

No.13016/31/2005-CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 10th December, 2009

To

- (i) M/s Nilanchal Iron & Power Limited,
5F, Everest House,
46/C, Chowaranghee Road,
Kolkata – 700 071.
- (ii) M/s Bajrang Ispat (P) Limited,
168, Subkdev Vihar,
New Delhi – 110 025.

Subject: Review Meeting held on 22nd and 23rd June, 2009 to review the progress of coal/lignite blocks- Advisory for delay in implementation of the coal block.

Sir,

I am directed to refer to this Ministry's letter No.13016/31/2005-CA-I dated 13.01.2006 conveying the allocation of Dumri coal block to M/s Nilanchal Iron & Power Limited and M/s Bajrang Ispat (P) Limited in pursuance of Section 3(3)(a)(iii) 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 M/s Nilanchal Iron & Power Limited and M/s Bajrang Ispat (P) Limited. In the review meeting held on 22/23.06.2009, it was noticed that forest clearance, mining lease, EMP and land acquisition are still pending. Forest clearance application has been filed with the State Government. Tripartite agreement with CCL is yet to be finalized. The progress is slow and the companies are unlikely to start production as per the commitment.

3. The company has neither obtained forest clearance, EMP clearance and land acquisition nor fulfilled the assurance given in the last review meeting. It is informed that para 2 of the allocation letter clearly stipulates that allocation/mining lease of the lignite block may be cancelled, inter-alia, on the following grounds:-

- a. Unsatisfactory progress of implementation of their end-use sponge iron/power plant.
- b. Unsatisfactory progress in the development of coal mining project.
- c. For breach of any of the conditions of allocation letter dated 13.01.2006.

4. In view of the above, you are advised to remove the aforesaid shortcomings and take steps to develop the coal block without any further delay, failing which the Ministry would be constrained to take action as deemed appropriate in the matter

V.S. Rana mic, mlo Coal.

Yours faithfully


(V.S. Rana)

Under Secretary to the Govt. of India