

Speed Post

**No.13016/85 /2006-CA-I
Government of India
Ministry of Coal**

New Delhi, dated 9th April, 2013

To

1. The Managing Director
M/s Orissa Mining Corporation(OMC),
Bhubneswar.

2. The Managing Director,
M/s Andhra Pradesh Mineral Development Corporation (APMDC)
Pancom Business Centre, 2nd & 3rd Floors,
8.3.945 Ameerpet, Hyderabad- 500 073
Hyderabad.

Sub: Submission of Bank Guarantee (BG) in respect of Nuagaon Telishai coal block in the State of Orissa allotted to M/s Orissa Mining Corporation (OMC) and M/s Andhra Pradesh Mineral Development Corporation (APMDC) - Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/23/2006-CA-I dated 2nd August, 2006 (**Annexure-I**) and to this Ministry's show cause notice letter No. 13011/21/2012-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 9th October, 2012 before the Inter Ministerial Group (IMG) on the above subject.

2. Nuagaon Telisahi coal block located in the State of Orissa was allocated to M/s Orissa Mining Corporation (M/s OMC) and M/s Andhra Pradesh Mineral Development Corporation (M/s APMDC) 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.(viii) the following is stipulated:-

“(viii) Any violation of the conditions imposed above in mining and disposing of coal from the Nuagaon Telisahi coal block will render the mining lease liable for cancellation.”

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 gave 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 it was an unexplored block. Application had been submitted for PL to the Government of Orissa, MECL and exploration would be completed and GR would be prepared by December, 2009.
- ii. In the Review Meeting held on 15/16.10.2008, it was noted that it was an unexplored block. Application had been submitted for PL to Govt. of Orissa, MECL will complete exploration and prepare GR by Dec, 09. Only JVC formed as reported by the representative since last review meeting.
- iii. Further, the Review Committee in its meeting held in 22/23.06.2009, it was noted that it was an unexplored block. All activities are pending. The representative informed that exploration in 1st phase is being done by MECL. Total area is 15 Sq.Km. Exploration is expected to be completed by next 6 months. GR will be ready by next one year i.e June, 2010, JV has not yet been formed.
- iv. In the Review Committee meeting held on 20/22.07.2010, it was noted that the Block was unexplored and all activities are pending. MECL started drilling and completed by March, 2010. ML application would be made shortly. Socio-Economic survey was done. Amount paid for GR copy.
- v. The Review Committee 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 assurance tendered by the company during the period. It was noted that all the important/ critical milestones such as grant of previous approval, Mining Plan, EMP, Forest Clearance, Mining Lease, Land Acquisition are pending. The company was issued a show cause notice. The company furnished their reply to the show cause notice.

4. In the meantime, the Government 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 a 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 9th October, 2012 before the IMG. The IMG considered the presentation, the status note of the Nuagaon Telisahi 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
Purchase of GR	2.11.2008 (27 Months)	Jan.2012	3 Yrs 2 Months
Submission of Bank Guarantee	NA	-	
Mining Lease Application	2.2.2009 3 months from GR	Pending.	3Yrs 4 Months
Submission of Mining Plan	2.5.2009 6 months from GR	Pending.	3Yrs 1 Months
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
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.	2 Yrs 1 Month
Application EMP Clearance	2.11.2009 12 months from GR	Pending.	2Yrs 7 Months
Grant of EMP Clearance	2.5.2010 18 months from GR	Pending.	2 Yrs 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	2.3.2012 40 months from GR	Pending.	3 months

Grant of Opening permission	2.4.2012 41 months from GR	Pending.	2 months
Production	2.5.2012 (42 Months from GR)	Pending.	1 month

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

M/s Orissa Mining Corporation Limited and M/s A.P. Mineral Development Corporation Limited)

The IMG considered the terms and conditions of allocation, the show cause notice issued, the reply and the presentation made by the company along with the status paper placed before the IMG. The IMG noted that 6 years have elapsed from the date of allotment i.e. 2.8.2006. IMG also noted that this is a regionally explored block and the exploration of the block has been completed and the GR has been made available in February, 2012. The allocatee company is in the process of preparing the mining plan. Investment made in the coal block as per CA certificate submitted by the company is Rs. 15.63 crore mainly on exploration. During presentation, the company argued that the entire delay was not attributable to them. and they assured that they will be in a position to open the mine by February, 2015 whereas the normative date of production in terms of the allocation letter was 2.5.2012.

IMG noted that this is a regionally explored block and the allocatee has now completed exploration and is in a position to take further steps for the development of block. IMG noted that as per terms and conditions of allocation any slippage pertaining to the period of 27 months allowed for exploration would render the allocation liable for cancellation and withdrawal of block from the allocatee.

However, taking into account all factors, the IMG did not consider it appropriate to recommend de-allocation of the coal block at this stage and recommended 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 Orissa Mining Corporation Limited and M/s A.P. Mineral Development Corporation Limited are directed to furnish a Bank Guarantee (BG) of Rs. 243.6 Crore (Rupees Two hundred forty three crores sixty lakhs only) to 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,



(S.K.Shahi)
Director

Copy to:-

1. The Chief Secretary, Government of Odisha, Bhubaneswar.
2. The Chief Secretary, Government of Andhra Pradesh, Hyderabad.
3. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
4. The Secretary, Industry and Commerce, Government of Andhra Pradesh, Hyderabad.
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 2nd August, 2006.

To

1. The Managing Director,
M/s Orissa Mining Corporation (OMC);
Bhubnewar
2. The Managing Director,
M/s Andhra Pradesh Mineral
Development (APMDC) Hyderabad
- Subject Regarding Nuagaon Telisahi coal block in the State of Orissa on a 50:50 sharing
basis to APMDC and OMC

Sir,

I am directed to refer to OMC's letter No. 20326/OMC/2005 dated 28.10.2005 and APMDC's letter No. MD/ED(Coal)/F.766/643(a)/2005 dated 03.11.2005 on the above subject and to convey the 'in principle' approval of the Central Government to the working of Nuagaon Telisahi coal block by M/s Orissa Mining Corporation (OMC) and M/s Andhra Pradesh Mineral Development Corporation (APMDC) (on 50:50 sharing basis) under the Government Company dispensation in pursuance of Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act 1973 subject to the following conditions.

- (i) Coal Mining shall be carried out by M/s OMC and M/s APMDC or a separate company to be created with participation of M/s OMC and M/s APMDC 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 Nuagaon Telisahi block
- (viii) Any violation of the conditions imposed above in mining and disposing of coal from the Nuagaon Telisahi 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 Orissa, Bhubaneswar.
 3. Secretary, Industry and Commerce, Govt. of Andhra Pradesh, Hyderabad
 4. Chairman, CIL, Kolkatta / CMD, CMPDIL, Ranchi
 5. Coal Controller / Office Folder.

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S.No.	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	

SHOW CAUSE NOTICE

No.13011/21 /2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 2nd May, 2012

To

- (i) M/s Orissa Mining Corporation Ltd.,
Bhubaneswar – 751 001, Orissa.

- (ii) M/s Andhra Pradesh Mineral Development (APMDC),
Pancom Business Centre, 2nd & 3rd Floors,
8.3.945 Amcerpet, Hyderabad – 500 073

Subject: Show cause notice in respect of Naugaon Telisahi coal block.

Sir,

I am directed to refer to this Ministry's letter No. 13016/23/2006-CA-I dated 2nd August, 2006 conveying allocation of Naugaon Telisahi 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



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Company during the period. It is also noted that all the important/critical milestones such as grant of previous approval, Mining Plan, EMP, Forest Clearance, Mining Lease, Land Acquisition are pending for Naugaon Telisahi 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/MN
Purchase of GR	2.11.2008 (27 Months)	Jan.2012	3 Yrs 2 Months
Submission of Bank Guarantee	NA	-	
Mining Lease Application	2.2.2009	Pending.	3Yrs 1 Months (as on 3/2012)
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	Pending.	2Yrs 4 Months (as on 3/2012)
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	2.3.2012	Pending.	-
Grant of Opening permission	2.4.2012	Pending.	.
Coal Production	2.5.2012 (42 Months)	Pending.	.

BR

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 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 Naugaon Telisahi 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 Naugaon Telisahi coal block.


(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to The Coal Controller, Coal Controller Organisation, Kokata

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Annexure - III

Naugaon Telisahi

Sl No	Items	Remarks
1	Name Of the Block	Naugaon Telisahi
2	Name Of the allocate	M/s Orissa Mining Corporation Ltd (OMC) M/s Andhra Pradesh Mineral Development Corporation (APMDC) Share- 50:50
3	Date Of allocation	02.08.2006
4	End use plant and Capacity	Commercial Mining
5	Important terms and conditions of allocation	As per Allocation Letter enclosed – Annexure-I
6	Milestones of allocation and slippages against Milestones as stated in the SCN	Status prepared by CCO, Kolkata is enclosed.
	History Previous review / action	In order to expedite the development of coal block, various review meetings were held from time to time with the representatives of the company. In review meeting held on 11/12.02.2012 it was noticed that no serious efforts have been made by the companies to develop the coal block even after repeated assurances tendered by the companies. It was also noted that all the important/critical milestones such as grant of previous approval, EMP, mining plan, mining lease, Forest Clearance, Land Acquisition were pending in respect of Naugaon Telisahi coal block.
8	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
9	Litigation any orders of the court , if any	No
10	Summary of reply of the company including reasons for delay	Reasons for delay (i) Joint allocation of the coal block to two PSUs of 2 different states Nuagaon-Telisahi coal block has been allotted in favour of OMC & APMDC on 50:50 sharing basis. All decisions in development of this coal-block are to be taken jointly by these 2 PSUs, through a JVC. As the allocatee PSUs belong to two different states & as each PSU is guided by different rules & policies of their respective state Govts, it takes inordinately long-time to obtain clearance/ permission from the concerned state Govts in development of the coal block.



		<p>(ii) Inordinate delay by CMPDI & MECL</p> <p>Since this block was regionally explored, it was necessary to undertake detailed geological exploration in the block. The two allocatee PSUs depended on CMPDI & then on MECL for detailed exploration of this coal-block. Due to the abnormal delay by CMPDI & MECL, the geological exploration work was unduly delayed & the GR was available in February 2012 (i.e. after a long period of more than 5 yrs time).</p> <p>Work order has been placed on CMPDI for boundary survey & preparation of Mining Plan for the coal block. Now, it is observed by the survey team of CMPDI that deviations of about 150 to 200 mtrs exist in the boundary-points w.r.t. the "location-plan" earlier submitted by CMPDI Hd qrs. for Nuagaon-Telisahi coal block. Hence, there is abnormal delay in completion of the present boundary-survey work by CMPDI.</p>
11	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.	
12	Status of investment in mining and end use plant	CA certificate is enclosed




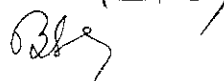
Coal Controller Office, MOC/Kolkata
Status of the captive Coal Block as on June'2012
 (as per quarterly report furnished by the Block owners)

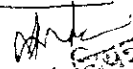
1. Name of Company :- M/s Naugaon Coal Company Ltd (JVC of Orissa Mining Corp. Ltd & Andhra Pradesh Mineral Dev Corp. Ltd.)
2. Name of Coal Block :- Naugaon Telisahi (RE)
3. Date of Allocation :- 2.8.2006
4. Location :- Talcher, Orissa
5. Total investment :- 950 crs
6. Investment Made (6/12):- 13.5 crs
7. Reserve (Mill tonnes) :- 733 MT
8. Grade of coal :- Not yet ascertain
9. Yearly rated capacity (MTPA):- Not planed yet
10. Cost of GR :- 3.21 Crs for RE (GR) report
11. BG Amount :- Not applicable (BG not mentioned in the allocation letter because BG introduced for Govt block in July' 2007)
12. Type of EUP :- Commercial
13. Location of Project :- Coal supply to the project within the state.
14. Capacity of Project :- Not applicable
15. Explored/Un explored :- Explored ✓
16. Zero Date :- 2.8.2006 (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):- Not decided till date
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)	Jan.2012	3 Yrs 2 Months	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	Pending.	3Yrs 4 Months		
Submission of Mining Plan	2.5.2009 6 months from GR	Pending.	3Yrs 1 Months		
Approval of Mining Plan	2.7.2009 8 months from GR	Pending.	2Yrs 11 months		
Application of	2.9.2009	Pending.	2Yrs 9 Months		

Prepared by


Checked by



 COAL CONTROLLER

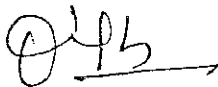



Previous approval	10 months from GR				
Granting of Previous approval	2.10.2009 11 months from GR	Pending.	2Yrs 8 Months		
Application of Forest clearance	2.11.2009 12 months from GR	Pending.	2Yrs 7 Months		
Grant of Forest Clearance	2.5.2010 18 months from GR	Pending.	2 Yrs 1 Month		
Application EMP Clearance	2.11.2009 12 months from GR	Pending.	2Yrs 7 Months		
Grant of EMP Clearance	2.5.2010 18 months from GR	Pending.	2 Yrs 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	2.3.2012 40 months from GR	Pending.	3 months		
Grant of Opening permission	2.4.2012 41 months from GR	Pending.	2 months		
Production	2.5.2012 (42 Months from GR)	Pending.	1 month	Considering open cast mining.	

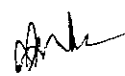
Other information and constraint faced by the block allocates

Mining Plan:- Mining Plan expected to be Submitted in Sept.12.

LA:- Socio economic survey completed in 8 villages of 1484 houses with 7500 population

Prepared by


Checked by



**STATE MINING
 SOAL CONTROLLER**




Expenditure incurred towards Nuagaon Telisahi Coal Block			
Name of the Agencies	Nature of Expenses	Amount	Remarks
MECL	Exploration Exp	11,37,55,531.00	Paid by OMC and 50% reimbursed by APMDC
CMPD	Consultancy Charges	1,11,78,632.00	Paid from JV Bank A/C
Geological Survey of India	Regional Exploration Report	3,12,17,440.00	Paid by APMDC and 50% reimbursed by OMC
Other Adm. Expenses		2,17,657.00	Paid from JV Bank A/C
Total Expenses		15,63,69,260.00	

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OMC
APMDC

Certified as per books of A/c maintained by OMC Ltd.



 M. No - 053130

Ampru - 1V
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1. Name of Company:-M/s Odisha Mining Corporation Ltd. & M/s Andhra Pradesh Mineral Development Corpn. Ltd.
2. Name of Coal Block:- Nuagaon Telisahi (Regionally Explored) .
3. Date of Allocation:- 02.08.2006
4. Normative Date of production:-02.05.2012(as per allotment letter)
5. Status of Mine Plan:- MP pending
6. Yearly Rated Capacity:- 20 MTPA (as reported by the company)
7. Grade of Coal:- E-F (as reported by the company)
8. BG Amount:-To be determined on the basis of one year royalty as recommended by IMG
9. Recommendation: Taking into account all factors, the IMG did not consider it appropriate to recommend de-allocation of the coal block at this stage and recommended 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.

In absence of Mine Plan of the coal block which is not yet approved, calculation of amount of BG to be submitted by the allocate company is made on the basis of information received from the company.

Grade	A	B	C	D	E	F	G	TOTAL	Remarks
Reserve (in Mill. Tonnes)				75.53	187.002	586.82	114.97	964.322	As per Company's report (copy enclosed)
(%) share of Reserve				7.83	19.39	60.86	11.92	100	
GCV Range for respective grade (in Kcal/Kg)				5089-5597	4324-5089	3865-4324	3113-3865		As per MOC's Chart (copy enclosed)
Average GCV for respective grade				5343	4706	4095	3489		
Weighted average GCV				418.36	912.49	2492.22	415.89	4238.96	*

*Weighted Average GCV = (% Share of Reserve x Average GCV for respective grade/100

Total of weighted average GCV= 4238.96 Kcal/Kg

Price/Tonne for GCV of 4238.96 kcal/kg= Rs. 870/- (As per CIL Notification No.CIL:S&M:GM

(F):Pricing:1965 dt.31.01.2012)(copy enclosed)

Royalty/Tonne=Rs.870x14%= Rs.121.8 (Royalty rate =pricex14% as per gazette notification No.

G.S.R.349(E) dt.10.05.2012)

The Royalty Peak rated capacity of 20 MT/year (as informed by the company)=Rs.121.8x20 =Rs.2436

Million = Rs.243.6 Crore

Bank Guarantee on the basis of one year royalty=Rs.243.6 Crore (Rupees two hundred forty three crores sixty lakhs only)

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