

No. 47011/4/2003-CPAM/CA-I(Part)
Government of India
Ministry of Coal

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

To

M/s Damodar Valley Corporation,
DVC Tower, VIP Road,
Kolkata- 700 054

**Subject: Warning for inordinate delay in development of Khagra Joydev coal block. -
Regarding..**

Sir,

I am directed to refer to this Ministry's letter No. 47011/4/2003-CPAM/CA dated 03.03.2005 conveying allocation of Barjora North, Khagra, Joydev and Kasta (E) coal blocks to meet the required coal requirement for Mejia Extension Unit 4 (1 x 210 MW) & Unit 5-6 (2 x 250 MW) and Durgapur Steel TPS under the Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 and Kasta (E) coal block had been surrendered by allocatee in 2009.

2. In order to expedite the development of the coal blocks, various review meetings were held from time to time with the representatives of M/s Damodar Valley Corporation. In the meeting held on 25.03.2008, the allocatee company was categorically directed to ensure that the assurance made about the commencement of coal production from the said blocks are fully met, failing which the Government could be constrained to review the allocation. The company then assured vide letter No. Dir(OPN)/PS/18B/185 dated 13.09.2008 that they are taking appropriate action for early development of the blocks and categorically assured that the coal production from Barjora (North) and Khagra-Joydev coal blocks shall start from December, 2008 and December, 2009 respectively.

3. Again in the review meeting 22nd and 23rd June, 2009, the company assured to start production by December, 2009 for Barjora North coal block and no commitment on the target date of coal production was given for Khagra Joydev coal blocks. 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 also been noted that some of the important/critical milestones such as Land acquisition are pending for Khagra Joydev coal block. It has been 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.

4. Based on the recommendations 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 29th September, 2010. M/s Damodar Valley

Limited vide its letter No. CMM/FW/HQ/12 (Coal Block)/920 dated 28th 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 Damodar Valley Corporation in respect of Khagra-Joydev coal block. The allocatee is hereby warned and directed to develop the block without any delay. 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

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