

SPEED POST

**No.47011/1(28)/2000-CPAM/CA-I
Government of India
Ministry of Coal**

Shastri Bhawan, New Delhi
Dated the 6th June, 2011

To

M/s GVK Power (Govindwal Sahib) Limited,
Koninor, Road No. 1,
Banjara Hills,
Hyderabad- 500 034.

**Subject: Warning for inordinate delay in development of Tokisud North coal block. -
Regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 47011/7/2001-CPAM dated 07.01.2002 conveying allocation of Tokisud North coal block for development on captive basis for supply of coal to 2x 250 MW power plant GVK Power Limited

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 GVK Power Limited. A show cause notice was issued on 23.09.2008. In their reply vide letter dated 26.09.2008, the company assured that the mine will be started during the first quarter of 2010. Further, in the review meeting held on 22nd and 23rd June, 2009 the representatives assured to start production by January, 2011 and EUP by December, 2010. Based on the commitment of the representatives in the said meeting, the Review Committee agreed that if coal production from the block would not start by Jan, 2011, the block would be withdrawn. 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 has been noted that some of the important/critical milestones such as Stage -II forest clearance and land acquisition are still pending. It has also been noted 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.

3. Based on the recommendation of the Review Committee in its Meeting held on 20/21.07.2010, a show cause notice was issued vide letter of even no. dated 23rd September, 2010. M/s GVK Power Limited vide its letter No. nil dated 18th October, 2010 has replied to the show cause notice. The reply was considered by the Review Committee and the reasons given for the delay were not found convincing. Therefore, with the approval of the competent authority, it has been decided to issue warning to M/s GVK

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Power Limited in respect of Tokisud North coal block. The allocatee is hereby warned and directed to develop the block immediately. Any further failure in development of the block would lead to necessary action as per the terms and conditions of allocation including de-allocation of the coal block.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

MIC M/O. coal