

F. No. 10-47/2008-IA-III  
Government of India  
Ministry of Environment & Forests  
(IA – III Division)

Paryavaran Bhawan,  
CGO Complex,  
Lodhi Road, New Delhi

Dated: 30<sup>th</sup> September, 2013

To

M/s Adani Port and SEZ LTD  
Adani House, Near Mithakhali Six Roads,  
Navarangpura, Ahmedabad,  
Gujarat- 380 009.

**Subject: Issue of Show Cause Notice for alleged violations - Reg.**

Whereas, Ministry had granted Environment and CRZ clearance on 12.01.2009 to M/s Adani Port and SEZ Limited (Formerly Mundra Port and SEZ Limited) for the development of Port facilities at Mundra, District Kutch, Gujarat.

2. Whereas, on representation from Shri Bharat Patel, General Secretary, Machchhi Mar Adhikar Sangarsh Sangathan, Ministry conducted a site inspection on 06-07<sup>th</sup> December, 2010. The Site inspection revealed certain violations related to construction of airport, township, and hospital and destruction of mangroves. On 15.12.2010, a show cause notice was issued to the project authorities. Further, the Ministry issued directions on 23<sup>rd</sup> February, 2011 to project authorities not to undertake any reclamation activity and not to initiate any new construction work in the CRZ area.

3. Whereas, Kheti Vikas Sewa Trust filed PIL 12 of 2011 in the High Court of Gujarat alleging violation of Environmental Clearance by M/s Adani Port and SEZ Limited. The High Court passed an order directing inquiry into the allegation of destruction of mangroves by project authorities and imposed stay on development works. The inquiry was conducted by Member Secretary, Gujarat Coastal Zone Management Authority (GCZMA) and PCCF. Based on the report of the committee, the High Court passed an interim order according to which project authority can carry out development in certain portions. The areas in which work can be carried out and the areas in which prohibition will remain were marked on a map, mentioned in the High Court order.

4. Whereas, in the affidavit filed by the Ministry in the Hon'ble High Court of Gujarat, it was stated that 'the issues related to destruction of mangroves, shore-line changes due to reclamation, seismic/tsunami events, socio-economic implications etc. need to be examined by a multi – disciplinary committee of experts /relevant institutions.

5. Whereas, complaints have also been received from Kheti Vikas Sewa Trust regarding impact on environment, by the project activities of M/s Adani Port and SEZ Ltd.

6. Whereas, in view of the seriousness of the issues involved in the matter, Ministry constituted a five member committee to make a site visit and to conduct an inspection and submit the report to MoEF.

7. Whereas, the Committee submitted its report on 18.04.2013 with various recommendations. In the Committee's assessment there is evidence of violation/ Non-Compliance of EC conditions.

8. Whereas, M/s Adani Port and SEZ Ltd. had submitted its response/ action plan on the recommendations of the report.

9. Whereas, Ministry after detailed examination of the recommendations made by the committee and response submitted by M/s Adani Port and SEZ Ltd., has accepted the recommendations of the Committee.

10. Accordingly, now under Section 5 of the Environment (Protection) Act, 1986, you are hereby directed to

- (i) North Port area and Bochha Island should be declared as conservation zone and the area should be protected. All the creeks, water bodies and reclaimed land in these areas should be restored and brought back to pre- 2005 status within six months.
- (ii) Submit details of the airstrip/ aerodrome including the location with coordinates, facilities, dimensions etc. along with the details of clearances obtained.
- (iii) Ensure that all the projects constructed within the SEZ should possess EC under EIA Notification, 2006 as applicable. The details shall be submitted.
- (iv) Prepare a specific action plan to protect the livelihood of fishermen whose marine ecology, and catch and access to the sea have been seriously affected by the violations committed by the Project Proponent within six months with a specific plan for fishermen, their access and protection of their livelihood. The plan should include a clear schedule of implementation and monitoring. Further, APSEZ Ltd shall provide necessary support for the development of exclusive fishing harbour as Badreshwar.
- (v) Shall consider the voluntary return of Gauchar or village common land and also invest in improving productivity of this land with villagers.
- (vi) APSEZ Ltd shall submit Disaster Management Plan of the different projects to the State Government so as to enable the State Government to put in place a District Disaster Management Plan to ensure human safety in and around the project area.
- (vii) As a deterrent for non-compliance and violations, APSEZ Ltd shall set up an Environment Restoration fund- distinct and separate from CSR activities under Company Law- amounting to Rs. 200 crores or 1% of project cost, whichever is higher, to be used for remediation of environmental damage in Mundra. The Fund will be operated under the Chairmanship of Secretary E&F, and will include following activities as enumerated by the Committee.
  - (a) Protection of marine ecology;
  - (b) Protection and conservation of mangroves, including development of new mangrove conservation areas;
  - (c) Restoration and conservation of creeks;
  - (d) Independent studies and monitoring of the entire project areas, including cumulative impacts and public data disclosure systems.
  - (e) Social infrastructure and livelihood support for fishers community, including development of access of fishers from their temporary settlements to villages".

In view of the violations noted and recommendations made by the Committee, you are requested to explain within 15 days of receipt of this notice as to why the clearance granted to the North port shall not be cancelled.

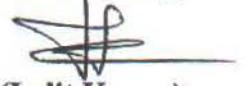
Pending decision on the Show Cause Notice, the clearance granted to North Port is kept in abeyance. Therefore the status quo ante for any constructions/development in the North Port site as on date should be maintained.

You are requested to submit response/ action plan on the above directions. Please also note that in case you desire to be heard in person, this should be explicitly indicated in your reply.

Please note further that in case no response is received within the time frame of fifteen days indicated above, final directions may be passed without any further reference to you and formal action in terms of E(P) Act, 1986 may also be initiated.

This issues with the approval of the Competent Authority.

Yours faithfully,



**(Lalit Kapur)**  
**Director (IA-III)**

Copy for information and necessary action to:-

1. The Principal Secretary, Forests and Environment Department, Government of Gujarat, Sachivalaya, Gandhinagar- 382010, Gujarat
2. The Chairman, Gujarat Coastal Zone Management Authority & Principal Secretary, Forests and Environment Department, Government of Gujarat, Sachivalaya, Gandhinagar- 382010, Gujarat
3. Gujarat Maritime Board, GMB Head Quarters, Sector 10-A, Gandhinagar-382010.
4. Shri Lakhwinder Singh, Principal Chief Conservator of Forests(Central) Kendriya Paryavaran Bhavan, Link RoadNo.3, Bhopal-462016
5. The Chairman, Gujarat State Pollution Control Board, Paryavaran Bhawan, Sector 10 A, Gandhinagar-382010.