

BY Regd. Post
Immediate

No. 13016/63/2008-CA-I
Government of India
Ministry of Coal

.....
New Delhi, the 8th October, 2009

To *The Director,*
M/s Pushp Steel & Mining Ltd.
751, Ground Floor, Kundewalan Street
Ajmeri Gate, Delhi - 110 006.

Subject : Review meeting held on 22nd and 23rd June, 2009 to review the progress of coal blocks - issue of show cause notice.

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I dated 16th July, 2007 conveying the allocation of Brahmampuri coal block in the state of Madhya Pradesh to M/s Pushp Steel & Mining Ltd. to meet the coal requirement for their 0.42 MT sponge iron plant in Dist. Durg, Chhattisgarh 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, a review meeting was held with the representatives M/s Pushp Steel & Mining Ltd. on 22/23.06.2009. The company does not seem to be interested in developing the block as per the milestone chart which is evident from the fact that the approval of the mining plan has not yet been conveyed to the company as the balance amount of Rs.10,53,313/- is yet to be deposited towards payment of exploration cost of GR. Since the allocated block is a explored block, the company should have completed/obtained, as per the milestone, approval of Mine Plan, forest clearance, EMP clearance as well as approval of Mining Lease. Since the company has not even applied for ML, FC till date, the progress is not satisfactory and the company seems to be a non-serious player. Para 2 of the allocation letter clearly 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/cement plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation mentioned.

3. In spite of a passage of more than two years, no serious effort has been made by the 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.

4. 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 Brahampuri 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 Brahampuri coal block.

Yours faithfully



(V.S. Rana)

Under Secretary to the Govt. of India

Copy to :

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

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mlo coal


(V.S. Rana)

Under Secretary to the Government of India