

**SHOW CAUSE NOTICE**

**By Speed Post**

No. 13016/82/2006-CA-I

Government of India

Ministry of Coal

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New Delhi, dated 1st January 2014

To,  
The Managing Director,  
M/s. Maharashtra State Mining Corporation Ltd.,  
Udyog Bhawan, 3<sup>rd</sup> Floor,  
Civil Lines, Nagpur-440001.

**Subject: Show Cause Notice to M/s. Maharashtra State Mining Corporation Ltd. in respect of Marki -Zari-Jamani-Adkoli Coal block - regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 02.08.2006 conveying allocation of **Marki-Zari-Jamani-Adkoli Coal block** in pursuance of the provisions contained in Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions. One of the conditions of allocation was that prospecting license shall be applied for within three months of date of allotment and the detailed exploration shall be completed at the earliest. After the detailed exploration is completed the allocatee of the block shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render the allocation liable for cancellation, and withdrawal of block from the allocatee.

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 production from **Marki -Zari-Jamani-Adkoli Coal block** will be started in the year 2011-2012 or the near future as per the indicated schedule. The Committee advised the allocatee to start mining/coal production in 2011-2012 or as per the indicated schedule of production failing which appropriate action will be initiated.

4. In the meantime, the Government has constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairmanship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic Affairs. 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 22<sup>nd</sup> meeting held on 23.10.2013 *inter*



alia considered the status of the development of the Marki-Zari-Jamani-Adkoli coal block prepared by the Coal Controller's Organisation (CCO) as on June, 2013 and noted that the progress of the block is unsatisfactory. 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 June.13)	Remarks	Special Observ ation
Purchase of GR	2.11.2008 (27 Months)	23.12.2009	1yr 1 months		
Submission of Bank Guarantee	2.11.2006 (3 Months)	NA		BG not applicable	
Mining Lease Application	2.2.2009 (3 months from GR completion)	21.6.2011	2Yrs 4 months	Mining lease: 459.68 Ha Forest land:- 70.35 Ha	
Submission of Mining Plan	2.5.2009 (6 months)	11.5.2011	2 Yrs		
Approval of Mining Plan	2.7.2009 (8 months)	28.10.2011	2Yr 3 months		
Application of Previous approval	2.9.2009 (10 months)	Pending	3Yrs 9 Months	DGM forwarded the ML application to Govt of MH and is pending	
Granting of Previous approval	2.10.2009 (11 Months)	Pending	3 Yrs 8 Months		
Application of Forest clearance	2.11.2009 (12 months)	4.6.2011	1Yr 7 Months		
Grant of Forest Clearance	2.5.2010 (18 months)	Pending	3Yr 1 Month		
Application EMP Clearance	2.11.2009 (12 months)	26.7.2012	2Yrs 8 Months	Draft EMP submitted to MPCB for holding PH. Revised EIA submitted on 7.6.13.	
Grant of EMP Clearance	2.5.2010 (18 months)	Pending	3Yrs 1 Month		

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Grant of Mining Lease	2.11.2010 (24 months)	Pending	2Yrs7 months		
Application of Land Acquisition	2.6.2010 (19 months)	22.7.2011	1Yr	Total land: 459.68 ha, Pvt land : 365.95 Ha, Forest land: 70.35 Ha.	
Completion of Land Acquisition	2.11.2011 (36 months)	Pending	1Yr 7 Months		
Application for opening permission	2.3.2012 (40 Months)	Pending	1Yr 3 Months		
Grant of Opening permission	2.4.2012 (41 month)	Pending	1 Yr 2 months		
Coal Production	2.5.2012 (42 Months)	Pending	1Yr 1 Month	OC mine with forest land	

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.

5. 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 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 **Marki-Zari-Jamani-Adkoli Coal block** and why the block should not be de-allocated, 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 said coal block.

6. 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.