

No. 47011/1(28)/2001-CPAM/CA-I
Government of India
Ministry of Coal

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Shastri Bhawan, New Delhi
Dated the 29th September, 2010

To

M/s Tenughat Vidyut Nigam Limited,
Hinoo, Doranda,
Ranchi- 834 002
Jharkhand.

Subject- Show cause notice for inordinate delay in development of Badam coal block.

Sir,

I am directed to refer to this Ministry's letter No. 47011/1(28)/2001-CPAM/CA dated 03.11.2003 conveying allocation of Badam coal block for meeting the coal requirement of proposed phase -II (3 x 210) expansion power project/ power plant during the X Plan. The allocation letter categorically stated that the setting up of the proposed expansion programme should be completed by the company by October, 2006 and the coal production from the captive mine will start May, 2007, as per the bar charts submitted by the company.

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 Tenughat Vidyut Nigam Limited. In the **review meeting 22nd and 23rd June, 2009 the company assured to start production by Dec, 2009.** 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 also noted that some of the important/critical milestones such as forest clearance and land acquisition are still pending. 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. 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	18.12.2003	17.12.2003	N
Submission of Bank Guarantee	NA	-	
Mining Lease Application	3.2.2004	26.5.2005	1Yr 3 Months
Submission of Mining Plan	3.5.2004	5.8.2004	3 Months
Approval of Mining Plan	3.7.2004	24.8.2006	2 Yrs
Application of Previous approval	3.9.2004	19.7.2007	2Yrs 10 Months
Granting of Previous approval	3.10.2004	04.12.2007	3 Yrs 2 months
Application of Forest clearance	3.11.2004	17.11.2005	1 Yrs
Grant of Forest Clearance	3.5.2005	N	Pending
Application EMP Clearance	3.11.2004	2.5.2005	6 Months
Grant of EMP Clearance	3.5.2005	24.3.2008	3 Yrs
Grant of Mining Lease	3.11.2005	Nov.2008 (Conditional)	3 Yrs
Application of Land Acquisition	3.6.2005	17.11.2005	5 Months
Completion of Land Acquisition	3.11.2006		Pending
Application for opening permission	3.3.2007		Pending
Grant of Opening permission	3.4.2007		Pending
Coal Production	3.5.2007		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 Badam coal block 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 deallocation of Badam coal block.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

✓ MIC m/o Coal