

F.No 47011/1(13)/2001-CPAM- CA-I(PART)  
Government of India  
Ministry of Coal

.....

New Delhi, dated 7<sup>th</sup> March, 2014

To  
The Managing Director  
M/s Bhushan Steel & Power Limited  
4<sup>th</sup> Floor, Tolstoy House 15-17,  
Tolstoy Marg, Connaught Place,  
New Delhi -110001

**Subject: Introduction and submission of Bank Guarantee in respect of Jamkhani coal block in the State of Odisha allocated to M/s Bhushan Power & Steel Limited (Formerly M/s Bhushan Limited) -Regarding.**

Sir,

I am directed to refer to this Ministry's allocation letter No.47011/1(13)/2001-CPAM/CA dated 12<sup>th</sup> November, 2003 (**Annexure -I**) and to this Ministry's show cause notice No. 47011/1(13)/2001-CPAM dated 10<sup>th</sup> June, 2013 (**Annexure- II**) and your reply to the show cause notice and the Presentation made/ documents submitted by you on 24<sup>th</sup> and 25<sup>th</sup> October, 2013 before the Inter Ministerial Group (IMG) on the above subject.

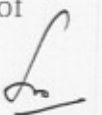
2. Jamkhani coal block in the State of Odisha has been allocated to M/s Bhushan Power & Steel Limited ( Formerly M/s Bhushan Limited )vide this Ministry's letter dated 12th November, 2003 conveying in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions.

"3 (x) 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."

3. The progress of the allocated coal block as well as linked/associated end use project has been reviewed by the Ministry through an Inter-Ministerial Review Committee from time to time wherein the allocatee company give 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 Committee Meeting held on 20/21.07.2010 the Committee noted that important/critical milestones such as land acquisition and R&R are still pending. A show cause notice was issued on 23.09.2010. The reply was considered by the Review Committee and the reasons given for the delay were not found convincing. Therefore, with the approval of the competent authority, it was decided to issue warning to M/s Bhushan Power & Steel Limited in respect of Jamkhani coal block. A warning letter was issued on 29.06.2011.

... 21 -



(ii) In the Review Committee meeting held on 11/12.01.2012 the Committed noticed that the progress of Jamkhani coal block allocated to the company was not satisfactory. The Committee expressed concern over the unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

4. In the meantime, the Government constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the chairpersonship 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 18th meeting held on 01.05.2013 *inter alia* considered the status of the development of the Jamkhani coal block prepared by the Coal Controller's Organisation (CCO) as on 31st December, 2012 and noted that no significant progress had been made by your company towards development of the coal block. It was noticed that a number of important/critical milestones were pending. Keeping in view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government. A show cause notice was issued on 10<sup>th</sup> June, 2013.

5. The case of the allocatee company was referred to IMG. Accordingly, the IMG gave opportunity to the allocatees to make a Presentation before it on the progress of development of allocated coal block and associated end use project. The representatives of the allocatee company gave presentation on **23<sup>rd</sup>/24<sup>th</sup> October, 2013** before the IMG. The IMG considered the presentation and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation (**June 2013**) (**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 June'13)	Remarks	Special observation
Purchase of GR	27.12.2003 (45 days)	5.5.2005	-		
Submission of Bank Guarantee	NA	Not applicable		As BG introduced in March.2005	
Mining Lease Application	12.2.2004 (3 months)	20.6.2005	1yr 3 months	ML application is processed with Govt of Orissa.	

...31-  
L

Submission of Mining Plan	12.5.2004 (6 months)	Nov.2005	1yr 6 months		
Approval of Mining Plan	12.7.2004 (8 months)	14.7.2006	2yrs		
Application of Previous approval	12.9.2004 (10 months)	Pending	8yrs 9 months		
Granting of Previous approval	12.10.2004 (11 Months)	Pending	8 yrs 8 months		
Application of Forest clearance	12.11.2004 (12 months)	30.8.2005	9 months	Mostly under forest.	
Grant of Forest Clearance	12.5.2005 (18 months)	20.12.2012	7Yrs 7 Months	212 Hec forest land. Stage-II forest clearance obtained.	Recommendation of State Govt for Stage-II clearance in safety zone area has been sent to MOEF.
Application EMP Clearance	12.11.2004 (12 months)	16.3.2006	1yr 4 months		
Grant of EMP Clearance	12.5.2005 (18 months)	24.9.2008	3Yr 4 Months		
Grant of Mining Lease	12.11.2005 (24 months)	Pending	7yrs 7months		Under process with Govt of Orissa.
Application of Land Acquisition	12.6.2005 (19 months)	15.6.2005	-		
Completion of Land Acquisition	12.11.2006 (36 months)	Pending	6 Yrs 7 months		
Application for opening	12.3.2007	Pending	6yrs 3 months		

...4/-  
L



permission	(40 Months)				
Grant of Opening permission	12.4.2007 (41 month)	Pending	6yrs 2 months		
Coal Production	12.5.2007 (42 Months)	Pending	6yrs 1 months	OC mine with forest land	Coal production depends on execution of ML.

6. After detailed deliberations, the 23<sup>rd</sup> IMG made its recommendation for **imposition of Bank-Guarantee (BG) on the allocatee in order to expedite the production from Jamkhani coal block.** The recommendations made by the IMG is as follows:-

**"12. JAMKHANI COAL BLOCK allocated to M/s BHUSHAN STEEL & POWER LTD. (formerly M/S. BHUSHAN LTD.)**

*Jamkhani coal block was allocated to M/s Bhushan Steel & Power Ltd. (formerly M/s Bhushan Ltd.) on 12.11.2003. The normative date of production as per Coal Controller's Organisation (CCO) report was 12.05.2007. The progress of block development was reviewed by the IMG in its 18<sup>th</sup> meeting held on 01.05.2013 and as per the recommendations of the IMG, the allocatee company was issued a show cause notice (SCN) vide MoC's letter dated 10.06.2013. The reply of the allocatee company to the SCN dated 28.06.2013 was sent to the State Govt. for comments. However comments of the State Govt. were not received.*

*The IMG considered the terms and conditions of allocation, the show cause notice issued, the reply of the block allocatee to the show cause notice issued, status report of CCO, presentation made by the allocatee company on 24.10.2013 along with the status paper presented to the IMG.*

*IMG noted that as per CCO's status report, GR purchased, mining plan approved, EC and FC obtained; however, there have been delays in achieving milestone. Previous approval of Central Govt., grant of mining lease, mine opening permission and coal production are pending.*

*The IMG considered the reply of the allocatee to the show cause notice wherein the allocatee has mainly stated that the milestones required for the development of the allotted Jamkhani Coal Block have already been achieved by them except only for the granting of Mining Lease, which is pending with the Government of Odisha. The Company also submitted that the entire land acquisition has also been fully completed and as evidence, copies of land possession certificates issued by Divisional Head, IDCO, Rourkela were provided by the Company in their reply. Further, the company submitted that they have done more than satisfactory progress in the development of the Jamkhani Coal Block and implementation of its*

...51-  
/

- 5 -

related EUP is also fully complete. The commencement of coal mining is waiting only for grant of Mining Lease which is pending with Government of Odisha.

As per CA certificate submitted by the company, investment made in coal block till 30.09.2013 is Rs.290.88 crs. No CA certificate on investment made in EUP has been given.

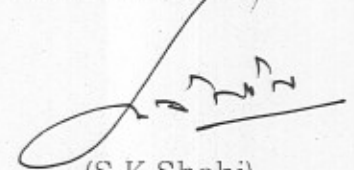
**Recommendation: Taking into account the facts brought before it including the fact that EC and FC obtained and land acquired and grant of mining lease and mine opening permission are pending as well as the fact that against scheduled date of production of 12.05.2007, mine is not yet opened, IMG recommends imposition of Bank Guarantee (BG) on the allocatee in order to expedite the development and production from the coal block."**

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

8. Accordingly, it is decided to direct that the Bank Guarantee be furnished by the allocatee company. The Bank Guarantee (BG) as calculated by Coal Controller's Office to the extent of **Rs. 34.58 Crore (Rupees Thirty four crores and fifty eight lakhs only)** equal to one year royalty is to be deposited in the Office of the Coal Controller, Kolkata. (The calculation of BG to be imposed is given in **Annexure -IV**).

Encls: As above.

Yours faithfully,



(S.K. Shahi)  
Director

Tel. 23382807

Copy to:-

1. The Chief Secretary, Government of Odisha, Secretariat, Bhubaneswar.
2. The Secretary, Ministry of Steel, Udyog Bhawan, New Delhi
3. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
3. The Coal Controller's Organisation, 1, Council House Street, Kolkata\_for necessary action at their end
4. The Chairman, Coal India Limited, 10- Netaji Subhash Road, Kolkata.
5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Ashok Kumar  
Ameex - I  
3

NO. 47011/1(13)/2001-CPAM/CA  
GOVERNMENT OF INDIA  
MINISTRY OF COAL

....  
New Delhi, dated the 12<sup>th</sup> November, 2003.

To

M/s. Bhushan Limited,  
F-Block, 1<sup>st</sup> Floor,  
International Trade Tower,  
Nehru Place,  
New Delhi.

Subject : Allocation of Jamkhani coal block for sponge iron plant of 0.68 mtpa and 135MW captive power plant at Lapanga, Orissa to M/s. Bhushan Limited.

Sir,

I am directed to refer to your letters dated 14.5.2001, 31.5.2001, 26.11.2001, 18.4.2002, 19.8.2002, 5.5.2003, 22.5.2003 and 5.6.2003 regarding your proposal for allotment of a coal block to meet your requirement of coal for 0.68 mtpa sponge iron plant and 135 MW CPP at Lapanga, Orissa and to state that your proposal was considered in 21<sup>st</sup> meeting of the Screening Committee which was held on 19.8.2003. After detailed consideration, the Screening Committee has agreed to identify Jamkhani coal block and has decided to allocate the Jamkhani block to the company subject to the following conditions :-

- (i) All coal mined from this block shall exclusively be used by the company to meet the requirement of their 2.6 mtpa of coal for 0.68 mtpa sponge iron plant and 135 MW CPP.
- (ii) The setting up of the proposed sponge iron plant Phase-I will be completed by the Company by February, 2005 and Phase-II by November, 2005 as per the bar chart submitted by the Company. The company shall submit the bar chart regarding installation of their 135 MW captive power plant and a report on the progress of acquisition of land with reference to their letter No. BL:CIL:2003-04 dated 5.5.03 and the item no 1 of the bar chart submitted by the company, to this Ministry within 30 days.
- (iii) No production of coal will start before the end-use plant comes into operation by the Company.
- (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.
- (v) Allocation of coal block may be cancelled in case of unsatisfactory progress of implementation of their proposed end use plant, development of captive coal mine or any of them.



523  
3. The allotment of the captive blocks will also be subject to the following conditions:-

- (i) The end use for which coal mined from the captive block should be utilized and all the conditions imposed by the Central Government mentioned in this letter conveying offer by the Screening Committee of captive block to M/s. Bhushan Ltd., may be clearly specified in the mining lease.
- (ii) 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.
- (iii) In case the captive block has been offered for washing-cum-end use, the deed must clearly specify that the beneficiated coal from the washery will exclusively be used for the end use 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.
- (iv) The allottee would furnish to this Ministry detailed plan for disposal of unusables 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.
- (v) No coal shall be sold, delivered, transferred or disposed of except for the stated captive mining purpose except with the previous approval of the Central Government in writing.
- (vi) There should be complete synchronization between the captive coal mining operations and the development of end-use plant 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.
- (vii) Approval of mining plan shall be considered only after financial closure for the end use project is achieved.
- (viii) Existing coal linkage from CIL/SCCL, if any, would not be disturbed in any way with the coal mined from the allocated block.
- (ix) Further, detailed exploration of the block, shall be carried out by CMPDIL or under its direct supervision, on payment basis by the applicant. Prospecting is to be carried out on payment basis by the

524/10  
ST

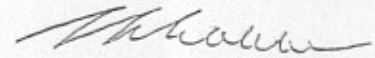
CMPDIL. The mineable reserves are estimated to meet the requirement of the applicant, however, in case the mineable reserves fall short of the requirement, the applicant can apply for additionality without making it a cause for delaying the proposed end use project or development of the allocated block.

(x) 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 the end use project and the development of the allocated block should be reported to this Ministry every 3 months from date of issuance of this letter.

5. The company may approach CIL for more detailed information, 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,

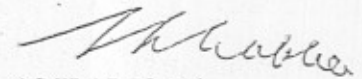


(S.K. Kakkar)

*e/c* Under Secretary to the Govt. of India.

Copy to:-

- 13/01*
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., PO UCE, Jagriti Vihar, Burla, Dist. Sambalpur, Orissa.
  4. Ministry of Steel (Dr. S.N. Dash, Jt. Secretary), Udyog Bhawan, New Delhi.
  5. Ministry of Power (Shri Ajay Shankar, Jt. Secretary), Shram Shakti Bhawan, New Delhi.
  6. Ministry of Railways, Railway Board (Sh. M.S. Mathur, Joint Director (TP)) Rail Bhawan, New Delhi.
  7. Chief Secretary, Government of Orissa, Secretariat, Bhubaneshwar.



(S.K. Kakkar)

*e/c* Under Secretary to the Govt. of India.

*Recd. for Bhushan Ltd. e/c*

*R. Sharma*  
*12/11/03*  
*Manager - Materials*  
*Sharma*  
*-8-*



No.47011/1(13)/2001- CPAM/CA-I ( Vol-II)  
Government of India  
Ministry of Coal

New Delhi, dated 10<sup>th</sup> June, 2013

To

The Managing Director,  
M/s. Bhushan Steel & Power Limited,  
4th Floor, Tolstoy House 15-17,  
Tolstoy Marg, Connaught Place,  
New Delhi- 110 001

*[Handwritten signature and date]*  
10/6/13  
S. ISPV

**Subject: Show cause notice in respect of Jamkhani coal block.**

Sir,

I am directed to refer to this Ministry's letter No.47011/1(13)/2001-CPAM/CA dated 12th November, 2003 conveying allocation of **Jamkhani** coal block in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions. As per the allocation letter *ibid*, clause (v), allocation of coal blocks may be cancelled in case of unsatisfactory progress of implementation of the proposed end use plant, development of captive coal mine or any of them.

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 progress of the **Jamkhani coal block** allocated to company was not satisfactory. The Committee expressed concern over unsatisfactory progress and advised to expedite the development of the coal block. Accordingly, a caution letter dated 26.04.2012 was issued to the company with the direction to expedite the development of the coal block and be careful in future with respect to the milestones stipulated.

3. In the meantime, the Government constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the chairpersonship of Additional Secretary, Ministry of Coal having members from Ministry/Department of Power, Steel, Industrial Policy & Promotion, Legal Affairs and Economic Affairs. 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. IMG in its 18th meeting held on 01.05.2013 *inter alia* considered the status of the development of the Coal Block prepared by the Coal Controller's Organisation (CCO) as on 31st December, 2012 and noted that no significant progress has been made by your company towards development of the **Jamkhani coal block**. The IMG noted that Land Acquisition are still pending in your case. Keeping in view the unsatisfactory progress, IMG

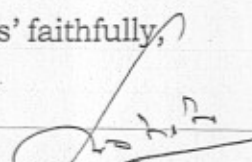
....2....

recommended issuing 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 various stages for development of coal block, to this Ministry within a period of 20 days from the date of issue of this show cause notice as to why the delay in the development of coal block should not be held as violation of the terms and conditions of the allotment of **Jamkhani coal block** failing which it would be presumed that your company has no explanation to offer and action as appropriate would be taken for de-allocation of **Jamkhani 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, Kolkata.
- (ii) NIC, M/o Coal for uploading the letter on Ministry's website .

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

21. Name of Company:- M/s. Bhusan Power & Steel Ltd.  
 22. Name of Coal Block:- Jamkhani (Explored)/Pvt  
 23. Name of Owner/Address:- Director, Jamkhani, Distt Sundergarh Odisha  
 24. Date of Allocation:- 12.11.2003  
 25. Location: IB Valley, Orissa  
 26. Project cost:- Rs. 127 Cr.  
 27. **Total investment made Cr (As per CA report) :- Rs. 283.66 Cr. (As on June'13)**  
 28. Reserve (Mill tonnes):- 132 (Geological)  
 29. Mineable Reserve:- 115  
 30. Yearly rated capacity (MTPA):- 2.6  
 31. Grade of Coal:- G  
 32. Cost of GR:- Rs. 3.84Cr.  
 33. BG Amount :- Not applicable. (BG introduced in March.2005)  
 34. Type of EUP: SIP & CPP  
 35. Location of Project: Sambalpur  
 36. Capacity of Project:- 0.68 mtpa SIP and 135 MW CPP at Orissa  
 37. Explored/Un explored:- Explored  
 38. Type of Mine:- OC  
 39. Zero Date:- 12.11.2003 (As per block allocation letter)  
 40. **Previous Recommendation, if any:-** Caution notice issued by MOC as per decision of review meeting dated 11/12.1.2012. Again in 18<sup>th</sup> IMG held on 01.05.2013 advised to issue show cause notice.

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on June'13)	Remarks	Special observation
Purchase of GR	27.12.2003 (45 days)	5.5.2005	-		
Submission of Bank	NA	Not applicable		As BG introduce	



Guarantee				d in March.20 05	
Mining Lease Application	12.2.2004 (3 months)	20.6.2005	1yr 3 months	ML application is processed with Govt of Orissa.	
Submission of Mining Plan	12.5.2004 (6 months)	Nov.2005	1yr 6 months		
Approval of Mining Plan	12.7.2004 (8 months)	14.7.2006	2yrs		
Application of Previous approval	12.9.2004 (10 months)	Pending	8yrs 9 months		
Granting of Previous approval	12.10.2004 (11 Months)	Pending	8 yrs 8 months		
Application of Forest clearance	12.11.2004 (12 months)	30.8.2005	9 months	Mostly under forest.	
Grant of Forest Clearance	12.5.2005 (18 months)	20.12.2012	7Yrs 7 Months	212 Hec forest land. Stage-II forest clearance obtained.	Reco mme ndati on of State Govt for Stage- II cleara nce in safety zone area has been sent

					to MOEF
Application EMP Clearance	12.11.2004 (12 months)	16.3.2006	1yr 4 months		
Grant of EMP Clearance	12.5.2005 (18 months)	24.9.2008	3Yr 4 Months		
Grant of Mining Lease	12.11.2005 (24 months)	Pending	7yrs 7months		Under process with Govt of Orissa
Application of Land Acquisition	12.6.2005 (19 months)	15.6.2005	-		
Completion of Land Acquisition	12.11.2006 (36 months)	Pending	6 Yrs 7 months		
Application for opening permission	12.3.2007 (40 Months)	Pending	6yrs 3 months		
Grant of Opening permission	12.4.2007 (41 month)	Pending	6yrs 2 months		
Coal Production	12.5.2007 (42 Months)	Pending	6yrs 1 months	OC mine with forest land	Coal production depends on execution of ML.

Observation of Field Office of CCO during inspection of the block	
Date of Inspection	29.11.2012
Infrastructure development	As per site inspection carried out by OSD Office, Ranchi, & Dhanbad it was reported that infrastructure has been developed
Activities related to coal transportation	The Road has been constructed. Company has also process in the development of Pvt railway siding at Hemgir Station
Presence of mining equipment.	• Yes
Any sign of mining activities.	• No
Escrow A/c for mine closure	• No
Other activities	Company has done some CSR activities by way of construction of 460 no flats in R & R colony for villagers, PCC/RCC drain, water tank for drinking water and school building, Health care centre etc.
Engagement of MDO	MDO has been identified by the company.

- **Mining lease :-** Mining lease application is under consideration with Odisha Government.
- Mine Closure Plan: *Mine closure plan approved on 27.6.2013*
- *Stage-II forest clearance for 58.92 Ha has been accorded by MOEF on 20.12.2012. As per guidelines issued by State Govt, FDP is also required for forest falling within safety zone. Meagre safety zone area of 1.05 Ha for which stage-I clearance has been approved by MOEF on 4.3.2013. Recommendation of State Govt for stage-II clearance has been sent to MOEF on 25.3.13.*

Land:- 80% payment to Girisuan villagers for 244.93 acres land , collector has executed lease deed in favour of IDCO and handed over possession. Rehabilitation is completed for start for mining. Total Land: 1000 Ha. **Pvt land:** 549 Ha **Forest land:** 212 Ha. **Govt land:** 239 Ha.

EUP: 0.68 mtpa Sponge Iron Plant and 135 MW CPP at Sambalpur Orissa is operating. Financial closure completed.



1. Name of Company:-M/s Bhusan Steel & Power Ltd. (formerly M/s Bhushan Ltd.)
2. Name of Coal Block:- Jamkhani
3. Date of Allocation:- 12.11.2003
4. Normative Date of production:-12.05.2007
5. Yearly Rated Capacity:- 2.6 MTPA
6. Grade of Coal:- F
7. BG Amount:- To be determined on the basis of one year royalty as per practice
8. Recommendation: IMG recommends imposition of Bank Guarantee on the allocatee in order to expedite the development and production from coal block.

As per mine plan, the insitu coal being mostly grade F (93.68%), the ROM is expected to give almost F grade.

Therefore, the average grade is considered for BG calculation is taken as F grade  
GCV band of F grade coal is (3865-4324) Kcal/Kg  
Average GCV = (3865+4324)/2=4094.5 Kcal/Kg

Price/Tonne for GCV of 4094.5= Rs.950/- (As per CIL Notification No.CIL:S&M:GM (F):Pricing:235 dt.27.05.2013)

Royalty/Tonne=Rs.950x14%= Rs.133/- (Royalty rate =pricex14% as per gazette notification No. G.S.R.349(E) dt.10.05.2012)

The Royalty for Peak rated capacity of 2.6 MT/year=Rs. 133x2.6 Million =Rs.345.8 Million = Rs.34.58 Crore

Bank Guarantee may be asked to submit for one year royalty=Rs.34.58 Crore ( Rupees thirty four crores and fifty eight lakhs only)

*[Signature]*  
13.01.2014

*[Signature]*  
18/1/14

*[Signature]*  
17/1/2014

*[Signature]*  
21/1/14

