

No.13016/39/2009 -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.,
Paryavas Bhawan,
Block No. 1 (A), Second Floor,
Jail Road, Arera 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 Morga- III, Morga IV, Marki Barka, Bicharpur, Mandla South and Semaria / Piparia coal blocks.

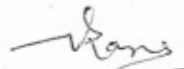
Sir,

I am directed to refer to this Ministry's letter, of even number dated 25.7.2007 conveying allocation of Morga- III, Morga IV, Marki Barka, Bicharpur, Mandla South and Semaria / Piparia coal blocks to M/s MPSMCL under 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 MPSMCL. In this regard, in the review meeting held on 15/16.10.2008, the representatives informed that they are looking for a joint partner to develop the block. In the review meeting held on 22/23.06.2009, the progress of these blocks has not been found satisfactory. 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. The progress is very slow. In para 2 (x) of the allocation letters dated 25.07.2007, it is clearly mentioned 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 a passage of almost 2 years, no serious effort has been made by the companies to develop the coal block as per the milestone chart appended to the allotment letter. Consequently, the development of the coal blocks 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 blocks will be taken.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Government of India

