

By Speed Post

F.No 47011/7(63)/93-CPA/CPAM/CA-I
Government of India
Ministry of Coal

New Delhi, dated 10th March, 2014

To

M/s Jindal Steel & Power,
Jindal Centre, 12, Bhikaiji Cama Place,
New Delhi 110066

Subject: Introduction and submission of Bank Guarantee in respect of Utkal B1 coal block in the State of Odisha allocated to M/s Jindal Steel & Power Limited -Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.47011/7(63)/93-CPAM/CA dated 29th September, 2003 and Corrigendum of even no. dated 16.10.2003 (Annexure -I) and to this Ministry's show cause notice No. 13016/5/2004-CA-I dated 6th June, 2013 (Annexure- II) and your reply to the show cause notice and the Presentation made/ documents submitted by you on 24th and 25th October, 2013 before the Inter Ministerial Group (IMG) on the above subject.

2. **Utkal B1** coal block in the State of Odisha as allocated to **M/s Jindal Steel & Power Limited** on 29.09.2003 subject to certain conditions. On the conditions of allocation is as below:

"3 (vii) 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 Forest Clearance (Stage -II), Mining Lease and Land Acquisition were still pending. A show cause notice was issued on 28.10.2010.

(ii) In the Review Committee meeting held on 11/12.01.2012 the Committee noticed that the progress of Utkal B-1 coal block allocated to the company was

...21-




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 Utkal B-1 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 coal block. It has been noticed that a number of important/critical milestones are 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 6th June, 2013.

5. The case of the allocatee company was referred to IMG. Accordingly, the IMG gave opportunity to the allocatees company to make a Presentation before it on the progress of development of allocated coal block and associated end use project. The representatives of the allocatees company gave presentation on 23rd/24th 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	13.11.03 (45 days)	13.1.2004	2 months		
Submission of Bank Guarantee	Not applicable	-		as BG introduced in March.2005	
Mining Lease Application	29.12.2003 (3 months)	3.11.2003	-		

...31-


Submission of Mining Plan	29.3.2004 (6 months)	4.1.2005	10 months		
Approval of Mining Plan	29.5.2004 (8 months)	18.11.2005	1 yr 6 months		
Application of Previous approval	29.7.2004 (10 months)	3.11.2003	-		
Granting of Previous approval	29.8.2004 (11 months)	21.10.06	2yr 2 months		
Application of Forest clearance	29.9.2004 (12 months)	6.3.2006	1yr 6 months		
Grant of Forest Clearance	29.3.2005 (18 months)	1.9.2010	5yr 6 months		
Application EMP Clearance	29.9.2004 (12 months)	29.4.2006	1yrs 7 months		
Grant of EMP Clearance	29.3.2005 (18 months)	9.4.2007	2yrs		
Grant of Mining Lease	29.9.2005 (24 months)	Pending	7Yrs 9 Months	Execution order is pending	
Application of Land Acquisition	29.4.2005 (19 months)	11.7.2005	2 months		
Completion of Land Acquisition	29.9.06 (36 months)	Pending	6 yrs 9 months	95% land acquisition completed	
Application for opening permission	29.1.07 (40 Months)	Pending	6 yr 5 months		
Grant of Opening permission	29.2.07 (41 months)	Pending	6yr 4months		
Coal Production	29.3.07 (42 months)	Pending	6yrs 3 months	OC mine with forest land.	Coal production depends on execution of ML.

---41-
/

6. After detailed deliberations, the IMG made its recommendation for **imposition of Bank-Guarantee (BG) on the allocatee in order to expedite the production from Utkal B-1 coal block.** The recommendation made by the IMG is as follows:-

“11. UTKAL B1 COAL BLOCK allocated to M/s JINDAL STEEL & POWER LIMITED

Utkal B1 coal block was allocated to M/s Jindal Steel & Power Ltd. on 29.09.2003. The normative date of production as per Coal Controller's Organisation (CCO) report was 29.03.2007. The progress of block development was reviewed by the IMG in its 18th 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 06.06.2013. The reply of the allocatee company to the SCN dated 26.06.2013 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, previous approval of Central Govt. granted, EC and FC obtained, 95% of land acquired; however, there have been delays in achieving milestones. 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 there has been delay in signing of the mining lease (ML) as in Odisha for processing of ML there are two stages, one is grant order for ML and next one is execution order for ML deed execution. The state has issued the grant order on 23.05.2011 but execution order is still pending for more than 2 years. Ministry of Coal has conveyed previous approval for grant of ML to the state government on 09.08.2007. Out of the total land of 270 ha., acquisition/ sanction of 242.71 ha. of land is completed and balance 27.29 ha. non-forest land is expected by Oct'2013. All other clearances are in place.

As per CA certificate submitted by the company, total investment made in coal block and EUP till 30.09.2013 is Rs.17020.62 crs.

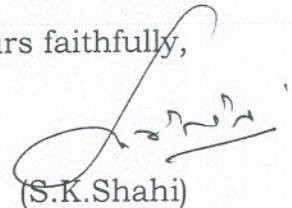
Recommendation: Taking into account the facts brought before it including the fact that EC and FC has been obtained and 95% of land acquired and grant of mining lease and mine opening permission are pending as well as the fact that as against scheduled date of production of 29.03.2007, the mine is not yet operational, IMG recommends imposition of Bank Guarantee (BG) on the allocatee."

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. 68.53 Crore (Rupees Sixty Eight Crores and Fifty Three Lakhs only)** equal to one year royalty is to be deposited in the Office of the Coal Controller, Kolkata. (The calculation of this BG amount 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, Bhubaneshwar.
2. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
3. The Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
4. The Chairman, Coal India Limited, 10- Netaji Subhash Road, Kolkata.
5. The Coal Controller's Organisation, 1, Council House Street, Kolkata for necessary action at their end
6. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

S.No. 153111

Annexure-1
391

No.47011/7(63)/93-CPAM/CA
GOVERNMENT OF INDIA
MINISTRY OF COAL

.....

New Delhi, dated the 29th September, 2003.

To

M/s Jindal Steel & Power Ltd.,
Jindal Centre,
12, Bhikaji Cama Place,
New Delhi - 110 066.

Subject:- Allocation of Utkal B-I captive coal block in Talcher Coalfields in the Mahanadi Coalfields Ltd. area to M/s. Jindal Steel & Power Ltd.

Sir,

I am directed to refer to your letters dated the 11.4.2001, 11 & 16.7.2001, 21.9.2001, 19 & 30.10.2001, 14 & 28.5.2002, 20.1.2003, 5.2.2003, 2.5.2003 and 3.6.2003 on the above subject and to say that your proposal for identification of captive coal block for meeting the coal requirement for setting up a captive power plant, a sponge iron plant and a ferro alloys plant was considered in the 20th meeting of the Screening Committee in its meeting held on 6.6.2003. The Screening Committee has agreed to identify Utkal B-I coal block in Talcher Coalfields of MCL and has decided to allocate the same to meet your requirement of 1.5 mtpa for setting up proposed, 2.00 mtpa sponge iron plant & 80,000 tonne capacity ferro alloys plant at Deojhar, Distt Keonjar, Orissa and proposed two captive power plant each of 100 MW at Niranjapur, Distt. Angul, Orissa and at Deojhar, Distt Keonjar, Orissa.

2. The allocation of Utkal B 1 coal block is subject to the following conditions :-

- (i) The coal mined from this block shall exclusively be used by the company to meet their requirement in the proposed captive power plants and the sponge iron plants.
- (ii) The setting up of the proposed two captive power plants each of 100 MW (2x50MW CPP at Niranjapur to be based on coal washery rejects and the other 4x25MW CPP at Deojhar to be based on flue gases coming out of the kilns producing the sponge iron and solid wastes of sponge iron plant) will be done in about 40-50 months, the proposed sponge iron plant within 70 months and coal mining development project within about 75 months as per the bar charts submitted by the company alongwith their letter dated the 30th August 2003 referred to above.

W 29/9/03

392

- (iii) The coal mining will be done in accordance with the provision of Mines & Minerals (Development & Regulation) Act, 1957 and Mineral Concession Rules, 1960 and subject to the provisions of other relevant statutes.
- (iv) Allocation of coal block may be cancelled in case of unsatisfactory progress of implementation of their proposed captive power plant, the proposed sponge iron project and coal mining development project or any one of them, as the case may be.
- (v) Coal linkage from CIL/SCCL, if any, shall not be disturbed in any way with the coal mined from the allocated block..
- (vi) Mining Plan approval shall be considered only after financial closure is achieved for the ^{end use} projects.

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

- (i) The end use for which coal mined from the captive block should be utilised to be clearly specified in the mining lease deed alongwith the other containing conditions imposed by the Central Government mentioned in this letter conveying offer by the Screening Committee of captive block to M/s. Jindal Steel & Power Ltd.
- (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 commercial purposes or otherwise. Middlings tailings or rejects, as the case may be ^{shall be} used for the captive consumption by the applicant as approved by the Central Government. The allocation ~~tee~~ would furnish to this Ministry detailed plan for disposal of unuseables 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 the mining plan, whichever is earlier.
- (iv) 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.

NC W/2111/9

393

- (v) 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.
- (vi) Further detailed prospecting if required, would be carried out by the CMPDIL or under its direct supervision on payment basis by the applicant Company.
- (vii) 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 the 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,

(Signature)
 (S. Gulati)
 Director 29/9/05

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, PO UCE, Sambalpur, Orissa.
4. Ministry of Railways, Railway Board (Sh. M.S. Mathur, Joint Director (TP)) Rail Bhawan, New Delhi.
5. Ministry of Steel (Dr. S.N. Dash, Joint Secretary) Udyog Bhawan, New Delhi.
6. Ministry of Power (Shri Ajay Shankar, Joint Secretary), Shram Shakti Bhawan, New Delhi.
7. Chief Secretary, Govt. of Orissa, Secretariat, Bhubaneswar.

30/9/05

Received original letter

(Signature)
 25/9

Vinay K. VIKRAM
 Sr. Asst. (C.A.), TSM

(Signature)

(S.K.Kakkar)

Under Secretary to the Government of India

D.N. 5711/1
577/576
396

No.47011/7(63)/93-CPAM/CA
GOVERNMENT OF INDIA
MINISTRY OF COAL

New Delhi, dated the 16th October, 2003.

To

[Handwritten signature]
M/s. Jindal Steel & Power Ltd.,
(Attn. Shri V. Gujral, Vice Chairman & CEO),
Jindal Centre,
12, Bhikaji Cama Place,
New Delhi - 110 066.

Subject:- Allocation of Utkal B-1 captive coal block in Talcher Coalfields in Mahanadi Coalfields Ltd. area to M/s. Jindal Steel & Power Ltd.

I am directed to refer to this Ministry's letter of even no. dated 29.9.2003 and ~~year~~ meeting held with the undersigned on the above subject and to say that in para 1 of the said letter for the existing words 'to meet your requirement of 1.5 mtpa' the following words may be substituted:-

"to meet your requirement of 5.5 mtpa".

2. It is also to be noted that washing is an intermediate use and the beneficiated coal from the washery will exclusively be used for your own proposed sponge iron plant and captive power plant.

Yours faithfully,

[Handwritten signature]
(S. Gulati)
Director

To

- [Handwritten signature]*
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, PO UCE, Sambalpur, Orissa.
 4. Ministry of Railways, Railway Board (Sh. M.S. Mathur, Joint Director (TP)) Rail Bhawan, New Delhi.
 5. Ministry of Steel (Dr. S.N. Dash, Joint Secretary) Udyog Bhawan, New Delhi.
 6. Ministry of Power (Shri Ajay Shankar, Joint Secretary), Shram Shakti Bhawan, New Delhi.
 7. Chief Secretary, Govt. of Orissa, Secretariat, Bhubaneswar.

Annex - II

SHOW CAUSE NOTICE
By Speed Post

No. 13016/5/2004-CA-I
Government of India
Ministry of Coal

New Delhi, dated 6th June, 2013

To,
The Managing Director,
M/s. Jindal Steel & Power Ltd.,
Jindal Centre,
12-Bhikaji Cama Place,
New Delhi - 110 066

Subject: Show cause notice to M/s Jindal Steel & Power Ltd. in respect of Utkal -B1 coal block.

Sir,

I am directed to refer to this Ministry's letter No.47011/7(63)/93-CPAM/CA dated 29th September, 2003 conveying allocation of **Utkal -B1 coal block** to your company 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*, coal mine development project was required to be completed within about 75 months from the date of allocation.

2. In order to expedite the development of the coal blocks, review meetings were held from time to time. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Utkal -B1 coal block** allocated to the company is 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 **Utkal -B1 coal block**. The IMG noted that land acquisition, grant of mining lease and application of mine opening permission are still pending in your case. Keeping in



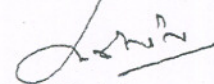
.... 2/.

view the unsatisfactory progress, IMG recommended issuing show cause notice for delay in development of coal block. The recommendation of IMG has since ~~been~~ 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 **Utkal -B1 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 **Utkal -B1 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)*

1. Name of Company:- M/s. JSPL
2. Name of Coal Block:- Utkal B1 (Explored)
3. Name of Owner/Address:- General Manager, Angul Office, Plot No. 751
Simlipada, Near Panchamukhi Chhak, Angul- 759122, Orissa
4. Date of Allocation:- 29.9.2003
5. Location: Talcher/Orissa
6. **Project cost :-** Rs. 500 crs
7. **Total investment made (As per CA report):- Rs. 107.51 (Upto June'13)**
8. Reserve (Mill tonnes):- 226.88
9. Mineable Reserve:- 148.67 MT
10. Yearly rated capacity (MTPA):- 5.5
11. Grade of Coal:- F & G
12. Cost of GR:- Rs. 3.8 Crs
13. BG Amount :- - Not applicable (BG was introduced in March.2005).
14. Type of EUP:- SIP
15. Location of Project:- Angul, Orissa
16. Capacity of Project:- 6000 TPD
17. Explored/Un explored:- Explored
18. Type of Mine:- OC
19. Zero Date:- 29.9.2003(As per block allocation letter)
20. **Previous Recommendation, if any:-** Caution notice issued by MOC as per decision of review meeting dated 11/12.1.2012. Again in 18th 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	13.11.03 (45 days)	13.1.2004	2 months		
Submission of Bank Guarantee	Not applicable	-		As BG introduced in March.2005	
Mining Lease Application	29.12.2003 (3 months)	3.11.2003	-		
Submission of	29.3.2004	4.1.2005	10		

Mining Plan	(6 months)		months		
Approval of Mining Plan	29.5.2004 (8 months)	18.11.2005	1 yr 6 months		
Application of Previous approval	29.7.2004 (10 months)	3.11.2003	-		
Granting of Previous approval	29.8.2004 (11 months)	21.10.06	2yr 2 months		
Application of Forest clearance	29.9.2004 (12 months)	6.3.2006	1yr 6 months		
Grant of Forest Clearance	29.3.2005 (18 months)	1.9.2010	5yr 6 months		
Application EMP Clearance	29.9.2004 (12 months)	29.4.2006	1yrs 7 months		
Grant of EMP Clearance	29.3.2005 (18 months)	9.4.2007	2yrs		
Grant of Mining Lease	29.9.2005 (24 months)	<i>Pending</i>	7Yrs 9 Months	Executio order pending	
Application of Land Acquisition	29.4.2005 (19 months)	11.7.2005	2 months		
Completion of Land Acquisition	29.9.06 (36 months)	<i>Pending</i>	6 yrs 9 months	95% land acquisition completed	
Application for opening permission	29.1.07 (40 Months)	<i>Pending</i>	6 yr 5 months		
Grant of Opening permission	29.2.07 (41 months)	<i>Pending</i>	6yr 4months		
Coal Production	29.3.07 (42 months)	<i>Pending</i>	6yrs 3 months	OC min forest la	Coal productio n depends on execution of ML.

Observation of Field Office of CCO during inspection of the block	
Date of Inspection	6.12.2012
Infrastructure development	As per site inspection carried out by OSD Ranchi & Dhanbad, it was reported that <ul style="list-style-type: none"> • Yes
Activities related to coal transportation	<ul style="list-style-type: none"> • No information
Presence of mining equipment.	<ul style="list-style-type: none"> • No.
Any sign of mining activities.	<ul style="list-style-type: none"> • No
Escrow A/c for mine closure	<ul style="list-style-type: none"> • No
Other activities	Company has done some CSR activities by way of construction of flats in R & R colony for villagers, PCC/RCC drain, water tank for drinking water and school building etc.
Engagement of MDO	<ul style="list-style-type: none"> • No information is available

Other details and constraint faced by the block allocates

- Mining Lease:- As per terms and condition were forwarded by collector to the concerned GOO on 16.7.2011 for issuance of execution order for ML deed. (But 33% free power from washery rejects coal based power plant to the state). A High power committee formed by State Govt on 5.12.11 to suggest the condition under policy framework. Mining lease execution order is under process at Steel & Mines Department, Govt. of Orissa after issuance of Mining Lease grant order on 23.5.2011. JSPL has submitted application to ORSAC on 16.5.13 to conduct DGPS survey of the boundary pillars. 25.5.13 Odisha Remote Sensing Application Centre (ORSAC) requested CMPDIL to supply map drawn topo sheet showing boundary. 29.5.13 JSPL requested CMPDIL to provide geological coordinates to ORSAC for DGPS survey. ORSAC requested Tehsidar Chendipada, DFO and DDM (Talcher) to present survey work. Survey date scheduled on 27.6.to 2.7 2013.

Land Acquisition:- Out of Pvt land 458 AC , 455 acres has been completed.44 acres Govt land handed over to JSPL. 54.88 acre forest land diversion completed. The construction of R & R colony on 28.05 acres is going on. 95% land acquisition is completed.

- Coal production is expected to start by Oct. 2013 subject to execution of Mining Lease.
- EUP:- :- Proposed: 200 MW CPP and 2.00 MTPA Sponge Iron project at Nisa Village, Angul.200 MW CPP commissioned. SIP to be commissioned in 2013-14. Financial closure obtained.

Project cost:- Rs. 22500 Cr.

Investment Made (As per CA report):- Rs. 16092.08 Cr. (As on June'13.)

Annexure IV

1. Name of Company:-M/s Jindal Steel & Power Ltd.
2. Name of Coal Block:- Utkal B1
3. Date of Allocation:- 29.09.2003
4. Normative Date of production:-29.03.2007
5. Yearly Rated Capacity:- 5.5 MTPA
6. Grade of Coal:- F & G
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 allocate.

As per mine plan, the in situ coal being mostly grade F followed by grade G, the ROM is expected to give mix of F & G grades.

Therefore, the average grade is considered for BG calculation is F & G grade
GCV band of F grade coal is (3865-4324) Kcal/Kg
GCV band of G grade coal is (3113-3865) Kcal/Kg

Average GCV = $(3113+4324)/2=3718.5$ Kcal/Kg

Price/Tonne for GCV of 3718.5= Rs.890/- (As per CIL Notification No.CIL:S&M:GM (F):Pricing:235 dt.27.05.2013)

Royalty/Tonne= $Rs.890 \times 14\% = Rs.124.6/-$ (Royalty rate = price $\times 14\%$ as per gazette notification No. G.S.R.349(E) dt.10.05.2012)

The Royalty for Peak rated capacity of 5.5 MT/year= $Rs. 124.6 \times 5.5$ Million = $Rs.685.3$ Million = $Rs.68.53$ Crore

Bank Guarantee may be asked to submit for one year royalty= $Rs.68.53$ Crore (Rupees sixty eight crores and fifty three lakhs only)

Qib
19-02-14

Rla
16/2/14

Jinda
14/2/14

Jm
14/2

