
Indian coal ministry issues show cause notice to Usha Martin on coal block

Tuesday, 10 Nov, 2009

BL reported that the Indian government has warned steel maker Usha Martin of action if it does not take immediate steps to develop a captive coal block in Jharkhand. However it could not be immediately ascertained whether the action could be a cancellation of the block.

In a show cause notice issued to Usha Martin on November 4 for the delay in developing the Lohari coal block, the coal ministry said that “You are advised to remove shortcoming and take steps to develop the coal block without any further delay, failing which h the ministry could be constrained to take action as deemed appropriate in the matter.”

The notice said that “The company representative informed that the state government wanted mineral rights to be transferred by Central Coalfields Ltd to the state government. CCL has surrendered the mineral rights, but the conveyance deed has not been finalized.”

The ministry has issued such notices to companies such as ArcelorMittal, Binani Cement, MMTC, JSPL and Nalco. The ministry said the coal block, allocated to Usha Martin in 2005, is an explored one, wherein mining lease and land acquisition are still pending.

(Sourced from Business Line)

For more news visit at www.steelguru.com