

BY SPEED POST

**F. No.43024/4/98-CML
Government of India
Ministry of Coal**

....

New Delhi, dated 12th December, 2013

To,

The Managing Director,
M/s. Rajasthan State Mines & Minerals Limited,
C-89-90, Janpath, Lal Kothi Scheme,
JAIPUR-15

**Sub : De-allocation of Mokala Lignite block allotted to M/s
Rajasthan State Mines and Minerals Limited (RSMML).**

Sir,

I am directed to refer to Ministry of Coal's allocation letter **No. 48024/4/98-Lig dated 14th July, 2003 (Annexure-I)** and to this Ministry's show cause notice **No. 13011/47/2012-CA-I dated 4th May, 2012 (Annexure-II)** and to your reply to the show cause notice, your presentation made before the Inter-Ministerial Group (IMG) in respect of **Mokala** Lignite block on 25th June, 2013 and the status note on the development of the block prepared by Coal Controller and Ministry of Coal on the above subject.

2. The progress of allocated Lignite block has been reviewed by the Ministry through a Review Committee from time to time wherein the allocatee company gave presentation in respect of the development made by the company with reference to the milestones prescribed in the allocation letter during which it was noted as following:-

- i) In the review meeting held on 15/16.10.2008 it was noted that the company stated that they could not proceed further due to adverse ground water conditions in the belt. Schedule was suspended.
- ii) In the review meeting held on 22/23.06.2009, the company stated that they could not proceed further due to adverse ground water conditions in the belt.
- iii) In the review meeting held on 20/21.07.2010 the company again reiterated that they could not proceed further due to adverse ground water conditions. It is a small block with only 20 MT reserves.
- iv) In the review meeting held on 11/12.01.2012, the Review Committee noted that the progress of the lignite block was found to be cause of concern. Committee expressed concern over the progress and recommended that the allocatee be served a show -cause notice.



3. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairpersonship of Additional Secretary (Coal), Ministry of Coal having members from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Department of IPP, Ministry of Law and Justice, Department of Legal Affairs, Department of Economic Affairs. The IMG has been given the mandate to review the progress of development of allocated coal/ lignite blocks and associated end use projects and to recommend action including de-allocation, if required.

4. The case of the allocatee company was referred to the IMG. The IMG gave an opportunity to the allocatee companies to make the presentation before it on the progress of development of allocated coal blocks and associated end use project. Accordingly, the representative of the allocatee company made a presentation on **25th June, 2013** before the IMG. The IMG considered the presentation, the status note of Mokala Lignite block prepared by Ministry of Coal and Coal Controller's Organization (**Annexure-III**). The progress of development of the block with reference to the milestones and their achievement is as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on Mar.13)	Remarks
Purchase of GR	29.9.2003 (45 days)	Yes	-	
Submission of Bank Guarantee	14.10.2003 (3 months from DOA)	Not applicable	-	BG introduced in June, 2007 in case of Govt block
Mining Lease Application	14.10.2003 (3 months)	Yes	-	ML area 1528.7625 Hecs.
Submission of Mining Plan	14.1.2004 (6 months)	Pending	9 Yrs 2 months	Mining plan has been prepared and the same will be submitted to MOC on 21.5.13 as per status report for Quarter ending Mar.13.
Approval of Mining Plan	14.3.2004 (8 Months)	Pending	9Yrs	
Application of Previous approval	14.5.2004 (10 months)	Not applicable	-	
Granting of Previous approval	14.6.2004 (11 months)	Not applicable	-	

Application of Forest clearance	14.7.2004 (12 months)	No forest land involved	-	
Grant of Forest Clearance	14.1.2005 (18 months)		-	
Application EMP Clearance	14.7.2004 (12 months)	31.3.2013	8Yrs 8 Months	Awarded the work for preparation of TOR to M/s. Consulting Engineer Group, Jaipur
Grant of EMP Clearance	14.1.2005 (18 months)	Pending	8 Yrs 2 Months	
Grant of Mining Lease	14.7.2005 (24 months)	Pending	7 Yrs 8 Months	ML to be sanctioned after approval of MP and MOEF clearance.
Application of Land Acquisition	14.4.2004 (9 months)	Pending	8Yrs 11 Months	Expected to be submitted June, 2013 as per report for Mar.13.
Completion of Land Acquisition	14.1.2006 (30 months)	Pending	7 Yrs 2Months	Expected by June, 2015 as per report for Mar.13
Application for opening permission	14.5.2006 (34 Months)	Pending	6 Yrs 10 Months	
Grant of Opening permission	14.6.2006 (35 months)	Pending	6Yrs 9 Months	
Lignite Production	14.7.2006 (36 Months)	Pending	6 Yrs 8 Months	OC mine with no forest land involved

5. After detailed deliberation, the IMG made its recommendation to **de-allocate Mokala Lignite block** which was allocated to **M/s Rajasthan State Mines & Minerals Limited** in its **19th meeting held on 25th July, 2013**. The recommendations made by the IMG are as follows:-

"M/s Rajasthan State Mines and Minerals Limited :

The representative of Rajasthan State Mines and Minerals Limited made a power point presentation with regard to the action taken for development of Mokhala Lignite Block. He informed that RSMML started pre-mining development activities soon after its allocation and the GR was obtained from the Department of Mines & Geology, Government of Rajasthan in August, 2003. While undertaking pre-mining development activities, RSMML faced very difficult mining conditions at adjoining Kasnau-Matasukh Lignite Block in the same district. There were adverse hydro-geological conditions leading to huge

increase of ground water in the mine pit accompanied by bench failures. Thereafter, as per advice of CMPDIL, a project on Hydro-geological studies for control of ingress of ground water for safe and economic mining of lignite deposits in Nagaur district was sanctioned. This study was assigned to M/s Hydrominvironment Consultancy Pvt. Limited Jaipur on 15.01.2013. The work for preparation of EIA-EMP report has been assigned to M/s CES Ltd on 12.02.2013. Mining Plan has since been prepared and submitted to this Ministry on 22.05.2013.

After the presentation, IMG deliberated upon the status of development with respect to the block keeping in view the terms and conditions of allocation, the show cause notice (SCN) issued, the reply to the SCN and the presentation made by the company. IMG also noted that the company had purchased the GR but the mining plan was yet to be approved. There is undue delay in development of blocks.

Huge geological reserves amounting to 28.92 MT (extractable reserves of 25.81 MT) are available in this block with annual production capacity of 1MT. While appreciating the fact that the block posed difficult and adverse mining conditions, IMG noted that 10 years had elapsed since allocation (on 14.07.2003) and the block has not yet come into production. IMG further noted that the Mining Plan has been submitted to the Ministry of Coal only on 25.05.2013 and TOR for EIA-EMP was yet to be submitted to Ministry of Environment and Forests. IMG also took note of the fact that there had been an increase in the area of lignite block from 680 Ha (as mentioned in the allocation letter) to 1420 Ha at the time of preparation of Mining Plan. Such an increase in the area of mine was not supported by any revision of the allocation order. It was informed by the Coal Controller that he had not been informed about the increase in area from 680Ha to 1420 Ha.

IMG observed that substantial deviation in respect to geological area from 680Ha to 1420 Ha had been made by the allocatee company. It was necessary on the part of the allocatee company and the Government of Rajasthan to inform Government of India about such an increase in the geological area for taking a view in the matter.

Therefore, IMG, taking into account the fact that there was no substantial progress in the development of Mokhala lignite block even after issue of show cause notice on 04.05.2012 as well as the fact that geological area of the block had increased substantially compared to the area mentioned in the allocation letter, recommends that the block should be de-allocated. The IMG further recommended that de-novo process for allocation of

this block after revising the area/coordinates could be considered. If block, after redefining of boundaries, is considered for allocation of Government companies, the Rajasthan State Mines and Minerals Limited may apply for the same under the Rules notified for auction of Coal blocks under amended provisions of the MMDR Act."

6. The recommendation of the IMG has since been considered and accepted by the Government.

7. Accordingly **Mokala** Lignite block allocated to **M/s Rajasthan State Mines & Minerals Limited** is **de-allocated**. **The company shall not be eligible for allocation of any alternative coal/ lignite block in lieu of this de-allocated block.**

Yours faithfully,


[S.K.SHAHI]
Director

COPY TO:-

1. The Chief Secretary, Government of Rajasthan, Secretariat, Jaipur.
2. Chairman, Neyveli Lignite Corporation Limited, Neyveli, Tamil Nadu.
3. Coal Controller, Officer of Coal Controller, 1- Council House Street, Kolkata - 700 001. Kolkata
4. Ministry of Power , Shram Shakti Bhawan, New Delhi.
5. Department of Mine & Geology, Govt. of Rajasthan, Khanij Bhawan, Shastri, Udaipur - 313 001 Rajasthan.
6. The CMD, Coal India Limited, 10- Netaji Subhash Road, Kolkata.
7. ✓ NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure - I
S.No. ~~12(1)~~ (4)

F.No.48024/4/98-Lig.
Government of India
Ministry of Coal

Shastri Bhavan, New Delhi, the 14th July, 2003.

To

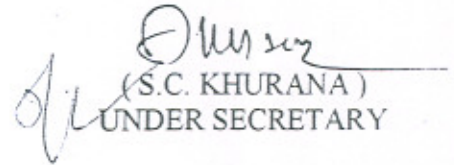
Shri R.C. Jain,
Executive Director,
Rajasthan State Mineral Development Corporation Limited,
(Now Rajasthan State Mines & Minerals Limited)
Khanij Bhawan, 'C' Scheme, Tilak Marg,
Jaipur - 302 005.

Sub :: Allotment of lignite block - Mokala, Tehsil-Merta, Distt.-Nagaur, Rajasthan.

Sir,

I am directed to refer to your letter No. F.14(44)15/CSO/DO-I.98/57/7520 dated 18/20th February, 2003 on the above subject and to convey this Ministry's approval to the allotment of the lignite block for an area of 680 hectares in Mokala, Tehsil-Merta, Distt.-Nagaur, Rajasthan in favour of M/s. Rajasthan State Mines & Minerals Limited.

Yours faithfully,


(S.C. KHURANA)
UNDER SECRETARY

Copy to ::

1. The Deputy Secretary, Mines (Gr.I) Deptt., Govt. of Rajasthan, Jaipur, Rajasthan.
2. The Chairman-cum-Managing Director, Neyveli Lignite Corporation Ltd. Neyveli.
3. The Coal Controller, 1, Council House Street, Kolkata.
4. Mining Lease Guard Folder.

SHOW CAUSE NOTICE

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

New Delhi, dated 4th 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.

Coal Controller Office, Kolkata
Updated Status of Lignite Block as on March.2013
(As per Status report submitted by the company)

1. Name of Company:- M/s. Rajasthan State Mines & Minerals Ltd
2. Name of Coal Block:- Mokala (Explored)
3. Name of Onwer/Address etc:- Group General Manager (Lig) RSMML,
Khanij Bhawan, Tilak matg, Jaipur-302005.
4. Date of Allocation:- 14.7.2003
5. Location: Nagaur, Rajasthan
6. Project cost :- FR is under preparation
7. Total investment made (As per Status report) 18.80 Lacs (June, 2010)
8. Reserve (Mill tonnes):- 36.05(Geological)
9. Mineable Reserve in MT:- To be finalized after MP
10. Yearly rated capacity (MTPA):- 5.00 LTPA
11. Grade of Coal:- 2500 K.Cal/Kg.
12. Cost of GR:- Rs. 0.188 Crores
13. BG Amount :- Not applicable
14. Type of EUP:- Lignite based power project
15. Location of Project:- Not available
16. Capacity of Project:- Not available
17. Explored/Un explored:- Explored
18. Type of Mine:- (OC+UG) Mixed Mine
19. Zero Date:- 14.7.2003 (As per block allocation letter)
20. Previous Recommendation, if any:- Show Cause notice issued by MOC as per decision of review meeting dated 11/12.1.2012

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on Mar.13)	Remarks	Special Observation
Purchase of GR	29.9.2003 (45 days)	Yes	-		
Submission of Bank Guarantee	14.10.2003 (3 months from DOA)	Not applicable	-	BG introduced in June, 2007 in case of Govt block	
Mining Lease Application	14.10.2003 (3 months)	Yes	-	ML area 1528.7625 Hecls.	
Submission of Mining Plan	14.1.2004 (6 months)	Pending	9 Yrs 2 months	Mining plan has been prepared and the same will be submitted to MOC on 21.5.13 as per status	

				report for Mar.13.	
Approval of Mining Plan	14.3.2004 (8 Months)	Pending	9Yrs		
Application of Previous approval	14.5.2004 (10 months)	Not applicable	-		
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Application EMP Clearance	14.7.2004 (12 months)	31.3.2013	8Yrs 8 Months	Awarded the work for preparation of TOR to M/s. Consulting Engineer Group, Jaipur	
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Application of Land Acquisition	14.4.2004 (9 months)	Pending	8Yrs 11 Months	Expected to be submitted June, 2013 as per report for Mar.13.	
Completion of Land Acquisition	14.1.2006 (30 months)	Pending	7 Yrs 2Months	Expected by June, 2015 as per report for Mar.13	Pvt land:- 642.52 Hecs Govt land:- 37.48 Hecs Forest land:- NIL
Application for	14.5.2006	Pending	6 Yrs 10		

opening permission	(34 Months)		Months		
Grant of Opening permission	14.6.2006 (35 months)	Pending	6Yrs 9 Months		
Lignite I Production	14.7.2006 (36 Months)	Pending	6 Yrs 8 Months	OC mine with no forest land involved	Expected to start Production from Oct. 2016 as per report.

Other details and constraint faced by the block allocates

- **MP approval :-** The area is located in Nagaur lignite belt having adverse hydro-geological conditions similar to Kasnau-Matasukh lignite block. The work for preparation of MP was being undertaken by GMR & ICR (a subsidiary of GMDC) but the work has been completed by in house resources. Tender work of hydro Geological study has been issued to Hydro environ Consultancy Pvt Ltd, Jaipur. The work of preparation of final MP has been completed and to be submitted to MOC before 30.4.2013.
- **EMP clearance: -** The work order for conducting necessary studies for preparation of EIA/EMP report and providing assistance during public hearing by RSPCB & appraisal before MOEF has been assigned to M/s. Consulting Engineer Group, Jaipur. The consulting agency has started the work and application for TOR is to be submitted in MOEF within this month.
- The mining project work is difficult in this belt due to adverse hydrogeological conditions.
- The work on the project is being undertaken as per result of hydrogeological study.