

**SHOW CAUSE NOTICE**  
**By Speed Post**

No. 13016/39/2009-CA-I (Part)  
Government of India  
Ministry of Coal

New Delhi, dated 30<sup>th</sup> December, 2013

To,  
The CMD,  
M/s Madhya Pradesh State Mining Corporation Ltd,  
Prayavas Bhavan, Block No.1(A),  
Second Floor, Jail Raod,  
Arera Hills, Bhopal-462011.

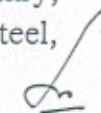
**Subject: Show Cause Notice to M/s Madhya Pradesh State Mining Corporation Ltd in respect of Morga-III Coal block - regarding.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/8/2007-CA-I dated 25.07.2007 conveying allocation of **Morga-III** 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 any slippage would render this allocation liable for cancellation and withdrawal of block from the allocattee. Allocation letter also stipulates that violation of any of the condition imposed in mining and disposing of coal from Morga-III coal block will render the mining lease liable for cancellation.

2. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Morga-III** coal block allocated to the company is not satisfactory. The Committee expressed concern over unsatisfactory progress and advised the allocattees whose blocks were held up due to location in No-Go area to pursue their forest diversion proposals since Go/No-Go concept has been done away with. Accordingly, an advisory letter No. 13011/2/2012-CA-I dated 26.04.2012 was issued to the company with the direction to expedite the development of coal block. It was also stated that the progress would be monitored regularly and if the development of the coal block and associated end use plant is not as per the schedule furnished and if any wilful delay is noticed, appropriate action including deduction of bank guarantee/de-allocation of the block would be considered.

3. 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 19<sup>th</sup> meeting held on 25.06.2013 *inter alia* considered the status of the development of the **Morga-III** coal block prepared by the Coal Controller's Organisation (CCO) as on 31<sup>st</sup> March, 2013 and noted that no significant progress has been made by your company towards development of the coal block. 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 Mar.13)	Remarks	Special Observation
Purchase of GR	25.10.2009 (27 months)	31.7.2011 (Phase-I)	1Yrs 9 Months		Phase-I drilling (12 Bore holes) completed in Aug.2010
Submission of Bank Guarantee	25.10.2007	Yes	-		
Mining Lease Application	31.10.2011 (3 months from GR preparation))	Pending	1 Yrs 5 Months	ML area:- 600 Ha (Under protected forest area)	
Submission of Mining Plan	31.1.2012 (6 months from GR preparation)	Pending	1Yr 2 Months		
Approval of Mining Plan	31.3.2012 (8 months from GR preparation)	Pending	1Yrs		
Application of Previous approval	31.5.2012 (10 months from GR preparation)	Pending	10 Months		
Granting of Previous approval	31.6.2012 (11 months from GR)	Pending	9 Months		

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	preparation)				
Application of Forest clearance	31.7.2012 (12 months from GR preparation)	Pending	8 Months		Grant of FC for 38 boreholes exploratory drilling is pending.
Grant of Forest Clearance	31.1.2013 (18 months from GR preparation)	Pending	2 Months		
Application EMP Clearance	31.7.2012 (12 months from GR preparation)	Pending	8 Months		
Grant of EMP Clearance	31.1.2013 (8 months from GR preparation)	Pending	2 Months		
Grant of Mining Lease	31.7.2013 (18 months from GR preparation)	Pending	-		
Application of Land Acquisition	31.2.2013 (19 months from GR preparation)	Pending	1 Month	Land will be acquired after forest clearance	Total Land: 600 Ha. Pvt. Land: NIL. Govt. land: NIL Forest Land: 600 Ha.
Completion of Land Acquisition	31.7.2014 (36 months from GR preparation)	Pending	-		
Application for opening permission	30.11.2015 (52 months from GR preparation)	Pending	-		
Grant of Opening permission	31.12.2015 (53 months from GR preparation)	Pending	-		
Coal Production	31.1.2016 (54 Months)	Pending	-	UG mine with forest land.	



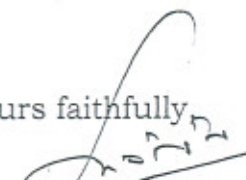
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Keeping in view the unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

4. 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 **Morga-III** 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.

5. 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.