

**SHOW CAUSE NOTICE**

**By Speed Post**

No. 13016/87/2006-CA-I

Government of India

Ministry of Coal

\*\*\*\*

New Delhi, dated 1<sup>st</sup> December, 2013

To,

The Managing Director,  
M/s Yamuna Coal Company Pvt. Ltd.,  
(A JV of Indraprastha Power Generation Co. Ltd. &  
Haryana Power Generation Corporation Ltd.),  
Thermal Power Station, Bata Chowk,  
NIT Faridabad – 121005.

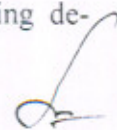
**Subject: Show Cause Notice to M/s Yamuna Coal Company Pvt. Ltd., (A JV of Indraprastha Power Generation Co. Ltd. & Haryana Power Generation Corporation Ltd.) in respect of Mara II Mahan coal block – regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 02.08.2006 conveying allocation of **Mara II Mahan Coal block** in pursuance of the provisions contained in Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions. One of the conditions of allocation was that the prospecting license shall be applied for within three months of date of allotment and the detailed exploration shall be completed at the earliest. After the detailed exploration is completed the allocatee shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render the allocation liable for cancellation and withdrawal of block from the allocatee.

2. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Mara II Mahan Coal block** allocated to the companies is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, an advisory letter No. 13011/2/2012-CA-I dated 26.04.2012 was issued to the companies stating that the progress would be monitored regularly and if the development of the coal block and associated end use plant is not as per the schedule furnished and if any willful delay is noticed, appropriate action including deduction of bank guarantee/de-allocation of said **Mara II Mahan** block would be considered.

3. In the meantime, the Government has constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairmanship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic Affairs. IMG has been given the mandate to review the progress of development of allocated coal blocks and associated end use projects and to recommend action including de-



allocation, if required. IMG in its 19<sup>th</sup> meeting held on 25.06.2013 *inter alia* considered the status of the development of the **Mara II Mahan Coal block** prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> March, 2013 and noted that no significant progress has been made by the company towards development of the coal block. It has been noticed that a number of important/critical milestones are pending. The details of milestones to be achieved and the time lapsed against each milestone, as reported by the Office of Coal Controller, are given in the table below:

| Mile Stones                      | Schedule date of Completion               | Actual date of Completion | Slippage in YY/MM (as on Mar.13) | Remarks  | Special Observation   |
|----------------------------------|---|---------------------------|----------------------------------|--|---|
| Purchase of GR                   | 2.11.2008<br>(27 Months)                  | Pending                   | 4 Yrs 4 Months                   | Drilling is pending                                  | PL grant is awaited for MOEF clearance  |
| Submission of Bank Guarantee     | 2.11.2006<br>(3 Months)                   | Not applicable            | -                                | BG introduced in June,2007                           |   |
| Mining Lease Application         | 2.2.2009<br>(3 months from GR completion) | Pending                   | 4 Yrs 1 Months                   |  |   |
| Submission of Mining Plan        | 2.5.2009<br>(6 months)                    | Pending                   | 3Yrs 10 Months                   |  |   |
| Approval of Mining Plan          | 2.7.2009<br>(8 months)                    | Pending                   | 3Yrs 8 Months                    |  |   |
| Application of Previous approval | 2.9.2009<br>(10 months)                   | Pending                   | 3 Yrs 6 Months                   |  |   |
| Granting of Previous approval    | 2.10.2009<br>(11 Months)                  | Pending                   | 3Yrs 5 Months                    |  |   |
| Application of Forest clearance  | 2.11.2009<br>(12 months)                  | Pending                   | 3Yrs 4 Months                    | Application resubmitted on 23.5.12 to State Govt.    | FAC during meeting on 28.11.11 decided to sent the case back to Govt of MP to reconsider the case based on certain observation. |
| Grant of Forest Clearance        | 2.5.2010<br>(18 months)                   | Pending                   | 2Yrs 10 Months                   | Forest prospecting is pending with PCCF, Govt of MP. |   |
| Application                      | 2.11.2009                                 | Pending                   | 3Yrs 4                           |  |   |

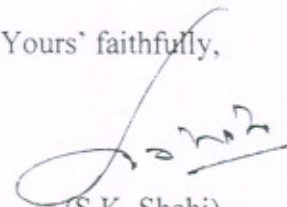
|                                    |                          |         |                |                          |   |
|------------------------------------|--------------------------|---------|----------------|--------------------------|---|
| EMP Clearance                      | (12 months)              |         | Months         |                          |   |
| Grant of EMP Clearance             | 2.5.2010<br>(18 months)  | Pending | 2Yrs 10 Months |                          |   |
| Grant of Mining Lease              | 2.11.2010<br>(24 months) | Pending | 2Yrs 4 Months  |                          |   |
| Application of Land Acquisition    | 2.6.2010<br>(19 months)  | Pending | 2Yrs 9 Months  |                          |   |
| Completion of Land Acquisition     | 2.11.2011<br>(36 months) | Pending | 1Yr 4 Months   |                          |   |
| Application for opening permission | 2.3.2012<br>(40 Months)  | Pending | 1Yr            |                          |   |
| Grant of Opening permission        | 2.4.2012<br>(41 month)   | Pending | 11 Months      |                          |   |
| Coal Production                    | 2.5.2012<br>(42 Months)  | Pending | 10 Months      | UG mine with forest land | Delay attributed due to No Go categorization. |

Keeping in view the unsatisfactory progress, IMG recommended issue of show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

4. 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 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 allocation of **Mara II Mahan Coal block**, and why the block should not be de-allocated, 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 said coal block.

5. You are also requested to furnish a detailed status note on the progress of end use plant(s) (EUPs) for which the above mentioned coal block was allocated to you.

Yours' faithfully,



(S.K. Shahi)  
Director  
Tel: 23382807

Copy to:

- (i) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata.
- (ii) NIC, Ministry of Coal for uploading the letter on Ministry's website.