

SPEED POST

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

....

Shastri Bhawan, New Delhi
Dated the 24th November, 2010

To

- (i) The Chairman,
Coal India Limited,
10-Netaji Subhas Road,
Kolkata- 700 001
- (ii) The CMD,
National Thermal Power Corporation,
NTPC Bhawan, SCOPE Complex, Lodhi Road,
New Delhi 110 003

Subject- Show cause notice for delay in development of Brahmini and Chichro Patsimal coal blocks.

Sir,

I am directed to refer to this Ministry's letter No. 13016/29/2003-CA-I dated 25.01.2006 conveying the 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. The proposed joint venture between NTPC and CIL would first meet the requirement of Kahalgaon and Farakka expansion project and thereafter, if found feasible, also consider power production alongwith mining 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 22nd and 23rd June, 2009, it was noted that all the milestones were pending and JVC was not formed. The Committee then observed that the overall performance of NTPC in this block was far from satisfactory. Again, in the review meeting held on 20/21.07.2010 and it was noted that all the milestones were still pending. Even JVC has not yet been finalized though JVA was signed in October, 2009. The

targeted date of coal production from this block as per normative milestone is 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 milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	08.03.2006		Pending
Submission of Bank Guarantee	NA		
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. Under the above circumstances, you are hereby 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 as to why the delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of Brahmini and Chichro Patsimal coal blocks, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken against your company for de-allocation of the said block.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

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Coal