

BY Speed Post
Immediate

No. 13016/61/2008-CA-I
Government of India
Ministry of Coal

.....
New Delhi, the 27th April, 2010

To

The Managing Director,
M/s Binani Cement Limited,
Mercantile Chambers, 2nd Flr.,
12 J.N. Heredia Marg,
Ballard Estate,
Mumbai- 400 001.

Subject: De-allocation of Datima coal block in the State of Chhattisgarh for captive mining of coal by M/s. Binani Cement for their 4 mtpa cement plant in Sirohi, Rajasthan.

Sir,

I am directed to refer to this Ministry's letter No. 38011/2/2007-CAI dated 05.09.2008 allocating Datima coal block to M/s Binani Cement Limited in the State of Chhattisgarh for captive mining of coal for their 4 mtpa cement plant in Sirohi, Rajasthan. M/s Binani Cement Limited was directed, vide para 1 (vi) of the allocation letter, to submit a bank guarantee amount of Rs. 5.86 crores (equal to one year's royalty amount based on mine capacity of 0.36 mtpa assessed by CMPDIL, Grade of coal of B&C and the weighted average royalty @ Rs.162.76 per tonne) within three months from the date of allocation, which your company has not submitted till date. The Company was reminded vide letter of even no. dated 20.01.2009 in the matter. However, no response was received.

2. In view of the above, a show cause notice was issued vide letter of even no. dated 29.09.2009 for delay in development of the said coal block allocated to you. It was noticed that all the milestones were pending including submission of Bank Guarantee, which was supposed to be submitted within three months from the date of issue of allocation letter vide clause 1(vi).

3. It has thus been observed that the allocattee company has not made any progress in developing the coal and it does not seem to be interested in developing the coal block as all milestones are pending. Further, the company has not taken steps to develop the block as per the normative milestone attached with the allocation letter and it has been found that the progress made by the company in developing the block is not satisfactory and the company seems to be a non-serious player.

4. In view of the above, the competent authority has decided to de-allocate Datima coal block allocated in your favour vide this Ministry's allocation letter No. 38011/2/2007-CA I dated 05.09.2008

5. The Company shall not have any right or claim for allocation of alternative coal block in lieu of the de-allocated coal block. However, the company is free to apply for fresh coal block as and when application for the same is called by the Government.

Yours faithfully,


(V.S.Rana)

Under Secretary to the Govt. of India