

SHOW CAUSE NOTICE

No.13011/46/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 4th May, 2012

To

M/s NCL Power & Infratech Pvt. Limited

NSL ICON 4th Floor

8-2-684/ A, Road No. 12,

Banjara Hill, Hyderabad- 500 034

Subject: Show cause notice in respect of Merta Road Lignite block.

Sir,

I am directed to refer to this Ministry's letter 38011/3/2006-CA-I dated 07.02.2007 conveying allocation of **Merta Road Lignite** block in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions. One of the conditions of allocation was that coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) in case of UG mine from the date of allocation letter. The end- use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of allocation.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of the company. In the review meeting held on 11/12.01.2012, 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 all the important/critical milestones such as approval of Mining Plan, grant of previous approval, EMP, Mining Lease and land acquisition are pending for **Merta Road Lignite** block. The company has repeatedly failed to keep its promises made to the Ministry and is 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	21.3.2007	9.3.2007	-
Submission of Bank Guarantee	7.5.2007	9.12.2009	2Yr 7 Months
Mining Lease Application	7.5.2007	14.12.2010	3 Yrs 7 Months
Submission of Mining Plan	7.8.2007	1.2.2010	2 Yrs 5 Months
Approval of Mining Plan	7.10.2007	Pending	4Yrs 5 Months
Application of Previous approval	7.12.2007	NA	
Granting of Previous approval	7.1.2008	NA	
Application of Forest clearance	7.2.2008	20.9.2011	3 Yrs 7 Months
Grant of Forest Clearance	7.8.2008	Pending	3Yrs 7 Months
Application EMP Clearance	7.2.2008	Pending	4 Yrs 1 Months
Grant of EMP Clearance	7.8.2008	Pending	3 Yrs 7 Months
Grant of Mining Lease	7.2.2009	Pending	3 Yrs 1 Months
Application of Land Acquisition	7.9.2008	Pending	3Yrs
Completion of Land Acquisition	7.2.2010	Pending	2 Yrs 1 Month
Application for opening permission	7.6.2010	Pending	1 Yr 9 MOnths
Grant of Opening permission	7.7.2010	Pending	1Yr 8 MOnths
Coal Production	7.8.2010	Pending	1Yr 7 Months

3 Under the above circumstances, you are hereby called upon to show cause, on each milestone separately, to this Ministry within a period of 20 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 **Merta Road Lignite** 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 de-allocation of **Merta Road Lignite** block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to The Coal Controller, Coal Controller Organisation, Kolkata.