of this letter, as to why you should not be prosecuted for the above offences.

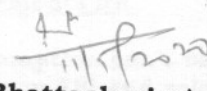
05. Please note that no further notice will be given to you in this regard

Yours faithfully,



(PK Bhattacharjee)
Regional Controller of Mines

Copy forwarded for kind information to:

- (i) The Director, Directorate of Geology & Mining, Govt. of Assam, Kahilipara, Guwahati - 19, Assam
- (ii) The Controller of Mines (EZ), IBM Kolkata


(PK Bhattacharjee)
Regional Controller of Mines

ANNEXURE



भारत सरकार
Government of India

Registration under Rule 45 of MCDR 1988
Indian Bureau of Mines (Ministry of Mines)

USER MANUALS
Logout
Welcome RKOLKATA
Login: 157.42.244.225(9/4/2020 7:55:27 PM)
Logout: 157.42.244.225(9/4/2020 7:54:21 PM)

Home Issue Registration No. Email Failure Details

Suspend/Revoke Registration

Reports Directories

Change Password

Status of Applicants for Registration Under Rule 45 of MCDR 1988

State: ASSAM

District: --Select District--

Application Date: From: To: [Date Picker]

Name of Applicant: necem

Application ID: Registration Number: IE Code: [Input]

(Min. 3 characters without space) Category: --Select Category--

Submit Clear Fields Close Form

Print Report Export To Excel

Registration Under Rule 45 of MCDR 1988 - Indian Bureau of Mines (Ministry of Mines)
Title : Web Query Report Report Date : 10/05/2020 11:26:44 AM
State: ASSAM (For All District)

For Applicant: necem

ASSAM

Sl. No.	App Id/ Application Date	IE Code	Name/ Category	Business Activity	Position In Mine	Address	Region/ State/ District	Contact Details	PAN/ TAN/ CSTINo/ VoterID/ Passport/ D.L	Registration No./ (Issue Date)/ Status
1	5738 23/12/2011		M/s Necem Cements Limited (Company)	Mining- End user		Housing Colony Road Rukmini Nagar Dispur 781006	KOLKATA ASSAM GUWAHATI	0361-2263348 (O) 0361-2260409 (F)	EHLN00116E 18AABCN0195K1ZA	IBN/6738/2011 (23/12/2011)