

SPEED POST

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

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

To

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

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

Sir,

I am directed to refer to this Ministry's letter No. 13016/29/2003-CA dated 11.10.2004 conveying allocation of Pakri Barwadih coal block to the National Thermal Power Corporation Limited (NTPC) under 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 NTPC. NTPC had earlier proposed, vide letter dated 01.12.2006, that the production of Pakri Barwadih coal block will start from 2008-2009. The matter of development of coal blocks allocated to NTPC has also been discussed in the PMO on 12.01.2007 where, CMD, NTPC was directed to make all out effort to develop the blocks allocated to NTPC. Subsequently, in the meeting held in October, 2008 an assurance was given by the company to commence production from March, 2009. But the same was also not materialized. The progress was noted in the **review meeting 22nd and 23rd June, 2009 and the company was requested to take corrective measures for early production from the said block.**

3. 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 (Stage -II) 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	25.11.2004	3.8.2005	8 Months
Submission of Bank Guarantee	NA	NA	-
Mining Lease Application	11.1.2005	NA	-

Submission of Mining Plan	11.4.2005	18.1.2006	9 Months
Approval of Mining Plan	11.6.2005	25.8.2006	1 Yrs 3 Months
Application of Previous approval	11.8.2005		Pending
Granting of Previous approval	11.9.2005		Pending
Application of Forest clearance	11.10.2005	25.5.2006	7 Months
Grant of Forest Clearance	11.4.2006		Pending
Application EMP Clearance	11.10.2005	27.6.07	1 Yrs 8 Months
Grant of EMP Clearance	11.4.2006	31.3..2010	4 Yrs
Grant of Mining Lease	11.10.2006		Pending
Application of Land Acquisition	11.5.2006	29.12.2007	1 Yrs 7 Months
Completion of Land Acquisition	11.10.2007		Pending
Application for opening permission	11.2.2008		Pending
Grant of Opening permission	11.3.2008		Pending
Coal Production	11.4.2008		Pending

Stage-I forest clearance obtained. ML is under CBA Act.

4. 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 Pakri Barwadih 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 Pakri Barwadih coal block.

Yours faithfully,


(V. S. Rana)

Under Secretary to the Government of India

Copy to:

The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.

✓ NIC M/o Coal