

**SPEED POST**

**No. 13016/29/2003-CA-I (Vol-II)  
Government of India  
Ministry of Coal**

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New Delhi, the 20<sup>th</sup> December, 2013

To,

The Chairman and Managing Director,  
NTPC, SCOPE Complex,  
7 Institutional Area, Lodi Road, New Delhi 110 003

**Subject : Seeking of explanation from M/s NTPC for slow progress in respect of Dulanga coal block -regarding**

Sir,

I am directed to refer to this Ministry's letter No. **13016/29/2006-CA-I dated 25<sup>th</sup> January, 2006** conveying allocation of **Dulanga** coal block in Orissa in pursuance of the provisions contained in Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 to M/s 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 fall under forest land) in case of Underground mine. 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, 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 **Dulanga** coal block allocated to the company is not satisfactory. Committee expressed concern over unsatisfactory progress and advised National Thermal Power Corporation Limited (M/s **NTPC**) to expedite the development of the coal block. Accordingly, an advisory letter dated 26<sup>th</sup> April, 2012 was issued to the company with the direction to expedite the development of the coal block

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and development of end use plant so as to ensure expeditious production of coal from the allotted coal block with respect to the milestones stipulated.

3. In the meantime, the Government constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairpersonship of Additional Secretary (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The IMG has 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 19th Meeting held on 25.06.2013 *inter alia* considered the status of the development of the **Dulanga coal block** prepared by the Coal Controller's Organisation (CCO) as on March, 2013 and noted that no significant progress has been made by your company towards development of 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	25.4.2008 (27 Months)	26.3.2008	-		
Submission of Bank Guarantee	25.4.2006 (3 months from DOA)	Not applicable	BG introduced in June 07		

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Mining Lease Application	26.6.2008 (3 months)	Not applicable	-	Land is being acquired under CBA Act.	
Submission of Mining Plan	26.9.2008 (6 months)	22.10.08	1 month		
Approval of Mining Plan	26.11.2008 (8 Months)	30.7.09	8 Months		Revised MP approved on 6.9.12.
Application of Previous approval	26.1.2009 (10 months)	Not applicable	-	Land is being acquired under CBA Act.	
Granting of Previous approval	26.2.2009 (11 months)	Not applicable	-	Land is being acquired under CBA Act.	
Application of Forest clearance	26.3.2009 (12 months)	31.8.09	5 Months	PCCF cleared Forest proposal on 31.1.13 excluding forest area outside mining area.	Spl. Secy (Forst), Govt of Orissa forwarded FDP to MOEF on 7.3.13.  MOEF, (ERO), carry out site inspection on 10.4.13.
Grant of Forest Clearance	26.9.2009 (18 months)	Pending	3Yrs 6 Months		Block taken outside NO GO area list on 29.6.11.

*[Handwritten Signature]*

Application EMP Clearance	26.3.2009 (12 months)	6.4.2010	1Yr		
Grant of EMP Clearance	26.9.2009 (18 months)	22.3.2012	2Yrs 6 Months	In principle approval of EMP clearance granted subject to Forest clearance	
Grant of Mining Lease	26.3.2010 (24 months)	NA	-		
Application of Land Acquisition	26.4.2009 (19 months)	14.7.06	-	Acquisition of Pvt land and Govt land is processed under LA Act.  Payment made of 263 acres Govt land for mining.	Total Land: 2098 Acres. Pvt. Land: 872 Acres Govt. land: 432 Acres Forest Land: 794 Acres
Completion of Land Acquisition	26.3.2011 (36 months)	Pending	2Yrs		
Application for opening permission	26.7.2011 (40 Months)	Pending	1Y 8 Months		
Grant of Opening permission	26.8.2011 (41 months)	Pending	1 Yr 7 Months		

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Coal Production	26.9.2011 (42 Months)	Pending	1Yr 6 Months	OC mine with forest land involved.	Finalization of land rate required to consider by Dist administration.
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Keeping in view the **slow progress**, IMG recommended to seek **explanation for slow progress** in development of coal blocks. The recommendation of IMG has since been considered and accepted by the Government.

4. Under the above circumstances, you are hereby called upon to **explain**, on each milestone separately to this Ministry within a period of **20 days** from the date of issue, the reasons for slow progress as well as the efforts made by you in development of the coal block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken.

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.