
Coal ministry threatens to cancel block allotted to ArcelorMittal and GVK

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It is reported that government has threatened to cancel the coal block allotted jointly to ArcelorMittal and GVK Power in Jharkhand for the inordinate delay in developing the property.

The coal ministry has served notice on September 23 to both the companies and sought their replies within 15 days, seeking reasons for the delay in developing the mines allotted for captive use.

The ministry in the letter dated September 23rd 2009 said that "In spite of a passage of almost one and half year, 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."

The ministry said the exploration has not begun as yet whereas it should have been completed by now as per the time schedule for development of the block.

Asking both the companies to reply within the stated time frame, the ministry said that "Falling 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."

When contacted Mr MP Singh CEO (Mining) of ArcelorMittal India told PTI that "ArcelorMittal has received the show cause notice. But delay is not because of us. We will reply appropriately to the coal ministry soon."

GVK Power also confirmed receiving the notice.

(Sourced from PTI)

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