

No.13016/ 46 /2009 -CA-I

Government of India

Ministry of Coal

.....

New Delhi, the 23<sup>rd</sup> September 2009

To,

(i) The Chairman-and- Managing Director,  
M/s. Arcelor Mittal India Limited,  
Plaza M-6, 6<sup>th</sup> Floor,  
Jasola Distt. Centre  
New Delhi - 110 025

(ii) The Chairman-and- Managing Director,  
M/s. GVK Powers(G.Sahib)  
Pevigah House, 156-159,  
Sardar Patel Road,  
Secundrabad- 500 003.

**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 coal blocks.**

Sir,

I am directed to refer to this Ministry's letter No. 38011/1/2007-CA-I dated 09.01.2008 conveying allocation of Seregarha coal block in the state of Jharkhand to M/s.Arcelor Mittal India Limited (CPP) to meet the coal requirement of 103.50 MT for their 750 MW Power Plant at Saraikela, Jharkhand and M/s GVK Power (Govindwal Sahib) Ltd.(IPP) to meet the coal requirement of 82.80 MT for their 600 MW Power Plant at Govindwal Sahib, Punjab, under Option -I.

2. In order to expedite the development of the coal block, review meetings were held from time to time with the representatives of M/s.Arcelor Mittal India Limited and M/s GVK Power (Govindwal Sahib)Ltd. In this regard, in the review meeting held on 15/16.10.2008, it was noticed that the progress was very slow and there seemed to be no intention on the part of the allocatees to develop the block. In the review meeting held on 22/23.06.2009, it was noticed that the joint allocattes had not obtained the PL till date and the exploration has not begun as yet. As per the time schedule for development of block, exploration should be nearing completion by now. The progress is very slow. Para 3 of the allocation letter also 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 a passage of almost 1.5 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 Seregarha 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 Seregarha coal block.

Yours faithfully



(V.S.Rana)

Under Secretary to the Govt. of India

Copy to :

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

~~(ii)~~ PIC, m/o Coal



(V.S. Rana)

Under Secretary to the Government of India