

By Speed Post

F.No47011/7(60)/93-CPA/CPAM/ CA-I
Government of India
Ministry of Coal

New Delhi, dated 7st February, 2013

To
The Chairman & Managing Director,
M/s National Aluminum Company Limited (NALCO)
NALCO BHAVAN, Nayapalli,
Bhubaneswar- 751 013

Sub: Submission of Bank Guarantee (BG) in respect of Utkal-E coal block in the State of Orissa allotted to M/s National Aluminum Company Limited (NALCO) - Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.47011/7(60)/93-CPA/CPAM/CA dated 27th August, 2004 (**Annexure-I**) and to this Ministry's show cause notice letter No. 13011/17/2012-CA-I dated 2nd May, 2012 (**Annexure-II**) and to your reply to the show cause notice and the Presentation made/documents submitted by you on **10th October, 2012** before the Inter Ministerial Group (IMG) on the above subject.

2. Utkal-E coal block located in the State of Orissa was allocated to M/s National Aluminum Company Limited (NALCO) in pursuance of the Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 subject to certain terms and conditions. In the allocation letter, at point No.(v) the following is stipulated as under:-

“(v) Allocation of coal block may be cancelled in case of unsatisfactory progress in implementation of their proposed end use projects or coal mining project or both.”

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

- i. In the review meeting held on 25/26.03.2008 it was noticed that the company has taken the possession of Government land and private land had not yet been acquired. FC Stage-I was expected in October, 2008. OB removal to start in December, 2008.
- ii. In the Review Meeting held on 15/16.10.2008, it was noted that only government land was in possession and private land had not yet been acquired.



FS Stage-I expected in October, 2008. OB removal to start in December, 2008. No representative was in the meeting.

- iii. Further, the Review Committee in its meeting held in 22/23.06.2009 it was noted that Block was unexplored and GR was available in 4/05, FC, EMP, ML execution and land Acquisition were pending. Due to boundary dispute, revised ML submitted, EMP and LA are expected soon. No representative attended the meeting. Chairman viewed it seriously and urged to bring this to the notice of NALCO Authority/ Ministry of Mines. He further advised to monitor the block intensively so that the mine can come up early.
- iv. In the Review Committee meeting held on 20/22.07.2010 it was noted that Block was unexplored and GR was available in 4.05. FC, EMP, ML execution and Land Acquisition pending. Due to boundary dispute, revised ML submitted, EMP & LA are expected soon. The company was asked to submit time schedule within 2 months i.e action plan with dates. The committee viewed it seriously and urged to bring this to the notice of NALCO Authority. If the company does not respond within 2 months, show cause notice for de-allocation to be issued.
- v. The Review Committee meeting held on 11/12.01.2012 it was noticed that FC(Stage-I), ML, LA are pending. Company stated that 98.4 crores have been spent. Required amount for 526 HA for private land paid to Government of Odisha. 169 Ha forest land acquired. The company was issued the show cause notice. The company furnished their reply to the show cause notice.

4. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) 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 blocks and associated end use projects and to recommend action including de-allocation, if required.

5. The case of the allocate company was referred to IMG. Accordingly, the IMG asked the allocatee company to make the Presentation before it on the progress of development of allocated coal blocks and associated end use project. The representatives of the allocatee company gave presentation on **10th October, 2012** before the IMG. The IMG considered the presentation, the status note of the **Utkal-E** coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation (**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 06/2012 | Remarks | Special observation |
|----------------------------------|-----------------------------|---------------------------|---------------------------------|--|---------------------|
| Purchase of GR | 11.10.04 (45 days) | 22.4.2005 | 6 Months | 45 days as it is explored. | |
| Submission of Bank Guarantee | NA | NA | NA | BG introduced from June' 2007 for govt. Block. | |
| Mining Lease Application | 27.11.2004 (3 months) | 12.10.2004 | Advance | | |
| Submission of Mining Plan | 27.2.2005 (6 months) | 26.9.2005 | 7 Months | | |
| Approval of Mining Plan | 27.4.2005 (8 months) | 31.7.2006 | 1 Yr 3 Months | | |
| Application of Previous approval | 27.6.2005 (10 months) | 27.1.2010 | 4 Yrs 7 Months | | |
| Granting of Previous approval | 27.7.2005 (11 months) | 14.6.2011 | 6 Yrs | | |
| Application of Forest clearance | 27.8.2005 (12 months) | 29.1.2007 | 1 Yr 5 Months | | |
| Grant of Forest Clearance | 27.2.2006 (18 months) | Pending | 6 Yrs 4 Months | | |
| Application EMP Clearance | 27.8.2005 (12 months) | 27.9.2006 | 1Yr 1 Month | | |
| Grant of EMP Clearance | 27.2.2006 (18 months) | 10.12.2009 | 3 Yrs 10 Months | | |
| Grant of Mining Lease | 27.8.2006 (24 months) | Pending | 5 Yrs 10 Months | | |
| Application of Land Acquisition | 27.3.2006 (19 months) | 27.11.2005 | Advance | | |
| Completion of | 27.8.2007 | Pending | 4 Yrs 10 | | |

Officer

| | | | | | |
|------------------------------------|---------------------------|---------|----------------|----------------------------------|--|
| Land Acquisition | (36 months) | | Months | | |
| Application for opening permission | 27.12.2007 (40 months) | Pending | 4 Yrs 6 Months | | |
| Grant of Opening permission | 27.1.2008 (41 months) | Pending | 4 Yrs 5 Months | | |
| Production | 27.2.2008 (42 Months) | Pending | 4 Yrs 4 Months | Open cast including forest land. | |

6. After detailed deliberations, the IMG made its recommendation as follows:

M/s NALCO (Utkal-E)

The IMG considered the terms and conditions of allocation, the show cause notice issued and the reply along with the presentation made by the allocatee and the status paper placed before the IMG. The IMG noted that this is a fully explored block and more than 8 years have elapsed from the date of allotment i.e. 27.8.2004. The allocatee M/s NALCO had applied for the block for its proposed 9,10,11,12 CPP units at Angul, Orissa in which an investment of Rs.1026.62 crores was reported. A further amount of Rs.114.53 crores has been spent on the coal block as per the CA certificate submitted by the allocatee. The allocatee company has obtained EMP clearance and application for land acquisition has been made. The land cost of four villages has been deposited with IDCO. The sections 4(1) and 6(1) notifications have been completed. The normative date for start of production was 27.2.2008.

Taking into account all factors, including substantial progress and investment, the IMG did not consider it appropriate to recommend de-allocation of the coal block at this stage. However, in view of the slippage in milestones, IMG recommends that the allocatee may be permitted to continue holding the block only on submission of BG equivalent to one year royalty for adherence to milestones. IMG further recommends that the BG may be submitted within a period of three months from the date of issue of letter in this regard failing which the block may be de-allocated.

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

8. Accordingly, M/s NALCO is directed to furnish a **Bank Guarantee (BG) of Rs. 17.92 Crore (Rupees Seventeen crores Ninety two lakhs only)**, be submitted to the Coal Controller's Organisation within a period of three months from the date of

issue of this letter failing which the block may be de-allocated. The BG amount as calculated by the Coal Controller's Organisation is at **Annexure -IV**.

Yours faithfully,


(A. Sanjay Sahay)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Odisha, Bhubaneswar.
2. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
3. The CMD, Coal India Limited, 10- Netaji Subhash Road, Kolkata- 700001.
4. The Coal Controller's Organisation, 1, Council House Street, Kolkata to necessary follow up action.
- ✓ 5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure - 4

No. 47011/7(60)/93-CPA/CPAM/CA

Government of India
Ministry of Coal & Mines
Department of Coal

New Delhi, the 27th August, 2004.

To

M/s. National Aluminium Company Ltd.,
Naico Bhawan,
P/1, Nayapalli,
Bhubaneswar - 751 013,
Orissa.

Subject : Allocation of Utkal 'E' block for captive mining for power generation to
M/s. NALCO.

Sir,

I am directed to refer to your letters dated 25.8.99, 9.3.2000, 2.5.2000, 13.9.2001, 16.1.2002, 2.7.2002 and 9.6.2003 for allocation of Utkal 'E' captive coal block to meet the coal requirement for the proposed 9,10,11,12 CPP units at Angul, Orissa and to say that your proposal was considered in the 21st meeting of the Screening Committee held on 19.8.2003. The Screening Committee, after deliberating the issue, decided to allocate Utkal 'E' block to the company provisionally for prospecting in the block to be done by CMPDIL on payment basis by NALCO. The block has since been prospected in details by CMPDIL. As per the information of CMPDIL out of the geological reserve of 154.45 million tonnes, 84.70 million tonnes of coal reserves has been assessed by CMPDIL as extractable reserves by opencast mining. Therefore, the extractable reserve approximately matches with the coal requirement of 90.6 million tonnes for power generation by NALCO and therefore, the Utkal 'E' coal block has been decided for allocation to NALCO. The allocation of Utkal 'E' coal block is subject to the following conditions :-

- i) All coal mined from this block shall exclusively be used by the company to meet the requirement of the proposed 9,10,11,12 captive power plant units.
- ii) The setting up of the proposed CPP (9,10 units) has been indicated from July, 2004 to February, 2008.
- iii) There should be complete synchronization between the captive coal mining operations and the development of end-use (power generation) plants so that no situation arises where the company is left with coal extracted from the captive block when the end-use plant is yet to be operational.
- iv) The coal mining will be done in accordance with the provisions of Mines & Minerals (Development & Regulation) Act, 1957 and Mineral Concession Rules, 1960 and subject to the provisions of other relevant statutes.

20/9

v) Allocation of coal block may be cancelled in case of unsatisfactory progress in implementation of their proposed end use projects or coal mining project or both.

3. The allocation of the captive block will also be subject to the following conditions:-


- i) All the conditions imposed by the Central Government while conveying the previous approval to the State Government under Section 5(1) of the Mines and Minerals (Development & Regulation) Act, 1957 for grant of mining lease in favour of captive mining party should clearly form part of the lease deed to be executed between the concerned State Government and the party.
- ii) In case the captive block has been offered for washing-cum-end use, the mining lease deed must clearly specify that the beneficiated coal from the washery will exclusively be used for the end use (power generation) as approved by the Central Government and not for commerce or otherwise. Tailings, middlings or rejects, as the case may be, shall be used for captive consumption only by the applicant as approved by the Central Government.
- iii) The allottee would furnish to this Department detailed plan for disposal of unusable containing carbon materials obtained during the process of mining or any process thereafter including washing etc. so as to avoid any need for disposal of the same through sale etc. at a later stage, within 30 days of receipt of this letter or submission of mining plan whichever is earlier.
- iv) No coal shall be sold, delivered, transferred or disposed of except for the stated captive mining purpose (power generation) except with the previous approval of the Central Government in writing.
- v) Approval of mining plan shall be considered only after financial closure for the end use project is achieved.
- vi) Existing coal linkage from CIL/SCCL, would not be disturbed in any way with the coal mined from the allocated blocks. The coal linkage of 2.5 mtpa provided for the TPSs from MCL shall continue.
- vii) NALCO shall obtain geological report from CMPDIL on payment of the full cost of the geological report.
- viii) Violation of any of the conditions will render the allocation of the block/ grant of the lease as the case may be liable for cancellation.

4. The progress in this regard should be reported to this Department every 3 months from now.

298

5. The company may approach CMPDIL for the geological report etc. and contact the State Government authorities concerned for completing the necessary formalities for attaining mining lease rights and related matters. The company will be required to apply for mining lease within a period of six months. The arrangement of transport of coal, if any, etc. will have to be worked out by the company in consultation with the Ministry of Railways / Ministry of Surface Transport depending on the mode of transport.

Yours faithfully,

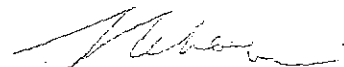


(S.K. Kakkar)

Under Secretary to the Govt. of India.

Copy to:-

1. Chairman, Coal India Ltd., 10-Netaji Subhas Road, Kolkata - 700 001.
2. Chairman-cum-Managing Director, CMPDIL, Gondwana Place, Kanke Road, Ranchi - 834 008.
3. Chairman-cum-Managing Director, Mahanadi Coalfields Ltd., MCL Complex, Sambalpur, Orissa.
4. Ministry of Power (Shri Ajay Shankar, Jt. Secretary), Shram Shakti Bhawan, New Delhi.
5. Ministry of Railways, Railway Board (Shri M.S. Mathur, Joint Director (TP)), Rail Bhawan, New Delhi.
6. Chief Secretary, Govt. of Orissa, Secretariat, Bhubaneswar.



(S.K. Kakkar)

Under Secretary to the Government of India.

Issued through joint Encl. NO. 2 on 27th August, 2004

Annexure II

SHOW CAUSE NOTICE

No.13011/17/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 2nd May, 2012

To

M/s NALCO, 303,
Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi. HINDALCO

Subject: Show cause notice in respect of Utkal -E coal block.

Sir,

I am directed to refer to this Ministry's letter No.47011/7(60)/93-CPA/CPAM/CA dated 27.08.2004 conveying allocation of Utkal-E coal 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 Forest Clearance, Mining Lease and land acquisition are pending for Utkal -E coal 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 | 11.10.04 | 22.4.2005 | 6 Months |
| Submission of Bank Guarantee | 27.11.2004 | NA | NA |
| Mining Lease Application | 27.11.2004 | 12.10.2004 | Advance |
| Submission of Mining Plan | 27.2.2005 | 26.9.2005 | 7 Months |
| Approval of Mining Plan | 27.4.2005 | 31.7.2006 | 1 Yr 3 Months |
| Application of Previous approval | 27.6.2005 | 27.1.2010 | 4 Yrs 7 Months |
| Granting of Previous approval | 27.7.2005 | 14.6.2011 | 6 Yrs |
| Application of Forest clearance | 27.8.2005 | 29.1.2007 | 1 Yr 5 Months |
| Grant of Forest Clearance | 27.2.2006 | Pending | 6 Yrs 1 Months (as on Mar.2012) |
| Application EMP Clearance | 27.8.2005 | 27.9.2006 | 1Yr 1 Month |
| Grant of EMP Clearance | 27.2.2006 | 10.12.2009 | 3 Yrs 10 Months |
| Grant of Mining Lease | 27.8.2006 | Pending | 5 Yrs 4 Months |
| Application of Land Acquisition | 27.3.2006 | 27.11.2005 | Advance |
| Completion of Land Acquisition | 27.8.2007 | Pending | 4 Yrs 7 Months (as on Mar.2012) |

SR

| | | | |
|------------------------------------|-----------------------|---------|------------------------------------|
| Application for opening permission | 27.12.2007 | Pending | 4 Yrs 3 Months (as on Mar.2012) |
| Grant of Opening permission | 27.1.2008 | Pending | 4 Yrs 2 Months (as on Mar.2012) |
| Coal Production | 27.2.2008 (42 Months) | Pending | 4 Yrs 1 Months (as on Mar.2012) |

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 Utkal -E 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 Utkal -E coal block.


(Sandeep Gupta)

Under Secretary to the Govt. of India

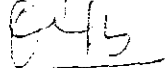
Copy to Coal Controller.

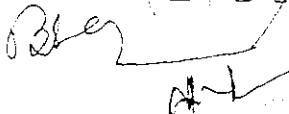
Coal Controller Office, MOC/Kolkata
Status of the captive Coal Block as on June'2012
 (as per quarterly report furnished by the Block owners)

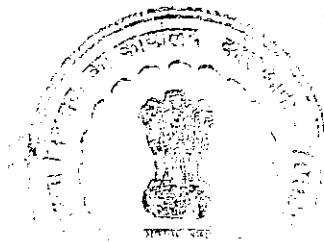
- | | |
|------------------------------------|--|
| 1. Name of Company | : - M/s. National Aluminum Company Ltd. |
| 2. Name of Coal Block | : - Utkal-E (Explored) |
| 3. Date of Allocation | : - 27.8.2004 |
| 4. Location | : - Talcher, Orissa |
| 5. Total investment(Project Cost) | : - 280 Crs |
| 6. Investment Made as on (6/12) | : - 105.09 Crs |
| 7. Reserve (Mill tonnes) | : - 113.39 MT |
| 8. Grade of coal | : - F-G |
| 9. Yearly rated capacity (MTPA) | : - 2.0 MT |
| 10. Cost of GR | : - 3.72 Crs |
| 11. BG Amount | : - Not applicable (BG not mentioned in the allocation letter because BG introduced for Govt block in June' 2007). |
| 12. Explored/Un explored | : - Explored |
| 13. Zero Date | : - 27.8.2004 (As per allocation letter) |
| 14. Types of mine(OC/UG/Mix) | : - Open cast |
| 15. Type of EUP | : - Captive Power Plant |
| 16. Location of Project | : - Angul, Orissa |
| 17. Capacity of Project | : - 120 MW x 2 |
| 18. Previous Recommendation,if any | : - |

Details of milestone to be achieved and time lapsed against each milestone are as under:-

| Mile Stones | Schedule date of Completion | Actual date of Completion | Slippage in YY/MM as on 06/2012 | Remarks | Special observation |
|----------------------------------|-----------------------------|---------------------------|---------------------------------|--|---------------------|
| Purchase of GR | 11.10.04 (45 days) | 22.4.2005 | 6 Months | 45 days as it is explored | |
| Submission of Bank Guarantee | NA | NA | NA | BG introduce from June'2007 for govt. Block. | |
| Mining Lease Application | 27.11.2004 (3 months) | 12.10.2004 | Advance | | |
| Submission of Mining Plan | 27.2.2005 (6 months) | 26.9.2005 | 7 Months | | |
| Approval of Mining Plan | 27.4.2005 (8 months) | 31.7.2006 | 1 Yr 3 Months | | |
| Application of Previous approval | 27.6.2005 (10 months) | 27.1.2010 | 4 Yrs 7 Months | | |
| Granting of Previous approval | 27.7.2005 (11 months) | 14.6.2011 | 6 Yrs | | |
| Application of | 27.8.2005 | 29.1.2007 | 1 Yr 5 Months | | |

Prepared by


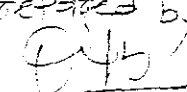
Checked by


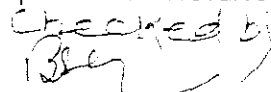


| | | | | | |
|------------------------------------|---------------------------|------------|-----------------|----------------------------------|--|
| Forest clearance | (12 months) | | | | |
| Grant of Forest Clearance | 27.2.2006 (18 months) | Pending | 6 Yrs 4 Months | | |
| Application EMP Clearance | 27.8.2005 (12 months) | 27.9.2006 | 1Yr 1 Month | | |
| Grant of EMP Clearance | 27.2.2006 (18 months) | 10.12.2009 | 3 Yrs 10 Months | | |
| Grant of Mining Lease | 27.8.2006 (24 months) | Pending | 5 Yrs 10 Months | | |
| Application of Land Acquisition | 27.3.2006 (19 months) | 27.11.2005 | Advance | | |
| Completion of Land Acquisition | 27.8.2007 (36 months) | Pending | 4 Yrs 10 Months | | |
| Application for opening permission | 27.12.2007 (40 months) | Pending | 4 Yrs 6 Months | | |
| Grant of Opening permission | 27.1.2008 (41 months) | Pending | 4 Yrs 5 Months | | |
| Production | 27.2.2008 (42 Months) | Pending | 4 Yrs 4 Months | Open cast including forest land. | |

Other details and constraint faced by the block allocates

- Forest Clearance:-** NALCO has already received the Scheduled Tribe and Other Traditional Dwellers (Recognition of Forest Right Act,2006) Certificate for 169.1779 Hactor of land out of 197.787 Hactor of Forest land on 25.6.2010. Special Secy, Deptt. of Forest & Env. Govt.of Orissa wrote letter to Principal Chief Conservator of Forest(PCCF) on 20.8.2011 to submit Forest Right Certificate for balance DLC land of 28.6095 Hactor. The process for obtaining the Forest Right Certificate for rest 28.6095 Ha DLC land is going on..
- Land Acquisition:-** Land Acquisition process delayed for change in Mining Plan accommodating new OB dump-II. Resistance of villegers for 4(1) & 6(1) notification caused delay in land acquisition. Land cost of four villages deposited to IDCO on Dec.09 for carrying 6(1) activities. 6(1) notification for Pvt. land in ML area completed. Acquisition of Pvt. Land under sec-9 for an area 394.81 Acres is continuing for 3 villages. Certificate U/s 6(5) of ST & Other traditional Forest Dwellers Act,2006 for an area 169.1779 Ha received. Collector Angul sanctioned lease for 54.20 Acres non forest Govt land on 3.6.2011 for R & R colony. Collector sanctioned lease for 54.02 acres of non forest govt land for construction of R & R colony.
- Mining Lease:-** MOC accorded previous approval for 211.18 Ha area of Utkal-E block on 14.6.2011. Execution of Mining lease is pending.
- RR:-** Rehabilitation & Resettlement plan approved. Land rates for R & R Projects discussed. Deptt of water resources, Govt of Orissa granted for

Prepared by


Checked by


Date



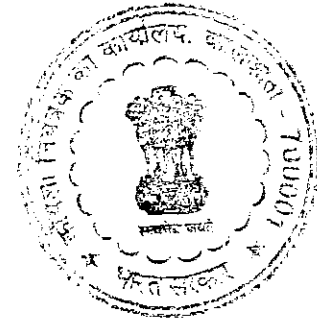
drawal of 0.4 cusecs of water from Singharjhor. Master plan submitted to IDCO Bhubaneswar on 18.6.12.

- Coal Transportation:- EAC (Environment Appraisal Committee) , MOEF does not approved the construction of rail corridor through reserve forest for which another route has to be finalized for transporting of coal to NALCO's Power plant.

Prepared by
Q4b

Checked by
Bh

Bh



4/4

1. Name of Company:-M/s Nalco
2. Name of Coal Block:- Utkal-E (Explored) .
3. Date of Allocation:- 27.08.2004
4. Normative Date of production:-27.02.2008(as per allotment letter)
5. Status of Mine Plan:- MP approved
6. Yearly Rated Capacity:- 2 MTPA (as per mine plan)
7. Grade of Coal:- F-G
8. BG Amount:- To be determined on the basis of one year royalty as recommended by IMG
 Recommendation: Taking into account all factors, including substantial progress and investment, the IMG did not consider it appropriate to recommend de-allocation of the coal block at this stage. However, in view of slippage in milestones, IMG recommends that the allocate may be permitted to continue holding the block only on submission of BG equivalent to one year royalty for adherence to milestones. IMG further recommends that the BG may be submitted within a period of three months from the date of issue of letter in this regard failing which the block may be de-allocated.

Calculation of Weighted Average GCV

| Seam Name | Net proved reserves in Mt. as per Mine Plan | % of share of net proved reserves | Average GCV as per Mine Plan | Weighted Average of GCV |
|--------------|---|-----------------------------------|------------------------------|-------------------------|
| (1) | (2) | (3) | (4) | (5)=(4)x(3)/100 |
| XI | 0.32 | 0.28 | 2425 | 6.79 |
| X | 0.68 | 0.60 | 2500 | 15.00 |
| IX | 50.03 | 44.11 | 4350 | 1918.79 |
| VIII TOP | 8.72 | 7.69 | 4445 | 341.82 |
| VIII BOT | 2.37 | 2.09 | 3995 | 83.50 |
| VII B | 7.88 | 6.95 | 3943 | 274.00 |
| VIIA | 0.10 | 0.09 | 2890 | 2.60 |
| V B | 0.61 | 0.54 | 3450 | 18.63 |
| V A | 2.27 | 2.00 | 2975 | 59.50 |
| IV B | 0.61 | 0.54 | 3475 | 18.77 |
| III E TOP | 6.37 | 5.62 | 3493 | 196.28 |
| III E BOT | 9.72 | 8.57 | 3630 | 311.09 |
| III D | 13.08 | 11.54 | 3570 | 411.98 |
| III A TOP | 1.91 | 1.69 | 3205 | 54.16 |
| III A BOT | 4.70 | 4.15 | 4060 | 168.49 |
| II E | 1.04 | 0.92 | 3755 | 34.55 |
| II B | 2.36 | 2.08 | 3460 | 71.97 |
| II A | 0.62 | 0.54 | 3680 | 19.87 |
| Total | 113.393 | 100 | | 4007.8 |

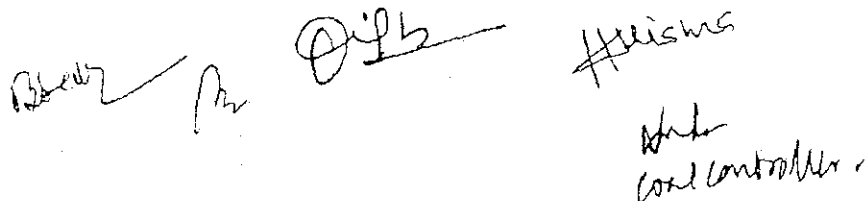
Total weighted GCV=4007.8 K.cal/Kg

Price/Tone for GCV of 4007.8= Rs. 640/- (As per CIL Notification No CIL:S&M:GM (F):Pricing:1965 dt.31.01.2012)

Royalty/Tone=Rs.640x14%= Rs.89.60/- (Royalty rate =pricex14% as per gazette notification No G.S.R.349(E) dt.10.05.2012)

The Royalty for Peak rated capacity of 2 MT/year=Rs. 89.60x2 Million=Rs.179.2 Million = Rs.17.92 Crore

Bank Guarantee may be asked to submit for one year royalty=Rs.17.92 Crore (Rupees seventeen crore ninety two lakhs only)



 Coal Controller