

Ref.: LVTPL/PWR/PJM/PUB/L3/COR/MOEF/101/2015

31st December 2015

To
The Director and Member Secretary (Thermal Power)
Ministry of Environment, Forest & Climate Change
Indira Paravaran Bhawan
Jor Bagh Road, Aliganj
New Delhi 110 003

Sub.: *Application for Extension of Validity and Amendment of Environment Clearance for 2 x 660 MW coal based supercritical thermal power plant of Lanco Vidarbha Thermal Power Limited at Villages Mandwa, Belgaon and Pulai, Taluka and District Wardha, Maharashtra State*

Ref.: (i) Environmental Clearance Order No. J-13012/50/2009-IA. II(T) from the Ministry of Environment & Forests, New Delhi dated 24 February 2011
(ii) Revalidation/Amendment of Environment Clearance Order No. J-13012/50/2009 - IA. II (T) from the Ministry of Environment, Forests and Climate Change, New Delhi dated 21 August 2014

Dear Sir

Lanco Vidarbha Thermal Power Limited (LVTPL) is executing 2 x 660 MW coal based supercritical thermal power project at Villages Mandwa, Belgaon and Pulai, Taluka & District Wardha, Maharashtra State. As per the Environment Clearance Orders referred above (Ref. 1 & 2) the Environment Clearance for the Project is valid for a period of 5 years from 24 February 2011 i.e., up to 23 February 2016.

A. Request for Extension of Validity of Environment Clearance

The Project has been delayed because of certain factors beyond the control of LVTPL. However, the project execution has picked up speed after obtaining fresh clearances from Project Lenders in April 2015. At present, construction works are progressing at full speed, and the target for completion or Project COD is December 2017. With all activities taken up on a war footing, major milestones including lifting of Boiler Ceiling Girders of both Unit 1 & Unit 2 have been achieved recently, and the overall project progress as of 30 November 2015 stood at 42% (76.3% in Engineering; 49.3% of Procurement & 16.5% Construction & Erection). As of 30 November 2015, total expenditure of Rs. 4303 Crore has been incurred towards Project execution.

Briefly, the chronological background and facts are as follows:

- Ministry of Environment, Forests & Climate Change (earlier MoEF) granted Environment Clearance on 24th February, 2011 (Annexure - A). Accordingly, project construction commenced in the first week of March 2011 and proceeded thereafter.
- A Public Interest Litigation, PIL No. 78/2010 was filed before the Hon'ble High Court of Bombay on 22nd December, 2010 challenging the public hearing which was conducted on 17th September, 2010 by Maharashtra Pollution Control Board (MPCB) for the Project.
- Hon'ble High court of Bombay, judicature at Bombay, Nagpur Bench passed a judgement on 18th October, 2011 against the above PIL, directing MPCB to conduct the public hearing again. The Court Order (Annexure - B) stated that *any activity undertaken by Lanco Vidarbha Thermal Power Limited in pursuance of the impugned environment clearance shall be at its own risk and subject to the final outcome of the proceeding.*

Lanco Vidarbha Thermal Power Limited

Corporate Office: Lanco House, Plot # 397, Udyog Vihar, Phase -3, Gurgaon- 122 016, New Delhi Region, India.
T + 91 124 474 1000 F +91 124 474 1357

Registered Office: Lanco House, Plot # 4, Software Units Layout,HITEC City, Madhapur, Hyderabad - 500 081, T.G, India.
T+91 40 4009 0400 F +91 40 2311 6127 E info@lancogroup.com
www.lancogroup.com

Corporate Identity Number: U40100TG2005PLC045445

- MPCB conducted a re- public hearing on 20th June, 2012, after a period of 8 months from the date of Hon'ble High Court judgement.
- Ministry of Environment, Forests & Climate Change has revalidated the earlier Environment Clearance on 21st August, 2014 (Annexure - C).

It may be kindly noted that revalidation of Environment Clearance was available to the Project after a period of 34 months from the date of judgement of Hon'ble High Court. As a result, there was initially a slowdown of the project execution and after a certain stage, faced with some uncertainty and paucity of debt and equity funds from Project Lenders and Sponsors, LVTPPL had to take a call on pausing further construction activity.

It is respectfully submitted that under the circumstances explained above, the Project experienced schedule delay, and after obtaining the revalidated EC, LVTPPL has persuaded the EPC Contractor, major suppliers and the Project Lenders to provide support for restart of project execution. Cost Overrun (COR) approval from the consortium of Project Lenders was obtained in April 2015, and LVTPPL has promptly recommenced the construction activities. We are moving forward with the project execution on a war footing and target to achieve the Project COD by December 2017.

In view of the above, we request the Authority to kindly grant extension of validity of the Environment Clearance for a period of two (2) years i.e., from the current validity date of 23rd February 2016 up to 23rd February, 2018.

B. Request for Amendment to the Environment Clearance

The following changes with respect to the plant design have been necessitated till date, while detailing of systems & plant layout engineering by LVTPPL after receiving Environment Clearance in February 2011:

1. Change in the type of fly ash disposal system to High Concentration Slurry Disposal (HCSD) from lean system envisaged earlier, and
2. Change in raw water reservoir location and its storage capacity

A detailed Addendum Report prepared by Environment Consultant, M/s. Vimta Labs Limited covering the above changes is enclosed for your kind perusal and scrutiny (Annexure - D).

In view of the above, we request the Authority to kindly accord an amendment to the Environment Clearance.

Very Truly Yours

For Lanco Vidarbha Thermal Power Limited



K E Prasad

Director

Encl.:

- 1) Annexure - A: Copy of Environment Clearance order dated 24th February, 2011
- 2) Annexure - B: Copy of Hon'ble High Court Order dated 18th October, 2011
- 3) Annexure - C: Revalidated Environment Clearance order dated 21st August, 2014
- 4) Annexure - D: Addendum Report for Amendment to Environmental Clearance
- 5) Appendix I: Updated Form 1 along with relevant annexures