

No. 13016/87/2006-CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 7th October, 2009

To,

The Managing Director,
M/s Yamuna Coal Company Pvt. Ltd.,
(A JV of Indraprastha Power Generation Co. Ltd. & Haryana Power Generation Corporation Ltd.),
Thermal Power Station, Bata Chowk, NIT, Faridabad – 121 005.

Subject: Review Meeting held on 22nd and 23rd June, 2009 to review the progress of coal blocks- Show-cause notice for delay in implementation of the Mara II Mahan coal block.

Sir,

I am directed to refer to this Ministry's letter number 13016/23/2006-CA-I dated 02.08.2006 conveying allocation of Mara II Mahan coal block to Govt. of NCT of Delhi & Haryana Power Generation Company Ltd. under the government company dispensation in pursuance of Section 3(3) (a)(i) of the Coal Mines (Nationalization) Act, 1973.

2. In order to expedite the development of the coal block, review meetings were held from time to time with the representatives of the Govt. of NCT of Delhi & Haryana Power Generation Company Ltd. In the review meeting held on 15/16.10.2008, it was noticed that Govt. of Haryana had applied for PL. Exploration was to be done by MECL. The other partner, Delhi had not communicated its final willingness. No representative attended the meeting. Thus, the progress was very slow. Further, in the meeting taken by MOS(Coal) on 06.06.2008 with the joint allocatees of the block, the following position was recorded:

- (i) MOS(Coal) showed his concern about non-development of the block for the last two years and blocking the coal reserves by not taking any steps.
- (ii) The NCT, Delhi representative informed that they would now participate in the development of block, which had been approved by the Cabinet of Delhi.
- (iii) The Haryana Government informed that they had applied for PL and exploration will be taken up by MECL. They stated that undue time is being taken by the Madhya Pradesh Government for forest clearance and grant of PL. Haryana government has not yet decided about the end use plant location.
- (iv) Finally, it was decided that the joint allocatees will submit a complete road map plan for development of the block in the next 10 days.


4. The complete road map plan for development of the block was not submitted by your company even after the directions given by Minister of State (Coal) in the aforesaid meeting. Further, in the review meeting held on 22/23.06.2009, it was noticed that no serious effort has been made by the allocatee companies to develop the coal block as per the milestone chart appended to the allotment letter. Moreover, the progress is badly delayed and no serious effort has been made to develop the coal mine and all the milestones are still pending.

5. This Ministry has granted prior approval for PL vide letter dated 7th July, 2009. As per the guidelines of the allocation letter clause (v), the milestone chart appended should have been strictly adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee. The progress is not satisfactory and the company seems to be a non-serious player.

6. It is seen that inspite of a passage of almost 3 years, no serious effort has been made by the company to develop the coal block as per the milestone chart appended to the allotment letter. Consequently, the development of the coal block has been inordinately delayed.

7. Under the above circumstances, you are hereby called upon to show cause to this Ministry within a period of 15 days from the date of issue of the show cause notice as to why delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of block, failing which it will be presumed that the your company has no explanation to offer and action as appropriate including de allocation of block will be taken.

Yours faithfully,

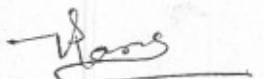

(V.S. Rana)

Under Secretary to the Government of India

Copy to:-

- (i) Chief Secretary, Government of Delhi, Delhi.
- (ii) Chief Secretary, Government of Haryana, Chandigarh.
- (iii) Managing Director, Haryana Power Generation Corporation Ltd., Shakti Sadan, Sector - 6, Panchkula, Haryana.
- (iv) Managing Director, Indraprastha Power Generation Corp. Ltd., Himadri, Rajghat Power House Complex, New Delhi - 110 002.

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(V.S. Rana)

Under Secretary to the Government of India