

No.13016/86/2006 - CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 16th September, 2009

To,

The Managing Director,
M/s Madhya Pradesh State Mining Corporation Ltd. (MPSMCL),
Parayvas Bhawan, Block No. 1 (A), Second Floor,
Jail Road, Area Hills, Bhopal 462 011.

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 Dongri Tal-II coal block.

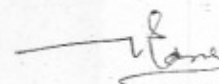
Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 02.08.2006 conveying allocation of Dongri Tal-II coal block to M/s Madhya Pradesh State Mining Corporation Ltd. under Government Company Dispensation in pursuance of Section 3(3)(a)(i) of the Coal Mines (Nationalization) Act, 1973.

3. 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 Madhya Pradesh State Mining Corporation Ltd. in order to expedite the development of the coal block. In this regard, in the review meeting held on 15-16.10.2008, it was noticed that no sincere efforts were made by the Company to develop the coal project. In the review meeting held on 22-23rd June, 2009, it was noticed that all the milestones were still pending. As per the specified milestones, the exploration should have been completed and the GR should have been ready by now. In para (v) of the allocation letter dated 02.08.2006 it is clearly mentioned that 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 almost 3 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 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 your company has no explanation to offer and action as appropriate including de-allocation of block will be taken.

Yours faithfully,



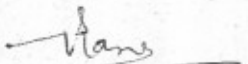
(V.S. Rana)

Under Secretary to the Government of India

Copy to :

- (i) The Chief Secretary, Govt. of Madhya Pradesh for information and necessary action at his end.
- (ii) The Chief Secretary, Govt. of Chhattisgarh for information and necessary action at his end.

V(11) MIC, also Coal.


(V.S. Rana)

Under Secretary to the Government of India