

**GOVERNMENT OF INDIA  
POWER  
LOK SABHA**

UNSTARRED QUESTION NO:2811  
ANSWERED ON:14.03.2013  
NTPC PROJECT  
Owaisi Shri Asaduddin

**Will the Minister of POWER be pleased to state:**

- (a) whether the foundation stone of National Thermal Power Corporation Limited (NTPC) project at Chatra in Jharkhand was laid in 1999 but was cleared after 12 years;
- (b) if so, the reasons therefor along with the funds raised by NTPC for the said project;
- (c) the status of clearance from various sectors for the said project and the losses suffered by NTPC due to delay in such clearance; and
- (d) the steps being taken by the Government to adopt a mechanism for early clearance for power projects in the country to meet the increasing demand for power?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

(a) Yes, Madam.

(b) The foundation stone of NTPC's 3x660 MW Super Thermal Power Project at North Karanpura, District Chatra in Jharkhand state was laid in March 1999. After obtaining various Statutory Clearances such as land, water, forest & environment and coal linkage accorded by Ministry of Coal in December, 2000 from Magadh mines, NTPC had gone ahead with project development activities such as land acquisition and other infrastructure work at the site finalized jointly in 2003 by Coal India Ltd (CIL), Central Mine Planning and Design Institute Limited (CMPDIL), Central Coal Fields Limited (CCL). Substantial progress in the project was achieved and NIT (Notice Inviting Tender) for main plant equipments was issued in September, 2007. When NTPC was about to seek investment approval of the project from its Board under Navratna powers (delegated by GOI), Ministry of Coal raised the issue of site relocation of the project and withdrew the coal linkage in 2008, due to which investment approval could not be processed further by NTPC and all project activities were stalled.

Several meetings were held between Ministry of Coal and Ministry of Power at the highest level to resolve the issue, which was finally referred to Cabinet Committee on Infrastructure (CCI) by Ministry of Coal. CCI mandated the Group of Ministers (GOM) for their recommendation on the project. The GOM appointed a Committee under Member Energy, Planning Commission to consider the issues involved and submit its recommendations. Based on the report of this Committee GOM recommended the plant to be set up at the proposed site by NTPC with safeguards and restoration of the original coal linkage. However, the decision was put up for reconsideration of the Cabinet by Ministry of Coal. Meanwhile, Ministry of Power moved a note for Cabinet Committee on Investment for restoration of coal linkage to the project and implementation of the decision of the GOM.

The project has since been cleared by Cabinet Committee on Investment in its meeting held on February 20, 2013 which has decided that in line with the decision of GOM, plant will be constructed by NTPC at the present site subject to certain safeguards. The Committee has also decided in-principle to restore the original coal linkage granted to the project. Restoration of coal linkage is awaited.

The delay in clearance of the project is due to the issue of site relocation raised by Ministry of Coal.

As regards raising of funds by NTPC for the said project, 1st tranche loan agreement for Japanese Yen 15.9 billion (approx. Rs.800 crores) was signed with Japan Bank for International Cooperation (JBIC) in March 2005. However, there was no drawl of loan and on 6th January 2011, DEA, Ministry of Finance conveyed termination of loan agreement.

(c) All statutory clearances such as NOC from Airports Authority of India, clearance from DVC for project in their command area, Defence clearance; MoEF clearance and State Government clearance for providing water from Garhi Dam have been obtained for the project earlier. There is no financial loss to NTPC on account of the delay in such clearances.

(d) As per electricity act 2003, setting up of a power plant has been delicensed.