

SPEED POST

No. 13016/ 45 / 2010-CA-I
Government of India
Ministry of Coal

....

Shastri Bhawan, New Delhi
Dated the ~~24th~~ November, 2010

To

M/s Binani Cement Limited,
Mercantile Chambers, 1st Floor,
12, J.N. Heredia Marg,
Ballard Estate, Mumbai- 400 001

Subject- Show cause notice for delay in development of Nimbri Chandavadan Lignite block.

Sir,

I am directed to refer to this Ministry's letter No. 38011/3/2006-CA-I dated 07.02.2007 conveying the allocation of Nimbri Chandavadan Lignite block to M/s Binani Cement Limited to meet the lignite requirement of about 0.46 million tones per annum in pursuance of Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 subject to certain conditions.

2. One of the conditions of the allocation was that the lignite production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) from the date of allocation in case of UG mine. In view of prevailing shortage of coal/ lignite and non-availability of linkages, the end-use project can be synchronized with the lignite mine development project should no other source of lignite be available.

3 In order to expedite the development of the Lignite block, various review meetings were held from time to time with the representatives of M/s Binani Cement Limited. In the **review meeting 22nd and 23rd June, 2009, the company assured that it expected lignite production by March, 2009 provided DGM clarify to MOC about area requirement of mine. Review**

Committee noted that though the progress is slow, yet out of 350 Ha of land, company has acquired 40 Ha of Govt. land due to local land related factor. Further, in the review meeting held on 20/21.07.2010 and it was noted that the important /critical milestones such as Mining Lease, EMP clearance and Land Acquisition are still pending; whereas as per normative milestones, the allocatee should have started production from the block from 07.08.2010. It is seen that the company has not made any progress at all and thus it appears that the company is non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Mile Stones	Scheduled date of completion	Actual date of completion	slippage in YY/MM
Purchase of GR	21.03.2007	28.09.06	Advance
Submission of Bank Guarantee	07.05.2007	03.04.07	Advance
Mining Lease application	07.05.2007	07.03.07	Advance
Submission of mine plan	07.08.2007	07.12.07	7 months
Approval of mining plan	07.10.2007	06.05.10	2years 7 months
application of previous approval	07.12.2007	-	Pending
Granting of previous approval	07.01.2008	-	Pending
Application of forest clearance	07.02.2008	-	Pending
Grant of forest clearance	07.08.2008	-	Pending
Application of EMP clearance	07.02.2008	11.04.07	Advance
Grant of EMP clearance	07.08.2008	07.08.08	TOR recd.
Grant of Mining Lease	07.02.2009	-	Pending
Application of Land Acquisition	07.09.2008	-	Pending
Completion of Land Acquisition	07.02.2010	-	Pending
Application for opening permission	07.06.2010	-	Pending
Grant of opening permission	07.07.2010	-	Pending
Lignite Production	07.08.2010	-	Pending

3. Under the above circumstances, you are hereby called upon to show cause, on each milestone separately, to this Ministry within a period of 30 days from the date of issue of the show cause notice as to why the delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of Nimbri Chandavadan Lignite block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken against your company for de-allocation of the said block.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

✓ NIK mlocet