

By Speed Post

**F.No. 13016/83/2006 -CA-I
Government of India
Ministry of Coal**

New Delhi, dated ^{29/5} May, 2013

To

M/s West Bengal Mineral Development & Trading Corporation (WBMDTC)
13, Nillie Sengupta Sarani, Lindsay Street,
2nd Floor, P.B. No. 9026,
Kolkata- 700 087

Sub: Furnishing of Bank Guarantee (BG) in respect of Ichhapur coal block in the State of West Bengal allotted to M/s West Bengal Mineral Development & Trading Corporation (WBMDTC) - Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/23/2006-CA dated 2nd August, 2006 (**Annexure-I**) and to this Ministry's show cause notice letter No. 13011/38/2012-CA-I dated 4th 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. Ichhapur coal block located in the State of West Bengal was allocated to M/s West Bengal Mineral Development & Trading Corporation Limited (WBMDTCL) in pursuance of the Section 3(3)(a)(i) 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:-

“(vi) The exploration of the coal blocks shall be done either through CMPDIL or under the direct supervision of CMPDIL. 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 this allocation liable for cancellation and withdrawal of block from the allocatee.”

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

- i. In the review meeting held on 25/26.03.2008 it was noted that the block is unexplored. Exploration by MECL has started. The Committee asked to take simultaneous exploration for this block.

- ii. In the Review Meeting held on 15/16.10.2008, it was noted that the block is unexplored. Exploration is being carried out by MECL. GR of Ichapur is expected by 2011. Assured to start production by 2015-16.
- iii. Further, the Review Committee in its meeting held in 22/23.06.2009 noted that the block is unexplored. All the activities are pending.
- iv. In the Review Committee meeting held in on 20/21.07.2010 it was noticed that the block is unexplored. Representative informed that drilling operation suspended due to withdrawal of MECL. A new Chinese company engaged in exploration work. Coal will be utilized to the upcoming steel plant in West Bengal.
- v. The Review Committee meeting held on 11/12.01.2012 noted that Mine Plan approval, Forest Clearance/ EMP, Mining Lease and Land Acquisition are pending. GR has been prepared in December, 2011. Mining Plan will be submitted soon. Production as per schedule. 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 Ichhapur 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
Purchase of GR	2.11.2008 (27 months)	26.12.2011	3Yrs 1 Month	Due to regionally explored
Submission of Bank Guarantee	NA	-		BG introduce from June '2007 for govt Block.
Mining Lease Application	2.2.2009 3 months from GR	26.3.2012	3Yrs 1 Month	
Submission of Mining Plan	2.5.2009 6 months from GR	Pending.	3 Yrs 1 Month	
Approval of	2.7.2009	Pending.	2Yrs 11 Months	

Mining Plan	8 months from GR			
Application of Previous approval	2.9.2009 10 months from GR	Pending.	2Yrs 9 Months	
Granting of Previous approval	2.10.2009 11 months from GR	Pending.	2Yrs 8 Months	
Application of Forest clearance	2.11.2009 12 months from GR	Pending.	2Yrs 7 Months	
Grant of Forest Clearance	2.5.2010 18 months from GR	Pending.	2Yrs 1 Month	
Application EMP Clearance	2.11.2009 12 months from GR	21.9.2011	1Yr 10 Months	
Grant of EMP Clearance	2.5.2010 18 months from GR	Pending.	2Yrs 1 Month	
Grant of Mining Lease	2.11.2010 24 months from GR	Pending.	1Yr 7 Months	
Application of Land Acquisition	2.6.2010 19 months from GR	Pending.	2 Years	
Completion of Land Acquisition	2.11.2011 36 months from GR	Pending.	7 Months	
Application for opening permission	2.3.2013 40 months from GR	Pending.	-	
Grant of Opening permission	2.4.2013 41 months from GR	Pending.	-	
Production	2.5.2013 (54 Months)	Pending.	-	Underground including forest land.

6. After detailed deliberations, the IMG made the following recommendations :-

M/s West Bengal Mineral Dev. and Trading Corporation Ltd. (Ichhapur and Kulti blocks)

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 these are regionally explored blocks and more than 6 years have elapsed from the date of allotment i.e. 2.8.2006. Exploration has been completed in both the cases and mining plans submitted on 26.7.2012. MDO has been appointed on 30.3.2010 for both the blocks. The investment in the mining project as per the

CA certificate is Rs.32.12 crores in Kulti block and Rs.34.12 crore in Ichhapur block, and is mainly on exploration. The normative date of production as per the allocation letter is 2.5.2013 for both the blocks.

The IMG noted that both the mines are deep underground mines and the mining plan has been submitted. Though there are slippages against all milestones, however, taking into account all factors, IMG does not consider it appropriate to recommend de-allocation of the coal blocks at this stage. However, in view of slippages in achievement of milestones, IMG recommends that the allocatee may be permitted to continue holding the blocks 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 blocks may be de-allocated.

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

8 Accordingly, M/s West Bengal Mineral Development & Trading Corporation Limited (WBMDTCL) are directed to furnish a Bank Guarantee (BG) for an amount of Rs. 1.3 crore (Rupees One Crores and thirty lakhs only) 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 calculation of amount for the purpose of furnishing Bank Guarantee as provided by the Coal Controller is at Annexure -IV.

Yours faithfully,



(S.K.Shahi)
Director

Copy to:-

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

New Delhi, the 24 August, 2006.

To

Managing Director,
M/s West Bengal Mineral Development & Trading Corporation Limited (WBMDTCL),
Kolkata


Subject Regarding Ichhapur and Kulti coal blocks in the State of West Bengal

Sir,

I am directed to refer to Chief Secretary, Government of West Bengal's letter no.132-CS/05 dated 28.10.05 on the above subject and to convey the 'in principle' approval of the Central Government to the working of Ichhapur and Kulti coal blocks by M/s West Bengal Mineral Development & Trading Corporation Limited (WBMDTCL) under the Government Company dispensation in pursuance of Section 3(5)(a)(i) of the Coal Mines (Nationalisation) Act 1973 subject to the following conditions:

- (i) Coal Mining shall be carried out by M/s WBMDTCL or a separate company to be created with participation of M/s WBMDTCL provided that the separate created company is a Government company eligible to do coal mining as per the provisions of the Coal Mines (Nationalisation) Act, 1973.
- (ii) The allocatee will do coal mining in accordance with the provisions of the Coal Mines (Nationalisation) Act, 1973, the Mines and Minerals (Development & Regulation) Act, 1957, the Contract Labour (Regulation & Abolition) Act, 1970, all the mineral, environmental and labour laws alongwith other regulations governing coal industry.
- (iii) The allocatee would do mining of coal from the allocated block in accordance with a mining plan approved by the Central Government.
- (iv) The mining lease will be executed between the State Government and the allocatee as per the provisions of MMDR Act 1957 and the rules framed thereunder.
- (v) The exploration of the coal block shall be done either through CMPDIL or under the direct supervision of CMPDIL. 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 this allocation liable for cancellation, and withdrawal of block from the allocatee.
- (vi) Whether the block could be operated as one mine or otherwise would be determined by the Central Government after the detailed exploration is completed, having regard to factors such as the interest of conservation, safety, deployment of optimal technology for optimal extraction of coal, mine capacity, the earliest commencement of production, etc.
- (vii) The existing coal linkages granted from CIL/SCCL would not be disturbed in any way with coal mined from Ichhapur and Kulti block.
- (viii) Any violation of the conditions imposed above in mining and disposing of coal from the Ichhapur and Kulti coal block will render the mining lease liable for cancellation.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Government of India

Copy to

1. Secretary, Ministry of Power, Government of India, New Delhi.
2. Chief Secretary, Government of West Bengal, Kolkata.
3. Chairman, CIL, Kolkata / CMD, CMPDIL, Jharkhand.
4. Coal Controller / Office Folder.

	EVENT	TIME LIMIT in months from '0' date
1.	Purchase of GR	1.5
2.	Mining Lease Application	3
3.	Mining Plan submission	6
4.	Mining Plan approval	8
5.	Previous approval application	11
6.	Previous approval	11
7.	Forest Clearance application	12
8.	Forest Clearance	18
9.	Environment Clearance Application	12
10.	Environment Clearance	18
11	Mining Lease grant	24
12	Land acquisition begin	9, 19
13	Land Acquisition	30, 36
14	Opening permission application	34, 40 for OC 46, 52 for UG
15	Opening permission grant	35, 41 for OC 47, 53 for UG
16	Production	36, 42 for OC 48, 54 for UG
17	Reaching Rated Capacity	

33 2

(ANNEXURE - II) X

SHOW CAUSE NOTICE

No.13011/39/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 4th May, 2012

To

M/s West Bengal Mineral Development & Trading Corporation (WBMDTC)
13, Nillie Sengupta Sarani, Lindsay Street,
2nd Floor, P.B.NO. 9026,
Kolkata- 700 087

Subject: Show cause notice in respect of Ichapur coal block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 02.08.2006 conveying allocation of Ichapur 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 grant of previous approval, Forest Clearance, EMP, Mining Lease and Land Acquisition are pending for Ichapur coal block. The

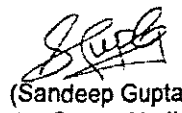


company has repeatedly failed to keep its promises made to the Ministry and is thus non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	2.11.2008 (27 Months)	26.12.2011	3Yrs 1 Month
Submission of Bank Guarantee	NA	-	
Mining Lease Application	2.2.2009	26.3.2012	3Yrs 1 Month
Submission of Mining Plan	2.5.2009	Pending.	2Yrs 10 Months (as on 3/2012)
Approval of Mining Plan	2.7.2009	Pending.	2Yrs 8 Months (as on 3/2012)
Application of Previous approval	2.9.2009	Pending.	2Yrs 6 Months (as on 3/2012)
Granting of Previous approval	2.10.2009	Pending.	2Yrs 5 Months (as on 3/2012)
Application of Forest clearance	2.11.2009	Pending.	2Yrs 4 Months
Grant of Forest Clearance	2.5.2010	Pending.	1Yrs 10 Months (as on 3/2012)
Application EMP Clearance	2.11.2009	21.9.2011	1Yr 10 Months
Grant of EMP Clearance	2.5.2010	Pending.	1Yrs 10 Months (as on 3/2012)
Grant of Mining Lease	2.11.2010	Pending.	1Yr 4 Months (as on 3/2012)
Application of Land Acquisition	2.6.2010	Pending.	1Yrs 9 Months (as on 3/2012)
Completion of Land Acquisition	2.11.2011	Pending.	4Months (as on 3/2012)
Application for opening permission	2.3.2013	Pending.	-
Grant of Opening permission	2.4.2013	Pending.	-
Coal Production	2.5.2013 (54 Months)	Pending.	-

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 Ichapur 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 Ichapur coal block.



(Sandeep Gupta)
Under Secretary to the Govt. of India

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

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. West Bengal Mineral Development & Trading Corp. Ltd.
2. Name of Coal Block :- Ichapur (RE)
3. Date of Allocation :- 2.8.2006
4. Location :- Ranigunj, WB.
5. Total investment :- Not yet estimated
6. Investment Made (6/12) :- Rs. 33.0 Cr
7. Reserve (Mill tonnes) :- Geological:- 735.77 MT
8. Grade of coal :- A to G
9. Yearly rated capacity (MTPA) :- Not available
10. Cost of GR :- Not mentioned in the status report
11. BG Amount :- Not applicable (BG not mentioned in the allocation letter because BG introduced for Govt. block in June' 2007).
12. Type of EUP :- Commercial (as per allocation letter)
13. Location of Project :- Coal supply to the project within the state.
14. Capacity of Project :- Not applicable
15. Explored/Un explored :- Regionally explored
16. Zero Date :- 02.08.2006 (As per allocation letter zero date considered 02.08.2006 i.e. from the date of allocation of coal block).
17. Types of mine (OC/UG/Mix) :- UG
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	2.11.2008 (27 months)	26.12.2011	3Yrs 1 Month	Due to regionally explored	
Submission of Bank Guarantee	NA	-		BG introduce from June '2007 for govt Block.	
Mining Lease Application	2.2.2009 3 months from GR	26.3.2012	3Yrs 1 Month		
Submission of Mining Plan	2.5.2009 6 months from GR	Pending.	3 Yrs 1 Month		
Approval of Mining Plan	2.7.2009 8 months from GR	Pending.	2Yrs 11 Months		
Application of Previous approval	2.9.2009 10 months from GR	Pending.	2Yrs 9 Months		

Prepared by
D.L.

Checked by
B.S.

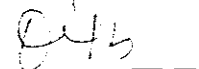
Coal Controller
Kolkata




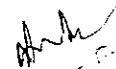
Application of previous approval	2.10.2009 11 months from GR	Pending.	2Yrs 8 Months		
Application of Forest clearance	2.11.2009 12 months from GR	Pending.	2Yrs 7 Months		
Grant of Forest Clearance	2.5.2010 18 months from GR	Pending.	2Yrs 1 Month		
Application EMP Clearance	2.11.2009 12 months from GR	21.9.2011	1Yr 10 Months		
Grant of EMP Clearance	2.5.2010 18 months from GR	Pending.	2Yrs 1 Month		
Grant of Mining Lease	2.11.2010 24 months from GR	Pending.	1Yr 7 Months		
Application of Land Acquisition	2.6.2010 19 months from GR	Pending.	2 Years		
Completion of Land Acquisition	2.11.2011 36 months from GR	Pending.	7 Months		
Application for opening permission	2.3.2013 52 months from GR	Pending.	-		
Grant of Opening permission	2.4.2013 53 months from GR	Pending.	-		
Production	2.5.2013 (54 Months)	Pending.	-	Underground including forest land.	

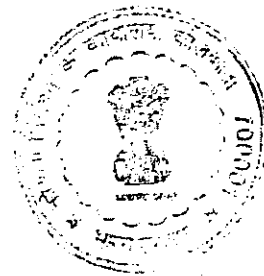
Other information and constraint faced by the block allocates

GR Completed.
 Preparation of Mining Plan is reportedly been complete.
 Land Acquisition . will be taken up after Approval of Mining Plan

Prepared by


Checked by



 STATE ENGINEER
 JOHN COOPER





27-31

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WEST BENGAL
MINERAL
DEVELOPMENT
& TRADING
CORPORATION LIMITED

13, Nellie Sengupta Sarani, 2nd Floor, Kolkata -
700 087. Phone No. 3012-1207 / 1201 / 1202.
Fax. 22521653, E-mail: wbdctcltd@gmail.com

To whom it may concern

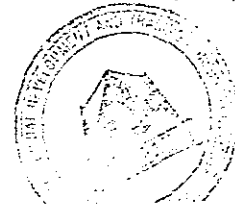
This is to certify that based on the information available to us, the following expenditure have been incurred for exploration and other allied activities in connection with following Coal Blocks allocated by the Ministry of Coal, Government of India, in favour of the West Bengal Mineral Development & Trading Corporation Ltd :-

Name of Coal Block	Expenditure (Rs. In Crore)
Jagannathpur 'A'	11.54
Jagannathpur 'B'	6.68
Kulti	<u>32.12</u>
Sitarampur	28.55
Ichhapur	<u>34.12</u>
TOTAL	113.01

(Rupees One Hundred Thirteen Crore and One Lakh only).

Shri Somesh Kumar Mukhopadhyay 06.10.2012

(Shri Somesh Kumar Mukhopadhyay)
Advisor (F&A)



27-28

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Ichhapur and Kulti

Sl No	Items	Remarks
1	Name Of the Block	Ichhapur and Kulti coal blocks
2	Name Of the allocate	M/s West Bengal Mineral Development & Trading Corporation Limited (WBMDTCL).
3	Date Of allocation	2 nd August, 2006
4	End -use Plant	JSW Bengal Steel Ltd is the purchaser of 100% coal from Kulti coal blocks and JSW Energy (Bengal) Ltd is the purchaser of 100% coal from Ichhapur coal block
5	Important terms and conditions of allocation	As per the allocation letter dated 2 nd August, 2006.
6	Milestones of allocation /Slippages against Milestones as stated in the SCN	Status of CCO, Kolkata is enclosed.
7	History Previous review / action	<p>In Review Meeting held on 25/26.03.2008 it was noted that exploration by MECL started. As GR for Kulti is expected by March, 2009 and Ichhapur by Feb, 2011. Committee asked to take simultaneous exploration for the block.</p> <p>In Review meeting held on 15/16.10.2008 it was noticed that exploration is carried out by MECL. GR of Kulti is expected by March, 2009 and Ichhapur by 2011. Assured to start production by 2015-16.</p> <p>In the Review Meeting 22/23.06.2009 it was noted that It is an unexplored block. All activities are pending. In Kulti, MECL is exploring, will be complete by another six months.</p> <p>In the Review Meeting 20/21.07.2010 it was noted that unexplored. Representative informed that drilling operation suspended due to withdrawal of MECL. Anew Chinese company engaged in exploration work. Coal will be utilized to the upcoming steel plant in WB.</p>
7	Condonation of delay or extension of Zero date granted if any and permissible grace period if any whether any request for Condonation is pending with the Ministry	NO
8	Litigation any orders of the court, if any	NO



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	Summary of reply of the company including reasons for delay	M/s WBMDTC has appointed M/s JSW Natural Resources Bengal Ltd. as contractor/MDO to explore and mine Ichhapur and Kulti coal mines. The exploration in respect of these blocks has been completed and Mine Plan submitted to MOC. Subject to approval of mining plan, environmental clearance WBMDTC undertakes to commence trial production of coal.
10	Comments of MOC with the respect to issue pertaining to delay in purchase of GR, transfer of surface rights by coal companies, sanction of mining plan etc.	
11	Investment made in mining and end use plants	CA certificate is enclosed.



1. Name of Company:-M/s West Bengal Mineral Dev. And Trading Corporation Ltd.
2. Name of Coal Block:-Ichhapur (Regionally Explored)
3. Date of Allocation:- 02.08.2006
4. Normative Date of production:-02.05.2013(as per allotment letter)
5. Status of Mine Plan:- MP pending
6. Yearly Rated Capacity:- 2 MTPA (as per GR)
7. Grade of Coal:- A to G (as per status report submitted by the company)
8. BG Amount:- To be determined on the basis of one year royalty as recommended by IMG

ANNEXURE-I

9. **Recommendation:** Taking into account all factors, IMG does not consider it appropriate to recommend de-allocation of the coal blocks at this stage. However, in view of the slippages in achievement of 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.

Ichhapur Coal Block is in the state of West Bengal, the rate of royalty applicable in West Bengal as per MOC's notification dated 10.05.2012 (copy enclosed) is different from the other states of India. The rate of royalty for non-coking coal having GCV (Kcal/Kg) range of 6701 and above is Rs. 6.50 only per tonne in West Bengal.

In case of Ichhapur block, the grade of coal is varies from A to G having GCV range (4030-7230) (Kcal/Kg). Peak rated capacity of the mine is 2 MTPA.

(as suggested
by
CNPDL)

Therefore, taking the higher side of GCV range and corresponding rate of royalty, the amount of one year royalty would be $Rs.6.5 \times 2MTPA = Rs. 13 \text{ million} = Rs. 1.3 \text{ crores only}$

Bank Guarantee on the basis of one year royalty=Rs.1.3 crore (Rupees One crores and thirty lakhs only)

BSR
A
J
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8/5/13

MINISTRY OF COAL

NOTIFICATION

New Delhi, the 10th May, 2012

G.S.R. 349(E).—In exercise of the powers conferred by sub-section (5) of section 9 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following further amendment in the Second Schedule to the said Act, namely:—

In the Second Schedule to the said Act, for item 11 and the entries relating thereto, the following item and entries shall be substituted, namely:—

11. COAL :

A. Coal produced in all the States and Union territories except the State of West Bengal.

(1) Royalty on Coal:

The rate of royalty on coal shall be 14% (fourteen percent) ad-valorem on price of coal, as reflected in the invoice, excluding taxes, levies and other charges.

(2) Royalty on Lignite:

The rate of royalty on lignite shall be 6% (Six percent) ad-valorem on transfer price of lignite, as ratified by the Central Electricity Regulatory Commission (CERC) and for lignite sold to other consumers, the royalty shall be 6% (Six percent) ad-valorem on the price of lignite as reflected in the invoice, excluding taxes, levies and other charges.

(3) Royalty on coal and lignite produced from captive mines:

For calculating royalty on coal and lignite produced from captive mines, the price of coal and lignite shall mean the basic pithead price of Run of Mine (ROM) coal and lignite, as notified by the Coal India Ltd. Singareni Collieries Company Ltd. Neyveli Lignite Corporation, for similar Gross Calorific Value (GCV) of coal or lignite for the mines, nearest to that captive mine;

Provided that for the coal and lignite produced from the coal and lignite blocks, allocated under the Government dispensation route for commercial use, the respective ad-valorem royalty shall be applicable on the price notified by the respective State Governments.

(4) Adjustment of royalty against levying of cess:

For the States other than West Bengal, for the levy of cess or other taxes specific to coal bearing lands, the royalty allowed shall be adjusted for the local cesses or such taxes, so as to limit the overall revenue yield.

B. Coal produced in the State of West Bengal:

Group	Quality of Coal	Royalty on coal in Rupees per tonne
Group-I	Steel Gr-I	Seven rupees and paise only per tonne
	✓ Steel Gr-II	
	Washery-I	
	Direct Feed	
Group-II	Washery-II	Six rupees and fifty paise only per tonne
	Washery-III	
	Semi-Coking Gr-I	
	Semi-Coking Gr-II	
	✓ Non-Coking Coal having GCV (Kcal/Kg) range of 6701 and above	
	Non-Coking Coal having GCV (Kcal/Kg) range of 6401-6700	
	Non-Coking Coal having GCV (Kcal/Kg) range of 6101-6400	
Group-III	Washery-IV	Five rupees and fifty paise only per tonne
	Non-Coking Coal having GCV (Kcal/Kg) range of 5801-6100	
	Non-Coking Coal having GCV (Kcal/Kg) range of 5501-5800	
	Non-Coking Coal having GCV (Kcal/Kg) range of 5201-5500	
Group-IV	Non-Coking Coal having GCV (Kcal/Kg) range of 4901-5200	Four rupees and thirty paise only per tonne
	Non-Coking Coal having GCV (Kcal/Kg) range of 4601-4900	
	Non-Coking Coal having GCV (Kcal/Kg) range of 4301-4600	
Group-V	Non-Coking Coal having GCV (Kcal/Kg) range of 4001-4300	Two rupees and fifty paise only per tonne
	Non-Coking Coal having GCV (Kcal/Kg) range of 3701-4000	
	Non-Coking Coal having GCV (Kcal/Kg) range of 3401-3700	
	Non-Coking Coal having GCV (Kcal/Kg) range of 3101-3400	
	Non-Coking Coal having GCV (Kcal/Kg) range of 2801-3100	

Explanation:

1. For the purpose of grading of coal, the specification of each grade of the coal shall be as prescribed under rule 3 of the Colliery Control Rules, 2004
2. The Notification shall come into force on the date of its publication in the Official Gazette "

[F. No. 28019/1/2009-CA-II]

A. K. BHALLA, Jt. Secy.

The Second Schedule was first amended vide G.S.R. No. 458 (E) dated the 05th May, 1987 and last amended vide G.S.R. 46 (E), dated the 24th January, 2012

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CHHAPUR

Geological Reserve=735.77 MT
Extractable Reserve=347.42 MT
Peak capacity=2 MTPA
GCV=4020-6965 kcal/kg

KULTI + SITARAMPUR

IT IS A COMBINED PROJECT WITH ONE ENTRY TO underground
Geological Reserve=269.19+209.04=478.23 MT
Extractable Reserve=64.67+67.36=132.03 MT
Peak capacity=1+1=2 MTPA
GCV=4030-7230 kcal/kg AND 2960-6890 kcal/kg