

By Speed Post

F.No. 13016/45/2009-CA-I
Government of India
Ministry of Coal

New Delhi, dated 3rd April, 2013

To
The Chairman & Managing Director,
M/s Madhya Pradesh State Mining Corporation Ltd.,
Prayavas Bhavan, Block No.1(A),
Second Floor, Jail Raod,
Arera Hills, Bhopal-462011.

Sub: Deduction of Bank Guarantee of Mandla South coal block in the State of Madhya Pradesh allotted to M/s Madhya Pradesh State Mining Corporation Ltd. and invoking/deduction of Bank Guarantee - Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/8/2007-CA-I dated 25th July, 2007 (**Annexure-I**) and to this Ministry's show cause notice letter No.13016/39/2009-CA-I dated 16th September, 2009 (**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. **Mandla South** coal block located in the State of Madhya Pradesh was allocated to M/s **Madhya Pradesh State Mining Corporation Ltd.** in pursuance of the Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973 and the Revised Policy on Coal Mining by State Govt. subject to the certain terms and conditions. In the allocation letter, para 2 (xi) stipulated as under:-

“(xi) Any violation of the conditions imposed above in mining of coal from the **Mandla South** coal block will render the mining lease liable for cancellation and withdrawal of allocation.”

3. In respect of Bank Guarantee, the condition 2(ix) of allocation has clearly mentioned that **M/s Madhya Pradesh State Mining Corporation Ltd.** shall submit a bank guarantee for **Rs.2.85** crores (equal to one year's royalty amount based on mine capacity of 0.30 mtpa assessed by CMPDIL, grade of coal and the weighted average royalty @ Rs. 95 per tonne) within three months from the date of issue of this letter. Subsequently, upon approval of mining plan, the Bank Guarantee amount will be modified based on the final peak/rated capacity of the mine. Further para 2(x) of allocation letter stipulates that 50% of the bank guarantee shall be linked to the milestones (time schedule) set for development of captive block, and the remaining 50% to the guaranteed production. The bank guarantee shall be liable to be encashed in the following eventuality.

- (a) There shall be an annual review of progress achieved by an allocattee company. In the event of lapses, if any, in the achievements vis-à-vis the milestones set for



that year, a proportionate amount shall be encashed and deducted from the bank guarantee.

- (b) Once production commences, in case of any lag in the production of coal, a percentage of the bank guarantee amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, e.g., if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual production is 35, then $(50-35)/100 \times 100 = 15\%$ will lead to deduction of 15% of the original bank guarantee amount for that year. Upon exhaustion of the bank guarantee amount, the block shall be liable for de-allocation/cancellation of mining lease.
- (c) The allocattee shall ensure that the bank guarantee remains valid at all times till the mine reaches its rated capacity or till the bank guarantee is exhausted. Any lapses on this count shall lead to de-allocation/ cancellation of mining lease.

4. 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 which it was noted as following:

i) In the review meeting held on 25/26.03.2008, it was noticed that BG was not submitted and applied for PL.

ii) In the review meeting held on 15/16.10.2008, it was noted that the block was regionally explored. All activities were pending. Representatives of the allocatee company informed that they were looking for joint partner and assured to submit BG by 30.11.2008.

ii) In the review meeting held on 22/23.06.2009 it was noticed that PL filed, BG was submitted, JV partner finalized and agreement is under progress. No other progress was made. Chairman was dissatisfied with the slow progress of the blocks observing no substantial progress for two years and asked the representative to submit a detailed bar chart to Ministry of Coal/Coal Controller's Organisation within a month. Chairman further observed that unless the Mining Plan is submitted by September end to Ministry of Coal, the block could be de-allocated. The company was issued a show cause notice on 16.09.2009. Based on the reply furnished to the show cause, the Review Committee recommended deduction of Bank Guarantee.

iii) In the review meeting held on 20/21.07.2010 it was noted that MP approval, FC, EMP, ML and LA are pending. MP submitted. JV partner was M/s Jaiprakash Associates Ltd. Representative informed that block area was within the corridor of Pench Tiger Reserve Project.

iv) In the review meeting held on 11/12.01.2012, it was noticed that the progress of the block was not found satisfactory but it is seen that these blocks were delayed due to 'Go/No Go' categorization etc.

5. In the meantime, the Government has set up an Inter-Ministerial Group (IMG) on 21.06.2012 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.

6. The case of the allocatee company was referred to IMG. Accordingly, the IMG gave an opportunity to the allocatee company to make the 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 10th October, 2012 before the IMG. The IMG considered the presentation, the status note of the **Mandla South** coal block 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	Remarks	Special observation
Purchase of GR	9.9.2007 (45 days)	4.12.2009	2Yr 3 Months		
Submission of Bank Guarantee	25.10.2007 (3 months)	Yes	-		
Mining Lease Application	25.10.2007 (3 months)	30.10.2008	1 Yr	ML area:- 558.88 Ha	
Submission of Mining Plan	25.1.2008 (6 months)	2.9.2009	1Yr 8 months		
Approval of Mining Plan	25.3.2008 (8 months)	3.8.2010	2 Yr 5 Months		
Application of Previous approval	25.5.2008 (10 months)	30.10.2008	5 months		
Granting of Previous approval	25.6.2008 (11 months)	19.5.2011	2 Yr 11 months		
Application of Forest clearance	25.7.2008 (12 months)	22.2.10	1 Yr 7 Months	Forest Land:- 118.7 Ha	
Grant of Forest Clearance	25.1.2009 (18 months)	Pending	3 Yrs 5 Months (as on 6/2012)		
Application EMP Clearance	25.7.2008 (12 months)	14.09.2009	1Yr 2 Months		
Grant of EMP Clearance	25.1.2009 (18 months)	Pending	3 Yrs 5 months (as on 6/2012)		

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Grant of Mining Lease	25.7.2009 (24 months)	Pending	2Yrs 11 months (as on 6/2012)		
Application of Land Acquisition	25.2.2009 (19 months)	21.1.2010	1 Yr 1 Months	Revenue land:- 440.18 Ha	
Completion of Land Acquisition	25.7.2010 (36 months)	Pending	1Yr 11 months (as on 6/2012)		
Application for opening permission	25.11.2011 (52 months)	Pending	7 months (as on 6/2012)		
Grant of Opening permission	25.12.2011 (53 months)	Pending	6 months (as on 6/2012)		
Coal Production	25.1.2012 (54 months)	Pending	5 months (as on 6/2012)	Under Ground including forest land.	

7. After detailed deliberations, the IMG in its 17th meeting held on 20th November 2012 the IMG recommended as follows:-

"M/s MP State Mining Corporation Ltd. (Mandla South)

The IMG considered the terms and conditions of allocation, the show cause notice issued and the reply along with the presentation made by the allocatee and the status paper placed before the IMG. The IMG noted that this is a fully explored block and more than 5 years have elapsed from the date of allotment i.e. 25.7.2007. Mining plan has been approved in August 2010. Though some time was lost due to the overlap with Pench – Satpura tiger corridor, the issue was resolved and stage-I clearance has been received on 16.1.2012. TOR for EC has been received on 30.05.2011. MDO has been appointed. The investment in the mining project as per the CA certificate is Rs.21.28 crores, of which Rs.11.92 crores is for purchase of GR and Rs.8.46 crores is towards NPV for forest land. Notifications under Sections 4 and 6 of the LA Act have been issued. The normative date of production as per the allocation letter is 25.1.2012.


The IMG noted that this is an underground mine, the mining plan has been approved and there is substantial progress in development of the block. Taking into account all factors, IMG does not consider it appropriate to recommend de-allocation of the coal blocks at this stage. The deduction of BG as per allocation letter is linked 50% to the achievement of milestones set for development of block and remaining 50% to the deficit in production. The IMG therefore, recommends that in view of the slippage in milestones, deduction from 50% of the BG linked to development of the block may be done as per the weightage formula adopted by the IMG for proportionate deduction. Further deduction from 50% of BG linked to shortfall in production may be done as per the formula in the allocation letter from the normative date of production i.e. 25.1.2012."

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

9. Accordingly, the Bank Guarantee (BG) to the extent of **Rs.0.3563 crore** (Rupees thirty five lakhs and sixty three thousand only) **be invoked** and **deposited** with the Government in the relevant head of Account. (The calculation of deduction of BG is as per **Annexure IV**).

Yours faithfully,



(P.S.S. Reddy)

Director

Tele: 23384594

Copy to:-

1. The Chief Secretary, Government of Madhya Pradesh, Vallabh Bhavan, Bhopal.
2. The CMD, Coal India Limited, 10, Netaji Subash Road, Kolkata-700001.
3. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to take necessary steps to **deduct** the Bank Guarantee and deposit the same with the Govt.
4. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

Annexure-I

F.No. 13016/8/2007-CA-1
Government of India
Ministry of Coal

208
2/8/07

New Delhi, the 25th July, 2007

To

The General Manager (Operation),
The Madhya Pradesh State Mining Corporation Ltd.,
Paryavas Bhawan,
Block No. 1(A), Second Floor,
Jail Road, Arera Hills,
Bhopal 462 011

Subject: Allocation of Mandla South coal block to the Madhya Pradesh State Mining Corporation Ltd (MPSMCL).

Sir,

I am directed to refer to letter number as mentioned below from the Madhya Pradesh State Mining Corporation Ltd., (MPSMCL) on the above subject and to convey the 'in principle' consent of the Government of India to the working of Mandla South coal block as under:

S/No.	Name of the applicant company	Reference No.	Project Name	Share of reserves (MT)
1	Madhya Pradesh State Mining Corporation Ltd., (MPSMCL)	Geology/2006/281 dated 27.11.2006	Commercial mining	72 MT

The above allocation has been made under the Government Company legislation in pursuance of the provisions of Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act 1973 and the Revised Policy on Coal Mining by State Government (copy enclosed), subject to further following conditions.

(i) Prospecting/Detailed exploration and coal mining shall be carried out by M/s. MPSMCL or a separate company to be created with participation of M/s. MPSMCL 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.

_____ will be executed between the State Government and

(iii) The allocatee will do exploration and 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 minerals, environmental and labour laws alongwith other regulations governing coal industry.

(iv) Mining of coal from the allocated coal block shall be carried out in accordance with the applicable Statutes/Rules/Orders/Directions governing the mining of coal in the country so as to extract the reserve to the maximum extent possible.

(v) Those of the conditions mentioned herein relevant at the time of grant of mining lease shall be included as additional conditions in the mining lease in addition to any further conditions imposed by or agree to by the Central Government.

(vi) The State Government, at the time of seeking previous approval for the grant of mining lease, shall submit a draft of the mining lease containing the above relevant conditions for vetting by the Central Government. The final mining lease shall be as vetted/modified by the Central Government. Any deviation from the vetted/modified draft shall render the mining lease deed ab-initio null and void and without effect.

(vii) Coal produced from the allocated coal block Mandla South coal block will not be supplied to the consumers of Coal India Limited/SCCL against their existing linkages.

(viii) Company shall buy Geological Report from CMPDIL within six weeks from the date of this letter.

(ix) M/s. MP&MCL shall submit a bank guarantee of Rs. 2.85 crore (equal to one year's royalty amount based on mine capacity of 0.30 mtpa as assessed by CMPDIL, grade of coal) and the weighted average royalty @ Rs.95 per tonne) within three months from the date of this letter. Subsequently, upon approval of mining plan the Bank Guarantee amount will be modified on the basis of final peak/rated capacity of the mine.

(x) 50% of the bank guarantee shall be linked to the milestones (time schedule) set for development of captive block, and the remaining 50% to the guaranteed production. The bank guarantee shall be liable to be encashed in the following eventuality:

(i) There shall be an annual review of progress achieved by an allocatee company. In the event of lapses, if any, in the achievements vis-à-vis the milestones set for that year, a proportionate amount shall be encashed and deducted from the bank guarantee.

percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, e.g., if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual production is 35, then $(50-35)/100 \times 100 = 15\%$ will lead to deduction of 15% of the original bank guarantee amount for that year. Upon exhaustion of the bank guarantee amount, the block shall be liable for de-allocation/cancellation of mining lease.

(iii) The allottee shall ensure that the bank guarantee remains valid at all times till the mine reaches its rated capacity or till the bank guarantee is exhausted. Any lapses on this count shall lead to de-allocation/ cancellation of mining lease.

(xi) Any violation of the conditions imposed above in mining of coal from the Mandla South coal block will render the mining lease liable for cancellation and withdrawal of allocation.

V.S. Rama
(V.S. Rama)

Under Secretary to the Government of India.

Encl: as above

Copy to

1. The Chief Secretary, Government of Madhya Pradesh, Bhopal
2. Chairman, CIL, Kolkata
3. CMD, CMPDIL, Ranchi CIL
4. CMD, SECL
5. Coal Controller, Kolkata
6. Office Folder.

Annexure - II

No.13016/39/2009 -CA-I
Government of India
Ministry of Coal

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New Delhi, the 16th September, 2009

To,

The Managing Director,
M/s Madhya Pradesh State Mining Corporation Ltd.,
Paryavas Bhawan,
Block No. 1 (A), Second Floor,
Jail Road, Arera Hills,
Bhopal - 462 011.

Subject: Review Meeting held on 22nd and 23rd June, 2009 to review the progress of coal blocks- Show-cause notice for delay in implementation of the Morga- III, Morga IV, Marki Barka, Bicharpur, Mandla South and Semaria / Piparia coal blocks.

Sir,

I am directed to refer to this Ministry's letter of even number dated 25.7.2007 conveying allocation of Morga- III, Morga IV, Marki Barka, Bicharpur, Mandla South and Semaria / Piparia coal blocks to M/s MPSMCL under Government Company Dispensation in pursuance of Section 3(3) (a)(i) of the Coal Mines (Nationalization) Act, 1973.

2. In order to expedite the development of the coal block, review meetings were held from time to time with the representatives of the M/s MPSMCL. In this regard, in the review meeting held on 15/16.10.2008, the representatives informed that they are looking for a joint partner to develop the block. In the review meeting held on 22/23.06.2009, the progress of these blocks has not been found satisfactory. As per the guidelines on allocation of coal blocks, detailed exploration was to be completed within 2 years and not much progress has been made to develop the coal block. The progress is very slow. In para 2 (x) of the allocation letters dated 25.07.2007, it is clearly mentioned that the milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee. In spite of a passage of almost 2 years, no serious effort has been made by the companies to develop the coal block as per the milestone chart appended to the allotment letter. Consequently, the development of the coal blocks has been inordinately delayed.

3. Under the above circumstances, you are hereby called upon to show cause to this Ministry as to why delay in the development of the coal block should not be held as violation of the terms and conditions of the allotment of block, within a period of 15 days from the date of issue of the show cause notice failing which it will be presumed that the your company has no explanation to offer and action as appropriate including de allocation of blocks will be taken.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Government of India

Copy to :

The Chief Secretary, Govt. of Madhya Pradesh for information and necessary action at his end.

NAIC, M/o Coal,

V.S. Ran
(V.S. Ran)

Under Secretary to the Government of Ind

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Annexure - III

Status Note

Mandla South coal block

Sl No	Item	Remarks
1	Name of the Block	Mandla South Coal Block
2	Name of the allocate	M/s Madhya Pradesh State Mining Corporation Ltd.
3	Date of allocation	25.07.2007
4	End use plant and Capacity	Commercial mining
5	Important terms and conditions of allocation	A copy of allocation letter is enclosed.
6	Milestones of allocation and slippages against Milestone	Status note from CCO is enclosed
7	History Previous review / action	In the review meeting held on 22/23.06.2009 it was noticed that the progress of the block has not been found satisfactory. It was observed that inspite of passage of 2 years, no serious effort were made by the companies to develop the block as per milestone chart appended to the allocation letter. The reply received from the company was considered by the review committee and it was decided to deduct Bank Guarantee (BG). In the review meeting held on 11/12.01.2012 progress of the block was not found satisfactory but it is seen that these blocks were delayed due to 'Go/No Go' categorization etc.
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	Issuance of ToR & Forest diversion proposal was kept pending with MoEF for 2 years for clarification from NTCA, whether the Block is part of the Corridor between Pench & Satpura Tiger Reserve.
11	Comments of MOC with the respect to issue pertaining to delay in purchase of GR, transfer of surface rights by coal	Mining Plan and Mining Lease approval granted by the Ministry of Coal



	companies, sanction of mining plan etc.	
12	Investment/expenditure incurred	A copy of CA certificate is enclosed

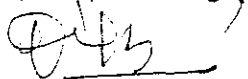



Coal Controller Office, MOC/Kolkata
Status of the captive Coal Block as on June'2012
 (as per quarterly report furnished by the Block owners)

- 1 Name of Company:- Madhya Pradesh State Mining Corporation Ltd.
 2 Name of Coal Block:- Mandla South / UG Mine.
 3 Date of Allocation:- 25.7.2007
 4 Total Project Cost:- 120 Crores
 5 Investment Made (6/12):- 12.50 (As per Status report)
 6 Reserve (Mill Tonnes): (Geological Reserve) 72
 7 Grade of Coal :- D-E
 8 Yearly Rated Capacity:- 0.3 MTPA
 9 Cost of GR:- 11.92 Crores
 10 Location: Pench Kanhan Valley, MP
 11 BG Amount:- 2.85 Crores
 12 Type of EUP:- Commercial (as per allocation letter)
 13 Location of Project:- Coal supply to the project within the state
 14 Capacity of the Project:- Not applicable
 15 Explored/Un Explored:- Explored
 16 Zero Date:- 25.7.2007 (as per condition of allocation letter zero date considered i.e. from the date of allocation)
 17 Type of Mine :- UG Mine
 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	Remarks	Special observation
Purchase of GR	9.9.2007 (45 days)	4.12.2009	2Yr 3 Months		
Submission of Bank Guarantee	25.10.2007 (3 months)	Yes	-		
Mining Lease Application	25.10.2007 (3 months)	30.10.2008	1 Yr	ML area:- 558.88 Ha	
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Granting of Previous approval	25.6.2008 (11 months)	19.5.2011	2 Yr 11 months		
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Application EMP Clearance	25.7.2008 (12 months)	14.09.2009	1Yr 2 Months		

Prepared by


Checked by




Grant of EMP Clearance	25.1.2009 (18 months)	Pending	3 Yrs 5 months (as on 6/2012)		
Grant of Mining Lease	25.7.2009 (24 months)	Pending	2Yrs 11 months (as on 6/2012)		
Application of Land Acquisition	25.2.2009 (19 months)	21.1.2010	1 Yr 1 Months	Revenue land:- 440.18 Ha	
Completion of Land Acquisition	25.7.2010 (36 months)	Pending	1Yr 11 months (as on 6/2012)		
Application for opening permission	25.11.2011 (52 months)	Pending	7 months (as on 6/2012)		
Grant of Opening permission	25.12.2011 (53 months)	Pending	6 months (as on 6/2012)		
Coal Production	25.1.2012 (54 months)	Pending	5 months (as on 6/2012)	Under Ground including forest land.	

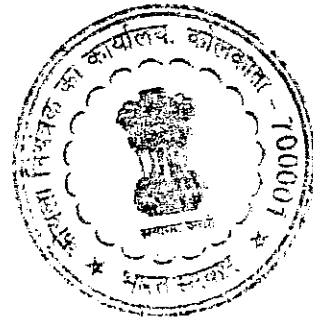
Other Information and constraint faced by the block allocates

- 1) Forest Clearance:- Stage-I forest clearance granted by MOEF on 16.1.2012. The certificate from collector regarding Forest Rights Act and payment and other requirements for full compliance of Stg-II clearance have been arranged.
- 2) Land Acquisition:- Notification Under Section 4 & 6 has been issued. Efforts are being made to obtain approval under section 9. NOC from Gram Sabha obtained.

Prepared by
D4b

Checked by
Bkr

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INVESTMENTS

- DPR not prepared yet.
- Estimated expenditure of the Project – Rs.150 Crores
- Investment on Pre-operative mining activities – Rs. 21.28 Crores.
- Certificate to this effect from CA has been obtained.

1. Name of Company:-M/s MP State Mining Corporation Ltd.
2. Name of Coal Block:- Mandla South (Explored).
3. Date of Allocation:- 25.07.2007
4. Normative Date of production:-25.01.2012 (as per allotment letter)
5. Yearly Rated Capacity:- 0.3 MTPA
6. Grade of Coal:- C-E (Major share)
7. BG Amount:- Rs. 2.85 Crore

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Annexure-IV

8. **Recommendation:** The IMG noted that this is an underground mine and the mining plan has been approved and there is substantial progress in development of the block. Taking into account all factors, **IMG does not consider it appropriate to recommend de-allocation of the coal blocks at this stage.** The deduction of BG as per allocation letter is linked 50% to the achievement of milestones set for development of block and remaining 50% to the deficit in production. **The IMG therefore, recommends that in view of the slippage in milestones, deduction from 50% of the BG linked to development of the block may be done as per the weightage formula adopted by the IMG for proportionate deduction. Further deduction from 50% of BG linked to shortfall in production may be done as per the formula in the allocation letter from the normative date of production i.e. 25.01.2012.**

As per condition of Para-2(x)(i&ii) of the allocation letter No.13016/8/2007-CA-II dated 25.07.2007, in case of any lag in the production of coal, a percentage of BG amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to peak rated capacity of the mine.

In Case of Mandla South coal block the amount of BG to be deducted on production basis is as under:-

Deduction for 1st year

1st year (25.01.2012 to 24.01.2013) ends on 24.01.2013 which is not reached as on Nov'2012, hence deduction of BG for the 1st year may not be done.

X=Amount of BG to be deducted for shortfall in Production = 0

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deduction on the basis of non-achievement of Mile stone as on Nov'2012

No.	Mile Stones	Weight (in %)	Actual Status	Marks	Remarks
1	Purchase of GR	5	Completed	5	
2	Submission of Bank Guarantee	8	Completed	8	
3	Mining Lease Application	7	Completed	7	
4	Submission of Mining Plan	10	Completed	10	
5	Approval of Mining Plan	10	Completed	10	
6	Application of Previous approval	6	Completed	6	
7	Granting of Previous approval	5	Completed	5	
8	Application of Forest clearance	8	Completed	8	
9	Grant of Forest Clearance	5	Not completed	0	
10	Application EMP Clearance	8	Completed	8	
11	Grant of EMP Clearance	5	Not completed	0	
12	Grant of Mining Lease	5	Not completed	0	
13	Application of Land Acquisition	8	Completed	8	
14	Completion of Land Acquisition	4	Not completed	0	
15	Application for opening permission	2	Not completed	0	
16	Grant of Opening permission	2	Not completed	0	
17	Coal Production	2	Not completed	0	
	TOTAL	100		75	

Total Bank Guarantee amount: RS. 2.85 Cr.

A= 50% of BG =Rs. 1.425 Crore

Score obtained for achieving of mile stone = 75%

B=Score obtained for not achieving of mile stone = (100-75)=25%

BG to be deducted for not achieving Milestones as on Nov'2012= Ax B = Rs. 1.425 x 25 % = Rs.0.3563 Crore

Y=Total amount of BG to be deducted for not achieving Milestones =0.3563 Crore

Total BG to be deducted on production and milestone basis =X+Y = 0+0.3563 Crore = Rs.0.3563 Crore (rupees thirty five lakhs sixty three thousand only)

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