

No.47011/1(18)/2000-CPAM/CA-I Vol-II

Government of India

Ministry of Coal

.....

New Delhi, the 19th November, 2009

To

M/s Corporate Ispat Alloys Limited
Trust House, 5th Floor, 32 A Chhittaranjan Avenue,
Kolkata- 700 012, West Bengal.

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

Sir,

I am directed to refer to this Ministry's letter No.47011/1(18)/2000 – CPAM/ CA dated 02.09.2005 conveying allocation of Chitarpur coal block in the state of Jharkhand for captive mining of coal to M/s Corporate Ispat Alloys Limited in pursuance of Section 3(3)(a)(iii) of the Coal Mines (Nationalization) Act, 1973.

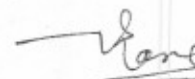
2. In order to expedite the development of the coal block, review meetings were held from time to time with the representatives of M/s Corporate Ispat Limited. In the review meeting held on 22/23.06.2009, it was noticed that Chitarpur coal block is an explored block wherein Mining Lease has been approved. However, Forest Clearance & Land acquisition are still pending. The Financial Closure for the project has also not been received as yet. In the Review Meeting, it was advised to the representative of the company to make a request to the Ministry of Steel for help, if required. Further, a detailed financial closure/bar chart data was to be furnished to Ministry of Coal and Coal Controller's Organisation.

3. As per the normative milestones chart, the company should have started production before August, 2009. Neither the company has 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 coal block may be cancelled, inter-alia, on the following grounds:-

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

4. In view of above facts, 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

Yours faithfully

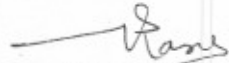


(V.S.Rana)

Under Secretary to the Govt. of India

Copy to :The Chief Secretary, Govt. of Jharkhand, Secretariat, Raipur for information and necessary action at his end.

WIC, M/C Coal,



(V.S.Rana)

Under Secretary to the Govt. of India