

**BY SPEED POST**

**No. 47011/1(10)/2000 -CPAM/CA-I  
Government of India  
Ministry of Coal**

Shastri Bhawan, New Delhi  
Dated the 16<sup>th</sup> June, 2011

To

The Director,  
M/s Gondwana Ispat Limited  
No.3 & 4, Auric Gems,  
Poonam Chambers Chhaoni,  
Nagpur- 400 013.

Subject- Warning for inordinate delay in development of Majra coal block – regarding.

Sir,

I am directed to refer to this Ministry's letter No. 47011/1(10)/2000-CPAM/CA dated 29.10.2003 conveying allocation of Majra coal block for meeting the ROM coal requirement of 4.8 ltpa for 1.20 ltpa sponge iron plant with certain terms & conditions. A condition of the allocation letter inter-alia, stipulated that :-

"(vi) Reservation of coal block may be cancelled in case of unsatisfactory progress of implementation of their washery-cum- sponge iron plant or coal mining project or both."

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 Gondwana Ispat Limited. In the review meeting held on 23.05.2006, it was observed that the company had not simultaneously initiated all related activities for setting up their associated end use plant to synchronize with the coal production and the progress of end use plant was not satisfactory. Hence, a show cause notice was issued to the allocatee. The reply of the show cause notice was examined and a decision was taken to review the progress in the next meeting, which had been fixed on 12.01.2007. The company had then assured this Ministry to commence coal production from their block by 2<sup>nd</sup> / 3<sup>rd</sup> quarter of 2008. In the review meetings held on 19.01.2007 and 29.01.2007, the committee instructed the allocatee to speed up the progress of the allocated coal blocks as well as the linked end use plant.

3. Subsequently, in the review meeting held on 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009, the company again rescheduled the production dates and assured to start production by Dec, 2009 and EUP commissioning by May/June, 2010. Further, 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 is also noted that some of the important/critical milestones such as forest clearance, Mining Lease and land

acquisition are still pending. It is seen that the company has repeatedly failed to keep its promises made on earlier occasions to this Ministry and is non-serious about timely development of the block.

4. Based on the decision taken at the review meeting held on 20/21.07.2010 a show cause notice was issued vide letter dated 18.11.2010. The reply furnished in response to the show cause notice has been examined keeping in view the various details/aspects and it has been observed that land acquisition (partly) is still pending. The reply has been considered by the Review Committee and with the approval of the competent authority, it has been decided to issue a warning for delay in development of Majra Coal block. The Company is hereby warned and directed to develop the block immediately failure of which would lead to necessary action as per 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