

SPEED POST

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

.....

Shastri Bhawan, New Delhi
Dated the 24th June, 2011

Sir,

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

Subject: Warning for inordinate delay in development of Nimbri Chandrabadan Lignite block allocated to M/s Binani Cement Limited - Regarding.

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 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 held on 22nd and 23rd June, 2009, the company assured that it expected lignite production by March, 2009 provided requirement of are of mine is clarified.. Review Committee noted that though the progress is slow. In the review meeting held on 20/21.07.2010, 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.

4. Based on the recommendation in the Review Meeting held on 20/21.07.2010, a show cause notice was issued vide letter dated 24th November, 2010. M/s Binani Cement Limited vide its letter No. nil dated 12th December, 2010 had replied to the show cause notice. The reply was considered by the Review Committee and the reasons given for the delay were not found convincing. Therefore, with the approval of Hon'ble Minister, it has been decided to issue a warning to M/s Binani Cement Limited in respect of Nimbri Chandavadani coal block. The allocatee is hereby warned and directed to develop the block immediately. Any further failure in development of the block would lead to necessary action as per the terms and conditions of allocation including de-allocation of the Lignite block.

Yours faithfully,



(V.S.Rana)

Under Secretary to the Govt. of India

Copy to :-The Coal Controller's Organisation, 1, Council House Street, Kolkata.

M/C M/coal