

No.13016/94/2006-CA-I
Government of India
Ministry of Coal

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Shastri Bhawan, New Delhi
Dated the 18th July, 2011

To,

The Managing Director,
M/s Metals and Minerals Trading Corporation (MMTC)
Core- 1, Scope Complex,
7, Institutional Area, Lodi Road,
New Delhi - 110003

Subject: Warning for inordinate delay in development of Gomia coal block. - Regarding..

Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 02.08.2006 conveying 'in principle' approval of the Central Government to the working of Gomia coal block by M/s Metals and Minerals Trading Corporation Limited (MMTCL) under the Government Company dispensation in pursuance of Section 3(3)(a)(i) of the Coal Mines (Nationalization) Act 1973, subject to certain conditions.

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 Metals and Minerals Trading Corporation Limited (MMTCL). The progress was reviewed in a Review Meeting held on 25/26.03.2008 and it was noticed that no progress has been made. Accordingly, a show cause notice was issued by this Ministry on 27.06.2008. M/s MMTC Limited, in its reply, assured to make sincere efforts for speedy development of the coal block. However, in the review meeting held on 22nd and 23rd June, 2009, it was noticed that all the milestones were still pending. Accordingly, a show cause notice was issued on 25.09.2009 as the progress was not even as per the revised milestone chart submitted by the company.

3. 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 as the prefeasibility study not yet completed. Exploration has not yet started. Government of Jharkhand representative viewed that MMTC have to sign PL deed first. The committee was pained to observe that MMTC has not kept the commitment made in the past to come up whether they want to keep the block. It is 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 21st October, 2011. M/s Metals and Minerals Trading Corporation Limited (MMTCL) vide its letter No.MMTC/CO/GOMIA/2007 dated

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27th 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, the competent authority has decided to issue warning to M/s Metals and Minerals Trading Corporation Limited (MMTCL) in respect of Gomia 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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