

**BY SPEED POST**

No.13016/22/2013-CA-I  
Government of India  
Ministry of Coal  
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Shastri Bhawan, New Delhi  
Dated : the 2<sup>nd</sup> June, 2016

To,  
**The Chief Secretary,**  
Government of Rajasthan,  
Secretariat, Jaipur-302005,  
Rajasthan.

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

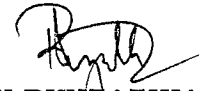
Sir,

I am directed to refer to this Ministry's letter No.38011/3/2006-CA-I dated 07.02.2007 allocating Nimbri Chandavadan lignite block in favour of M/s. Binani Cement Ltd. and to say that the said allocation was made through Screening Committee route under Section 3 of the Coal Mines (Nationalisation) Act, 1973 [CMN Act]. The issue of said allocation has been re-examined in this Ministry.

2. Ministry of Law & Justice, Department of Legal Affairs has clarified that under the 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.

3. In view of the above legal position, the allocation of **Nimbri Chandavadan** lignite block is de-allocated forthwith being void *ab initio*.

Yours faithfully,



[ **RISHAN RYNTATHIANG** ]

Under Secretary to the Government of India

Tel : 23073936

Copy to :-

1. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
2. The Secretary, Department of Mines & Geology, Government of Rajasthan, Khanji Bhawan, Shastri Circle, Udaipur-313001, Rajasthan.
3. Shri Anjani Kumar, Coal Controller, 1, Council House Street, Kolkata-700001.
4. The Chairman-cum-Managing Director, M/s. Binani Cement Ltd., Merchantile Chambers, 1<sup>st</sup> Floor, 12, J.N. Heredia Marg, Ballard Estate, Mumbai-400001.
5. TD (NIC), MoC for uploading this letter on the website of Ministry of Coal.