
Government may cancel coal block allotted to Binani Cement

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BS reported that the Indian government has threatened to cancel a coal block allocated for captive use to Binani Cement saying the company seems to be a non serious player.

The coal ministry in a show cause notice issued to the company said that “Your company has not only violated the government orders but also seems to be not interested to develop the block as per the milestone chart and terms and conditions of the allocation. The progress is not satisfactory and your company seems to be a non serious player.”

The coal ministry served notice on September 29 to the company and sought its reply within 15 days, seeking reasons for the delay in developing the mines allotted for captive use, failing which the process to de allocate the block would start.

It said that the company has also failed to submit a bank guarantee amount of INR 5.86 crore to the ministry in the stipulated time frame. It added that the company has not even applied for any mining related licence with the state government till now.

A Binani Cement spokesperson said that “We have sought time from the ministry as we are in the process of assessing the feasibility and viability of the coal block which is likely to be completed by December. Based on the findings of the geological experts deputed by us, we will take a final decision whether to acquire the block or not. If the block contains coal with high ash content, we may not go for acquiring it, as presently we have to import coal valued at about INR 500 crore per annum from countries like Indonesia to meet the requirements of our plants, as ash content is very high in the Indian coal.”

Earlier the government had issued notices to ArcelorMittal and MMTC, warning cancellation of blocks allotted to them for failing to develop the mines.

(Sourced from Business Standards)

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