

No.13016/ 34/2005-CA-I
Government of India
Ministry of Coal

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New Delhi, the 24th November, 2009

To

M/s Jayaswal Neco Ltd.
F-8, MIDC Industireal Area, Hinga Road,
Nagpur- 440 016, Maharashtra.

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 of even no. dated 13.01.2006 conveying the allocation of Gare Palma IV/8 coal block in the state of Chhattisgarh for captive mining of coal to M/s Jayaswal Neco Ltd. 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 Jayaswal Neco Ltd. In the review meeting held on 22/23.06.2009, it was noticed that Gare Palma IV/8 coal block is an explored block wherein EMP clearance has been obtained and the Bank Guarantee has been submitted for an amount of Rs. 11.47 crore for 1.2 mtpa capacity. Stage-I of Forest Clearance has been granted. However, mining lease and land acquisition are still pending.

3. As per the normative milestones chart, the company should have started production before August, 2009 Neither the company has obtained forest clearance, mining lease 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/power 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 aforesaid 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

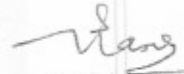
Yours faithfully


(V.S. Rana)

Under Secretary to the Govt. of India

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

WTC, M/o Coal,



(V.S. Rana)

Under Secretary to the Govt. of India