

**BY SPEED POST**

No.13016/22/2013-CA-I  
Government of India  
Ministry of Coal

.....

Shastri Bhawan, New Delhi  
Dated: the 20<sup>th</sup> June, 2016

To,

**Shir R.S.Joshi,**  
Executive Director,  
M/s Binani Cement Limited,  
Merchantile Chambers,  
1st Floor, 12, J.N. Heredia Marg,  
Ballard Estate, Mumbai- 400 001.

Subject: Allocation of **Nimbri Chandavadan Lignite block** in the state of Rajasthan for captive mining of lignite.

Sir,

I am directed to refer to your letter No. Nil dated 06.06.2016 on the above-mentioned subject and to say that under Section 3 of Coal Mines (Nationalisation) Act, 1973 (CMN Act), the Central Government does not have any power to allocate lignite/coal blocks; the said section is only an eligibility Section and does not confer any power on the Central Government or State Government to allocate coal/lignite block. This has rendered the allotment of lignite block in 2007 *ultra vires* and void *ab-initio*. The current provision for allocation of coal/lignite block is contained in Section 11A of the Mines & Minerals (Development & Regulation) Act, 1957 which provides that coal/lignite blocks can be allocated to private sector companies only through competitive bidding. Allocation without competitive bidding is permitted only in case of allocation to Government companies and to private entities for power projects which have been awarded through competitive bidding.

2. In view of the above legal position, you may participate in bidding process as and when **Nimbri Chandavadan** lignite block is offered for auction.

Yours faithfully,



**[Rishan Rynthiang]**

Under Secretary to the Govt. of India

Copy to :-

1. Shri Anjani Kumar, Coal Controller, 1, Council House Street, Kolkata- 700 001.
2. TD( NIC), MoC for uploading this letter on the website of Ministry of Coal.