

No.13016/ 50 /2008 -CA-I  
Government of India  
Ministry of Coal

.....

New Delhi, the 21<sup>st</sup> October, 2009

To

(i) M/s Maharashtra Seamless Limited,  
Plot No. 30, Institutional Sector, 44,  
Gurgaon- 122 002.

(ii) M/s Dhariwal Infrastructure (P) Ltd,  
1008/A, Lokmat Bhawan, Ramdaspath,  
Nagpur- 440 012.

(iii) M/s Kesoram Industries Limited,  
9/1, R.N. Mukherjee Road,  
Kolkata.

**Subject: Review Meeting held on 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009 to review the progress of coal blocks- show cause for delay in implementation of the coal blocks.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/50/2008-CA-I dated 21.11.2008 conveying allocation of Gondkhari coal block in the state of Maharashtra for captive mining of coal to M/s Maharashtra Seamless Limited, Dhariwal Infrastructure (P) Ltd and M/s Kesoram Industries Limited 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 meeting was held with the representatives M/s Maharashtra Seamless Limited, Dhariwal Infrastructure (P) Ltd and M/s Kesoram Industries Limited on 22/23.06.2009, it was noticed that all the milestones were pending. Your company reported that you have signed JV Agreement in the name of Gondkhari Coal Mining Ltd., however you have not yet submitted the requisite JV Agreement and Certificate of Incorporation duly signed by all the allottees. Further, as per clause 2(ix) of the allocation letter dated 21.11.2008, Joint Venture Company was required to submit the Bank Guarantee for an amount of Rs. 11.87 crores jointly. However, you have submitted three separate Bank Guarantee which is not acceptable as per the said clause. Further, you have not even applied for ML and not yet submitted the Mining Plan. 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.

3. In spite of the passage of almost 11 months no serious effort appears to have 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.

3. Under the above circumstances, you are hereby called upon to show cause to this Ministry 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 Gondkhari coal block, within a period of 15 days from the date of issue of this letter, 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 Gondkhari coal block.

Yours faithfully



(V.S.Rana)

Under Secretary to the Govt. of India

Copy to :

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

(ii) *mic, m/o Coal.*



(V.S.Rana)

Under Secretary to the Govt. of India