

No. 13016/29/2003-CA-I
Government of India
Ministry of Coal

.....

New Delhi, the 14th June, 2011

To

The Chairman-cum-Managing Director,
M/s National Thermal Power Corporation,
NTPC Bhawan, Scope Complex,
7 Institutional Area, Lodhi Road,
New Delhi.

Subject: De-allocation of Brahmini and Chichro Patsimal coal blocks allocated to M/s National Thermal Power Corporation Limited (NTPC)- Regarding.

Sir,

I am directed to refer to this Ministry's letter No.13016/29/2003-CA-I dated 25th January, 2006 conveying allocation of Brahmini and Chichro Patsimal coal blocks jointly to be operated by a 50:50 joint venture between CIL and NTPC under the Ministry of Coal.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of M/s NTPC and CIL. In the review meeting held on 27th and 28th September, 2007, the Review Committee noted that CIL has received the draft of JV agreement and the same was being finalized shortly. CIL/NTPC were urged to take all necessary measures to make the block operative as per the normative schedule. However, no significant progress was made by the allocatee company as learnt during the review meetings held on 25/26.03.2008 and 15/16.10.2008. Again in the review meeting held on 22nd and 23rd June, 2009, the Committee observed that all milestones are pending. JVC has not yet been finalized and the Committee then observed that the performance was far from satisfactory. Again in the review meeting held on 20/21.07.2010 it was noted that all the milestones were still pending. Even JVC has not yet been finalized though JV Agreement was signed in October, 2009. The targeted date of coal production from this block as per normative milestones was already over and the company was unable to adduce any reason to the Review Committee for the lapse. It is seen that the company has not made any progress at all and thus it appears that the company is non-serious about timely development of the block. The details of the milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Brahmini and Chichro Patsimal coal blocks:

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	8.03.2006		Pending
Submission of Bank Guarantee	NA		Pending


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Mining Lease Application	25.04.2006		Pending
Submission of Mining Plan	25.07.2006		Pending
Approval of Mining Plan	25.09.2006		Pending
Application of Previous approval	25.11.2006		Pending
Granting of Previous approval	25.12.2006		Pending
Application of Forest clearance	25.01.2006		Pending
Grant of Forest Clearance	25.07.2006		Pending
Application EMP Clearance	25.01.2006		Pending
Grant of EMP Clearance	25.07.2006		Pending
Grant of Mining Lease	25.01.2007		Pending
Application of Land Acquisition	25.08.2006		Pending
Completion of Land Acquisition	25.01.2008		Pending
Application for opening permission	25.05.2009		Pending
Grant of Opening permission	25.06.2009		Pending
Coal Production	25.07.2009		Pending

3. As recommended by the Review Committee in its meeting held in July, 2010, the company was called upon to show cause on each milestone separately to this Ministry within a period of 30 days from the date of issue of the show cause notice vide this Ministry's letter of even number dated 24th November, 2010 as to why the delay in the development of coal block should not be held as violation of the terms and conditions of the allotment of Brahmini and Chichro Patsimal coal blocks.

4. M/s NTPC vide its letter No. CIL-NTPC Urja/CEO(M)/10-11/3173FS/CM/MOC/03 dated 02.01.2010 has replied to the show cause notice. The same has been examined in the Ministry of Coal. The Review Committee after considering the reply has recommended for de-allocation of the Brahmini and Chichro Patsimal coal blocks. Keeping in view the facts mentioned above, the competent authority in the Ministry of Coal is of the view that allocatee company is not serious about development of coal blocks and has therefore decided to **de-allocate** Brahmini and Chichro Patsimal coal blocks allocated to M/s National Thermal Power Corporation Limited (NTPC). The company shall not be eligible for allocation of any alternative coal block in lieu of the de-allocated coal blocks.

Yours faithfully,


(V.S.Rana)

Under Secretary to the Govt. of India

Copy to :-

- (i) The Chief Secretary, Government of Jharkhand, Ranchi for information and necessary action at his end.
- (ii) The Secretary, Ministry of Power, Sharam Shakti Bhawan, New Delhi.

- (iii) The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to return the bank guarantee, if any, to the allocatee company immediately under intimation to Ministry of Coal.
- (iv) The Chairman, Coal India Limited, 10- Netaji Subhash Road, Kolkata.
- (v) CPAM Section, Ministry of Coal.
- (vi) NIC Cell, Ministry of Coal.