

**No. 13016/69/2004-CA-CA-I
Government of India
Ministry of Coal**

.....
New Delhi, the 24th December, 2013

To,

- (i) M/s Mahanadi Coalfields Limited
Jagriti Vihar, Burla,
Distt. Sambalpur- 768020
Orissa.
- (ii) M/s HINDALCO Industries
Aditya Birla Group, UCO Bank Building,
4th Floor, Parliament Street,
New Delhi - 110001
- (iii) M/s Neyveli Lignite Corporation
135, Periyar -EVR Road Kilpauk
Chennai- 600 010
Tamil Nadu

Subject : Show Cause Notice to M/s Mahanadi Coalfields Limited, M/s HINDALCO Industries and M/s Neyveli Lignite Corporation in respect of Talabira II and III coal blocks- regarding.

Sir,

I am directed to refer to this Ministry's letter No. **13016/69/2004-CA-I dated 10th November, 2005** conveying allocation of **Talabira II and III coal blocks** in pursuance of provisions of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions.

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 **Talabira II and III coal blocks** allocated to the company is not satisfactory. Committee expressed concern over **unsatisfactory progress and** advised **M/s Mahanadi Coalfields Limited, M/s HINDALCO Industries and M/s Neyveli Lignite Corporation** to expedite the development of the coal block. Accordingly, an advisory letter dated 26th April, 2012 was issued to the company with the direction to expedite the development of the coal block 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

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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 **Talabira II and III coal blocks** 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	15.12.2005 (45 days)	Yes	-		
Submission of Bank Guarantee	10.2.2006 (3 months from DOA)	2.2.2011	5 Yrs		
Mining Lease Application	10.2.2006 (3 months)	Not applicable	-	ML area: 1914.063 Ha Tenancy land:- 451.829 Ha Govt Non Forest:- 424.047 Ha Forest land:- 1038.187 ha	Land is acquired under CBA Act.1957.
Submission of Mining Plan	10.5.2006 (6 months)	Yes	-		
Approval of Mining Plan	10.7.2006 (8 Months)	21.4.2008	1Yr 9 Months	Revised MP submitted on 13.1.2012	
Application of Previous approval	10.9.2006 (10 months)	Not applicable			
Granting of Previous approval	10.10.2006 (11 months)	Not applicable			

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Application of Forest clearance	10.11.2006 (12 months)	22.1.2009	2 Yrs 2 Months		
Grant of Forest Clearance	10.4.2007 (18 months)	Pending	6 Yrs		
Application EMP Clearance	10.11.2006 (12 months)	9.3.2007	4 Months	EAC meeting for EMP held on 19.1.13. EAC asked come clarification. CMPDIL asked to conduct study.	
Grant of EMP Clearance	10.4.2007 (18 months)	Pending	6 Yrs		
Grant of Mining Lease	10.11.2007 (24 months)	Not applicable	-		
Application of Land Acquisition	10.5.2007 (19 months)	Yes	-	Possession of 63.2 Ha Govt land out of 142.635 Ha has been taken in Jharsuguda.	Total Land: 1914.063 Ha. Pvt. Land: 451.829Ha. Govt. land: 424.047 Ha. Forest Land: 1038.187 Ha.
Completion of Land Acquisition	10.11.2008 (36 months)	Pending	4 Yrs 4 Months	Gram sabha conducted for 5 villages.	
Application for opening permission	10.3.2009 (40 Months)	Pending	4 Yrs		
Grant of Opening permission	10.4.2009 (41 months)	Pending	3Yrs 11 months		
Coal Production	10.5.2009 (42 Months)	Pending	3Yrs 10 Months	OC mine with forest land involved	Need to expedite the project.

Keeping in view the unsatisfactory progress, IMG recommended to issue 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 this 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 **Talabira II and III coal blocks** and why the block should not be de-allocated failing which it would be presumed that the your company has no explanation to offer and action as appropriate would be taken against your company for de-allocation of the 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.