

JAYASWAL NECO INDUSTRIES LIMITED

CLARIFICATION ON COAL BLOCK ALLOTMENTS TO THE COMPANY

Jayaswal Neco Industries Limited, Nagpur is the flagship Company of Neco Group of Industries. In response to various media reports and articles on the issue of coal block allocations we thought it proper to clarify our position in the matter.

It is to be noted that Jayaswal Neco Industries Limited is not subject matter of any ongoing investigation in the matter of coal block allotments nor has any FIR been filed against it. The Coal Blocks of the Company have been allotted to meet captive coal requirements.

We have followed the due process of law, prevailing Government policies and complied with all the rules and regulations in the matter of coal block allotments to the Company.

The Company had made application for allotment of coal mines in the year 1998. The Ministry of Coal had allotted Gare Palme IV/4, Steam/Non-Coking Coal Block at Raigarh in Chhattisgarh, in August, 1999 for captive use to meet the requirement of our Sponge Iron Plant. Due to availability of lower reserves of coal at the time of detailed exploration, the Ministry of Coal had allotted Gare Palma IV/8 Coal Block at Raigarh, Chhattisgarh to make up the balance coal requirement of our 1 MTPA Sponge Iron Plant.

Gare Palma IV/4 Coal Mine is under Operation since July, 2006 at its full rated capacity. The entire production of coal being produced from Gare Palma IV/4 Coal Mine is being captively used in our existing Sponge Iron Plant. The Gare Palma IV/8 Coal Block is at present under development and most of the clearances have been obtained. We expect to start coal production from this Mine during the financial year 2013-14.

The Company had applied for Coking Coal Mine and the Ministry of Coal had allotted Choritand Tilaiya and Jogeswar Coking Coke Blocks in Jharkhand in April, 2000 to meet the Coking Coal requirements of our existing Pig Iron Plant at Raipur. Due to Geological Disturbance & Litigation, the Ministry of Coal had changed the location and allotted Moitra Coking Coal Block at Hazaribagh in Jharkhand in May, 2005. This coal mine is under development, land acquisition is in progress and environmental clearance has already been received.

Further it is to be noted that post family division, the Neco Group is managed by Mr Arbind Jayaswal, Managing Director and Mr Ramesh Jayaswal, Joint Managing Director of the Company.

For Jayaswal Neco Industries Limited

Authorised Signatory



NECO
GROUP OF INDUSTRIES

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