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**Immediate**

No. 13016/7/2010-CA-I  
Government of India  
Ministry of Coal

New Delhi, the 25<sup>th</sup> May, 2010

The Managing Director,  
M/s Tamil Nadu Industries Captive Power Company Limited (TICAPCO)  
15, Soundarapandian Salai,  
1<sup>st</sup> Floor, Ashok Nagar,  
Chennai 600 083.

**Subject: De-allocation of South of Vellar Lignite allocated to M/s Tamil Nadu Industries Captive Power Company Limited (M/s TICAPCO).**

Sir,

I am directed to refer to this Ministry's letter No. 43012/5/88-CML dated 4<sup>th</sup> June, 1992 giving approval of this Ministry for opening a lignite mine in the area South of Vellar river in South Arcot District of Tamil Nadu for feeding a captive power plant.

2. The Mining Plan of the said block was approved on 24.01.2001. This Ministry has reviewed the progress of the lignite block from time to time but no concrete progress was noticed. This matter was reviewed in the Review Meeting held on 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009. The committee noticed that no representative attended the meeting. Accordingly, a show cause notice was issued on 18<sup>th</sup> February, 2010.
3. The reply to the show cause notice submitted by the allocatee company has been considered in this Ministry. It is seen from the reply that progress contemplated in the Milestone as per the letter of allotment has not been achieved. Achievement of Milestone is one of the conditions of allotment, which have not been made nor any satisfactory reasons could be adduced for not complying with the above.
4. In view of the above, the competent authority has decided to de-allocate the South of Vellar Lignite block allocated to M/s TICAPCO vide this Ministry's allocation letter No. 43012/5/88-CML dated 4<sup>th</sup> June, 1992.
5. The Company shall not have any right or claim for allocation of alternative lignite block in lieu of the de-allocated lignite block. However, the company is free to apply for fresh lignite blocks as and when application for the same are called by the Government.

Yours faithfully,

  
(V.S.Rana)

Under Secretary to the Govt. of India