

No.13016/48/2007 -CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 28th October, 2009

To,

The Chairman-and- Managing Director,
M/s Chaman Metallics Limited
16/S, Block 'A', New Alipore,
Kolkata – 700 053

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 Kosar Dongergaon coal block.

Sir,

I am directed to refer to this Ministry's letter No. 38011/11/2006-CA-I dated 20.02.2007 regarding the allocation of Kosar Dongergaon coal block in the State of Maharashtra for captive mining of coal by M/s Chaman Metallics Ltd. in pursuance of the provisions of Section 3(3) (a)(iii) of the Coal Mines (Nationalization) Act, 1973 and the revised policy of coal mining by the State Government.


2. In order to expedite the development of the coal block, review meetings were held from time to time with the representatives of the M/s Chaman Metallics Ltd. In this regard, in the review meeting held on 15/16.10.2008, it was noticed that the block is explored and all the milestones were pending except purchase of GR, BG and MP. Representatives informed that ML would be forwarded to State Government. No FC is required. Entire block is on private land and direct negotiation is going on. In the review meeting held on 22/23.06.2009, it was noticed that there was no progress in the development of the block. In the Review Meeting the representative of the company was unable to give any specific information on the progress made in land acquisition. The Review Meeting asked the company to send the detailed information alongwith bar chart to CCO, Kolkata and Ministry of Coal within seven (7) days. However, the same is still awaited. Since the allocated block is an explored block, the company should have completed/obtained as per milestone, EMP clearance, application for land acquisition as well as approval of Mining Lease. The progress is not satisfactory and the company seems to be not serious for development of the block. Para 2 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.

Inspite of the passage of almost 2 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 Kosar Dongergaon 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 Kosar Dongergaon coal block.

Yours faithfully,



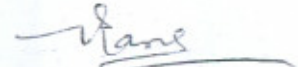
(V.S. Rana)

Under Secretary to the Government of India

Copy to :

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

(2) MIC, M/o Coal.



(V.S. Rana)

Under Secretary to the Government of India