

No.13016/ 74 /2008 -CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 7th/10 October, 2009

To

- (i) M/s Jindal Steel & Power Ltd.
Jindal Centre, 12- Bikaji Cama Place,
New Delhi – 110 066

- (ii) M/s Gagan Sponge Iron Pvt. Ltd.
28, Najafgarh Road,
New Delhi – 110 015.

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 coal blocks.

Sir,

I am directed to refer to this Ministry's letter No. 38011/1/2007-CA-I dated 17.01.2008 conveying the allocation of Amarkonda-Murgadangal coal block in the state of Jharkhand for captive mining of coal to M/s Jindal Steel & Power Ltd. and M/s Gagan Sponge Iron Pvt. Ltd.. under Option-I in pursuance of Section 3(3)(a)(iii) 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 M/s Jindal Steel & Power Ltd. and M/s Gagan Sponge Iron Pvt. Ltd. In this regard, in the review meeting held on 22/23.06.2009, it was noticed that all the milestones were pending except submission of bank guarantee. The progress is not satisfactory. Para 3 of the allocation letter stipulates that allocation/mining lease of the coal block may be cancelled, inter-alia, on the following grounds:-


- a. Unsatisfactory progress of implementation of their end-use sponge iron plant/power plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation mentioned above.

In spite of a passage of almost 20 months, 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 letter as to why non-compliance of above mentioned conditions of the allocation letter, should not be held as violation of the terms and conditions of the allotment of Amarkonda-Murgadangal coal block,

failing which it will be presumed that your company has no explanation to furnish and action as appropriate will be taken against your company for de-allocation of Amarkonda-Murgadangal coal block.

Yours faithfully


(V.S. Rana)

Under Secretary to the Govt. of India

Copy to :

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


(V.S. Rana)

Under Secretary to the Government of India

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