

**SHOW CAUSE NOTICE**

No.13011/47/2012-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 4<sup>th</sup> May, 2012

To

M/s Rajasthan State Minerals Limited (RSMML)  
C- 89-90, Janpath,  
Lal Kothi Scheme,  
Jaipur- 302 004

**Subject: Show cause notice in respect of Mokhala Lignite block.**

Sir,

I am directed to refer to this Ministry's letter dated 14.07.2003 conveying allocation of **Mokhala Lignite** block in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) Act, 1973, 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 falls under forest land) in case of UG mine from the date of allocation letter. 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, various review meetings were held from time to time with the representatives of the company. In the review meeting held on 11/12.01.2012, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that all the important/critical milestones such as approval of Mining plan, grant of previous approval, EMP, Mining Lease and Land Acquisition are pending for **Mokhala Lignite** block. The company has repeatedly failed to keep its promises made to the Ministry and is thus non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-



Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	29.9.2003	29.8.2003	-
Submission of Bank Guarantee	14.10.2003	NA	-
Mining Lease Application	14.10.2003	8.5.2007	-
Submission of Mining Plan	14.1.2004	Pending	8 Yrs 2 Months
Approval of Mining Plan	14.3.2004	Pending	8 Yrs
Application of Previous approval	14.5.2004	Pending	7 Yrs 10 Months
Granting of Previous approval	14.6.2004	Pending	7 Yrs 9 Months
Application of Forest clearance	14.7.2004	NA	
Grant of Forest Clearance	14.1.2005		
Application EMP Clearance	14.7.2004	Pending	7 Yrs 8 Months
Grant of EMP Clearance	14.1.2005	Pending	7 Yrs 2 Months
Grant of Mining Lease	14.7.2005	Pending	6 Yrs 8 Months
Application of Land Acquisition	14.2.2005	Pending	7 Yrs 1 Months
Completion of Land Acquisition	14.7.2006	Pending	6 Yrs 2 Months
Application for opening permission	14.11.2006	Pending	5 Yrs 10 Months
Grant of Opening permission	14.12.2006	Pending	5 Yrs 9 Months
Coal Production	14.1.2007	Pending	5 Yrs 8 Months

3 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 the 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 allotment of **Mokhala Lignite** coal block, failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken against your company for de-allocation of **Mokhala Lignite** block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to The Coal Controller, Coal Controller Organisation, Kolkata.