

By Speed Post

No. 13016/9/2005-CA/CA-I  
Government of India  
Ministry of Coal

....

Shastri Bhawan, New Delhi  
Dated the 14<sup>th</sup> July, 2011

To

The Managing Director,  
Andhra Pradesh Power Generation  
Corporation Limited  
Vidyut Soudha, Khairatabad,  
Hyderabad- 500 082, Andhra Pradesh.

Subject- Warning for inordinate delay in development of Tadicherla-I coal block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/9/2005-CA-I dated 06.12.2005 conveying allocation of Tadicherla-I coal block wherein 'in principle' consent of the Government of India to the working of Tadicherla-I coal block by M/s Andhra Pradesh Power Generation Corporation (APGENCO) for supply of coal to meet their coal requirement for 500 MW unit of Bhoopalpalli TPS within the provision of Government Company dispensation under Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973.

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 Andhra Pradesh Power Generation Corporation (APGENCO). In this regard, review meetings were held on 19/29.01.2007, 27/28.09.2007 and 25.03.2008 and it was noticed that not much progress had been made and all the milestones were pending in respect of Tadicherla -I coal block. Accordingly, a show cause notice was issued to the allocatee company on 27.06.2008. In their reply company assured the Ministry to commence mining activities in time. Again in the review meeting held on 22<sup>nd</sup> and 23<sup>rd</sup> June, 2009 the company assured to start OBR by October, 2009, Coal production by December, 2009 and Unit -II (EUP) in March, 2010. Due to non-serious effort taken by the company, the company was again issued a show cause notice on 09.09.2009.

3. The company in the reply to the show cause notice dated 09.09.2009 assured that they are making sincere efforts for the development of the coal block. However, in the review meeting held on 20/21.07.2010, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated

assurances tendered by the Company during the period. It is seen that the company has repeatedly failed to keep its promises made on earlier occasions to this Ministry and thus non-serious about timely development of the block.

4. Based on the review meeting held on 20/21.07.2010 a show cause notice was issued vide letter dated 04.11.2010. Reply furnished in response to show cause notice has been examined keeping in view the various details/aspects. The reply has been considered by the review committee and with the approval of the competent authority it has been decided to issue a warning for delay in development of Tadicherla-I Coal block. The allocattee is hereby warned with a direction to develop the block immediately. In case of any failure, necessary action will be initiated as per the terms and conditions of allocation including de-allocation of the coal block.

Yours faithfully,

  
(V. S. Rana)

Under Secretary to the Government of India

*AIC m/coal*