

No.13016/ 32/2005 -CA-I
Government of India
Ministry of Coal

.....
New Delhi, the 22nd October, 2009

To,

M/s Wani Coalfields Pvt. Ltd.
(JVC M/s Gupta Metallics & Power and M/s Gupta Coalfields & Washeries Ltd.)
Gupta House, 1, R.N. T. Marg,
Civil Lines, Nagpur – 440 001 (M. S.)

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. 13016/32/2005-CA-I dated 13.01.2006 conveying allocation of Nerad Malegaon coal block for working by a joint venture company of M/s Gupta Metallics & Power and M/s Gupta Coalfields & Washeries Ltd under Option-I in pursuance of the provisions contained in Section 3(3) (a) (iii) of the Coal Mines (Nationalisation) 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 Nerad Malegaon coal block. In this regard, in the review meeting held on 15/16.10.2008, it was noticed that all activities including JVA, full payment of BG, ML and MP approval were pending. In the review meeting held on 22/23.06.2009, it was noticed that all milestones were pending except purchase of GR. ML application has been submitted on 05.04.2007 and it is lying with DMO. Mining Plan has been submitted and TOR committee has been concluded. No definite information about land acquisition could be given by the company during the review meeting. However, the representatives assured to inform the Ministry about Land acquisition by December, 2009. Being an explored block, the company from the very beginning has delayed in purchase of GR, submission of BG, application for ML and submission of MP. The company does not seem to be interested in developing the block as per the milestone chart which is evident from the fact that during a span of 3 and ½ years, the company has not made efforts for approval for MP, FC EMP clearance, Land Acquisition. Thus, the company seems to be not serious for development of the block. 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.
- 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 the passage of almost 3 and ½ years 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 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 Nerad Malegaon 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 Nerad Malegaon coal block.

Yours faithfully



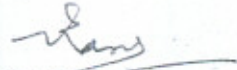
(V.S. Rana)

Under Secretary to the Govt. of India

Copy to :

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

~~1/10~~ *DIC, M/o Coal,*



(V.S. Rana)

Under Secretary to the Government of India

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