

No. 13016/90/2006 -CA-I

Government of India

Ministry of Coal

....

New Delhi, the 5<sup>th</sup> October, 2009

To,

The Secretary,  
M/s Chhattisgarh State Electricity Board  
Vidyut Sewa Bhawan,  
Dangania, Raipur,  
Chhattisgarh -492 013.

**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 notice for delay in implementation of the Parsa coal block.**

Sir,

I am directed to refer to this Ministry's letter of even number dated 02.08.2006 conveying the allocation of Parsa coal block to M/s Chhattisgarh State Electricity Board (CSEB) under the government company dispensation in pursuance of Section 3(3) (a)(i) of the Coal Mines (Nationalization) 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 the M/s CSEB. In the review meeting held on 25/26.03.2008 and in the meeting held under the Chairmanship of MOS(C) on 04.06.2008, it was noticed that even after giving a number of opportunities, M/s CSEB has failed to develop the coal block in time. No progress had been made and exploration is yet to be started. Due to unsatisfactory progress, a show cause notice was issued to M/s Chhattisgarh State Electricity Board (CSEB) on 27.06.2008. In their reply, they informed that exploration work has already been awarded to CMPDIL and CMPDIL has assured to complete the work within two years time from grant of PL. As per the guidelines on allocation of coal blocks, detailed exploration was to be completed within 2 years and not much progress has been made to develop the coal block.


3. Further, as per the milestones appended with the allocation letter, the company was required to purchase geological report within 1.5 months of the allocation i.e. by 17.08.2006. The company has made payment to the GSI only on 09.04.2007 for purchase of GR. Thus, at the initial stage itself, there was a delay of 6 months. In the review meeting held on 22/23.06.2009, it was noticed that all the milestones are still pending. The Review Meeting observed that there has been no progress in the block. Neither the State Government nor the allocatee seems to be interested in developing the block. The issue of PL is lying pending between the State Government and State Government PSU. As on date, you should have submitted MP and applications for ML and FC, which are still pending. There has been no serious effort made by the company to

develop the coal block as per the milestone chart appended to the allotment letter. No sincere effort has been made to get the block operative

3. In para (iv) of the allocation letter, it is clearly stipulated that the milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee. In spite of the passage of more than 3 years, no serious effort seems to have 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 delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of block, within a period of 15 days from the date of issue of the show cause notice failing which it will be presumed that the your company has no explanation to offer and action as appropriate including de allocation of block will be taken.

Yours faithfully,



(V.S. Rana)

Under Secretary to the Government of India

Copy to :

The Chief Secretary, Govt. of Chhattisgarh for information and necessary action at his end.



(V.S. Rana)

Under Secretary to the Government of India

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