

SPEED POST

No. 13016/ 36 /2010 CA-I(part)
Government of India
Ministry of Coal

....

Shastri Bhawan, New Delhi
Dated the 25th November, 2010

To

The Chairman-cum-Managing Director,
M/s Maharashtra State Mineral Development Corp. Ltd.
Udyog Bhawan, 3rd Floor, Civil Lines,
Nagpur- 440 001

Subject- Show cause notice for inordinate delay in development of Warora coal block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/8/2007-CA-I dated 25.07.2007 conveying the 'in principle' consent of the Government of India to the working of warora coal block by M/s Maharashtra State Mining Corporation Limited under Government Company dispensation in pursuance of the provisions of the Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973 and the revised policy on Coal Mining by State government 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 M/s MSMDCL. In the **review meeting held on 22nd and 23rd June, 2009, the company had submitted that 51.78% reserve is in proved category and more exploration needs to be done. The company had reportedly applied to the State Government for exploration and assured exploration would be completed by July, 2009. Mining Plan would be submitted by November, 2009.** However, in the review meeting held on 20/21.07.2010, it was noted that all the important/critical milestones such as Mine Plan approval, EMP, Mining Lease and Land Acquisition etc. were still pending. The Bank Guarantee has also lapsed. The company has now assured that exploration to be completed by August, 2010. It is seen that the company has not fulfilled the earlier commitments/ targets made on earlier occasions as there is no progress at all and thus it appears that the company is non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	08.09.2007	01.04.08	7 Months
Submission of Bank Guarantee	25.10.2007	06.12.07	2 Months
Mining Lease Application	25.10.2007	28.05.08	7 Months
Submission of Mining Plan	25.01.2008	-	Pending
Approval of Mining Plan	25.03.2008	-	Pending
Application of Previous approval	25.05.2008	-	Pending
Granting of Previous approval	25.06.2008	-	Pending
Application of Forest clearance	25.07.2008	-	Pending
Grant of Forest Clearance	25.01.2009	-	Pending
Application EMP Clearance	25.07.2008	-	Pending
Grant of EMP Clearance	25.01.2009	-	Pending
Grant of Mining Lease	25.07.2009	-	Pending
Application of Land Acquisition	25.02.2009	-	Pending
Completion of Land Acquisition	25.07.2010	-	Pending
Application for opening permission	25.11.2011	-	
Grant of Opening permission	25.12.2011	-	
Coal Production	25.1.2012	-	

3. Under the above circumstances, you are hereby called upon to show cause, on each milestone separately, to this Ministry within a period of 30 days from the date of issue of the show cause notice as to why the delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of Warora coal block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken against your company for de-allocation of the said block.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

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Coal