

By Speed Post

F.No. 13016/09/2005-CA-I
Government of India
Ministry of Coal

New Delhi, dated 6¹⁵ March, 2013

To
The Chairman & Managing Director,
M/s Andhra Pradesh Power Generation Corporation Ltd.,
Vidyut Soudha, Khairatabad,
Hyderabad-500082.

Sub: Introduction and submission of Bank Guarantee (BG) in respect of Tadicherla-I coal block in the State of Andhra Pradesh allotted to M/s Andhra Pradesh Power Generation Corporation Ltd. - Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/9/2005-CA-I dated 6th December, 2005 (**Annexure-I**) and to this Ministry's show cause notice letter No.13016/28/2012-CA-I dated 3rd 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. **Tadicherla-I** coal block located in the State of Andhra Pradesh was allocated to M/s. Andhra Pradesh Power Generation Corporation Ltd.(APGENCO) 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, at point No. (vi) the following is stipulated as under:-

“(vi) Violation of any of the conditions imposed above on the part of APGENCO or such separate Government Company in mining and disposing of coal from the Tadicherla-I 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 give 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 there was not much progress. All milestones were pending including submission of BG. Request of waiver of BG was not agreed to.

ii) In the review meeting held on 15/16.10.2008, it was noticed that ML, EMP application and land acquisition applications were still pending. Progress was very slow.



ii) In the review meeting held on 22/23.06.2009 it was noticed that all milestones were pending except GR purchase. MDO selected. EMP expected by June, 2009, Land acquisition by Sept.2009, EUP (Unit-I of 500 MW) KTPP completed in 3/2009. Progress not up to the mark.

iii) In the review meeting held on 20/21.07.2010 it was noted that all milestones are pending except GR purchase. APGENCO has signed an agreement with SCCL (as MDO) to develop the coal block. Some part of land is under reserved forest. The Committee was dissatisfied with the development of mine and asked to issue show-cause notice for de-allocation. The Committee asked to submit reports to CCO.

iv) In the review meeting held on 11/12.01.2012, it was noticed that FC(Stg-I), EMP, ML & LA were pending. APGENCO decided to transfer the project to SCCL. Land issue settled. EMP application submitted in December, 2010. 52 Ha. forest land involved. Diversion of Forest land proposal submitted to the State Forest Department. The company was issued the show cause notice. The company furnished their reply to the show cause notice.

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

5. 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 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 **Tadicherla-I** coal block and associated EUP prepared by Ministry of Coal and Coal Controller's Organisation (**Annexure-III**). The progress of development of the block with reference to the milestones and their achievement is as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM as on 06/2012	Remarks	Special observation
Purchase of GR	21.1.2006 (45 days)	29.06.2006	5 Months	45 days as it is explored	
Submission of Bank Guarantee	NA	NA	NA	BG introduced from June'2007 for govt. Block.	
Mining Lease Application	6.3.2006 (3 months)	10.7.2007	1Yr 4 Months		
Submission of	6.6.2006	22.10.2007	1Yr 4 Months		



Mining Plan	(6 months)				
Approval of Mining Plan	6.8.2006 (8 months)	6.8.2008	2 Yrs		
Application of Previous approval	6.10.2006 (10 months)	Not available	5Yrs 8 months		
Granting of Previous approval	6.11.2006 (11 months)	Pending	5 Yrs 7 Months		
Application of Forest clearance	6.12.2006 (12 months)	11.4.2008	1 Yr 4 Months		
Grant of Forest Clearance	6.6.2007 (18 months)	Pending	5 Years		
Application EMP Clearance	6.12.2006 (12 months)	24.7.2007	7 Months		
Grant of EMP Clearance	6.6.2007 (18 months)	Pending	5 Yrs		
Grant of Mining Lease	6.12.2007 (24 months)	Pending	4 Yrs 6 Months		
Application of Land Acquisition	6.7.2007 (19 months)	6.7.2007	-		
Completion of Land Acquisition	6.12.2008 (36 months)	Pending	3 Yrs 6 months		
Application for opening permission	6.4.2009 (40 months)	Pending	3 Yrs 02 Months		
Grant of Opening permission	6.5.2009 (41 months)	Pending	3 Yrs 01 Month		
Production	6.6.2009 (42 Months)	Pending	3 Years	Open cast including forest land.	

6. After detailed deliberations, the IMG made its recommendation to **introduce and submit bank guarantee** in respect of **Tadicherla-I** Coal block which was allocated to M/s Andhra Pradesh Power Generation Corporation Ltd. in its 15th meeting held on 5th November 2012. The recommendations made by the IMG are as follows:-

"ANDHRA PRADESH POWER GENERATION CORP. LIMITED(TADICHERLA-I)

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 7 years have elapsed from the date of allotment i.e. 6.12.2005. IMG also noted that the company has purchased the GR and the mining plan is approved on 6.8.2008, EC and FC clearances are pending and land acquisition is almost completed. The Patta land of 303 ha. has been acquired and Government land of 1434 acres has also been acquired. Investment made in the coal block as per CA certificate submitted by the company is Rs. 77.74 crore. The company

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is also setting up its end-use power plant. As per CA certificate, Rs. 1263.20 crore investment has been reported on the end-use plant. During presentation, the company argued that the entire delay was not attributable to them and they were required to undertake additional drilling due to geological condition of the block. They assured that they will be in a position to open the mine by August, 2013 whereas the normative date for start of production was 6.6.2009. The allocatee has cancelled the original MDO arrangement and appointed Singareni Collieries Company Ltd. (SCCL) to undertake mining activities since 2010.

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 APGENCO is directed to furnish a **Bank Guarantee (BG)** to the extent of **Rs.64.40 crore** (Rupees Sixty four crores and forty lakhs only) as per recommendation of the IMG as mentioned in para 6 above and 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 and informed by the Coal Controller's Organisation is at **Annexure-IV**.

Yours faithfully,



(A. Sanjay Sahay)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Andhra Pradesh, Secretariat, Hyderabad.
2. The Secretary, Ministry of Power, Govt. of India, Shram Shakti Bhavan, Rafi Marg, New Delhi.
3. The CMD, Coal India Limited, 10, Netaji Subash 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.

Annexure-I

F.No.13016/9/2005-CA
Government of India
Ministry of Coal

New Delhi, 6.12.2005.

To

The Managing Director,
Andhra Pradesh Power Generation
Corporation Limited,
Vidyut Soudha, Khairatabad,
Hyderabad - 500 082

Subject: Allotment of Tadicherla-I coal block to APGENCO for captive mining to meet the coal requirement of 500 MW unit of Ehoopalpalli TPS.

Sir,

I am directed to refer to your letters No.MD/PLG/262/2004 dated 23rd November, 2004 and MD/ED(Coal)/F.765/328/2005 dated 23rd February 2005 on the above subject and to convey the 'in principle' consent of the Government of India to the working of Tadicherla-I coal block by the Andhra Pradesh Power Generation Corporation (APGENCO) within the provision of Government Company dispensation under 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 Andhra Pradesh Power Generation Corporation (APGENCO) or a separate company to be created with APGENCO's participation provided such separate company is a Government company with coal mining as object in its Memorandum of Association as provided under Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973 which allows mining by a Government Company.

ii) Coal linkages from CIL/SCCL would not be disturbed in any way with coal mined from Tadicherla-I coal block. In case there already exist linkages from the above sources, APGENCO shall continue to honour its commitment towards long-term linkage from these nationalized coal companies to their thermal power stations through FSAs.

iii) The Company will do coalmining 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, and all the mineral, environmental and labour laws and other regulations governing coal industry.

iv) APGENCO would plan for both open cast and underground mining in Tadicherla-I coal block so as to extract the reserves to the maximum extent possible.

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v) The mining lease will be executed in the name of APGENCO or such separate Government company which may be formed with equity participation with APGENCO.

vi) Violation of any of the conditions imposed above on the part of APGENCO or such separate Government Company in mining and disposing of coal from the Tadicherla-I coal block will render the mining lease liable for cancellation.


vii) APGENCO may approach SCCL to obtain the geological report of the block on payment of necessary exploration cost and obtain mining lease to work the block as per the provisions of MM (D&R) Act, 1957.

Yours faithfully,

(Premraj Kumar)
Section Officer

Copy to:

1. The Principal Secretary, Energy Department, Government of Andhra Pradesh with reference to his letter No. 4033/Pr.1(1)/2001 dated 21st February, 2005
2. Chairman-cum-Managing Director, SCCL, Kothagudem, Andhra Pradesh.
3. Ministry of Power with reference to OM No. 3/4/2004-Th. 3 dated 10th February, 2004.
4. Office Folder.


(PREMRAJ KUMAR)
Section Officer

Annexure-II

SHOW CAUSE NOTICE

No.13011/25/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 3rd May, 2012

To

M/s Andhra Pradesh Power Generation Corporation Ltd.,
Vidyut Soudha, Khairatabad,
Hyderabad- 500 082

Subject: Show cause notice in respect of Tadicherla -I coal block.

Sir,

I am directed to refer to this Ministry's letter No.13016/9/2005-CA-I dated 06.12.2005 conveying allocation of Tadicherla-I coal block in pursuance of the provisions contained in Section 3(3)(a) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions. One of the conditions of allocation was that coal production from the captive block shall commence within 36 months (42 months in case the area is in forest land) in case of open cast mine and in 48 months (54 months in case the area falls under forest land) in case of UG mine from the date of allocation letter. The end-use project schedule and the coal mine development schedule should be modified accordingly and submitted to the Ministry within 3 months from the date of allocation.

2. In order to expedite the development of the coal block, various review meetings were held from time to time with the representatives of the company. In the review meeting held on 11/12.01.2012, it was noticed that no serious efforts have been made by the company to develop the coal block, even after repeated assurances tendered by the Company during the period. It is also noted that all the important/critical milestones such as grant of previous approval, Forest clearance, EMP, Mining Lease and Land acquisition are pending for Tadicherla-I coal block. The company has repeatedly failed to keep its promises made to the



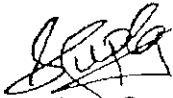
Ministry and is thus non-serious about timely development of the block. The details of milestones to be achieved and the time lapsed against each milestone are given in the table below:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM
Purchase of GR	21.1.2006	29.06.2006	5 Months
Submission of Bank Guarantee	6.3.2006	BG Waived	-
Mining Lease Application	6.3.2006	10.7.2007	1Yr 4 Months
Submission of Mining Plan	6.6.2006	22.10.2007	1Yr 4 Months
Approval of Mining Plan	6.8.2006	6.8.2008	2 Yrs
Application of Previous approval	6.10.2006	Not available	5Yrs (as on 3/12)
Granting of Previous approval	6.11.2006	Pending	5 Yrs 4 Month (as on Mar.12)
Application of Forest clearance	6.12.2006	11.4.2008	1 Yr 4 Months
Grant of Forest Clearance	6.6.2007	Pending	4 Yrs 9 months (as on Mar.12)
Application EMP Clearance	6.12.2006	24.7.2007	7 Months
Grant of EMP Clearance	6.6.2007	Pending	4 Yrs 9 months (as on Mar.12)
Grant of Mining Lease	6.12.2007	Pending	4 Yrs 3 Months (as on Mar.12)
Application of Land Acquisition	6.7.2007	6.7.2007	-
Completion of Land Acquisition	6.12.2008	Pending	3 Yrs
Application for opening permission	6.4.2009	Pending	2 Yrs 8 Months (as on Mar.12)
Grant of Opening permission	6.5.2009	Pending	2 Yrs 10 Months (as on Mar.12)
Coal Production	6.6.2009 (42 Months)	Pending	2 Yrs 9 Months (as on Mar.12)

3. Under the above circumstances, you are hereby called upon to show cause, on each milestone separately, to this Ministry within a period of 20 days from the date of issue of the show cause notice as to why the delay in the development of the coal block should not be held as violation of the terms and

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conditions of the allotment of **Tadicherla-I** 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 **Tadicherla-I** coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

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

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Annexure-III

Status Note

Tadicherla-I Coal Block

Sl No	Item	Remarks
1	Name of the Block	Tadicherla-I Coal Block
2	Name of the allocate	M/s Andhra Pradesh Power Generation Corporation (APGENCO)
3	Date of allocation	06.12.2005
4	End use plant and Capacity	500 MW unit of Bhoopalpalli TPS
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	<p>In the review meetings held on 19/29.01.2007, 27/28.09.2007 and 25.03.2008 it was noticed that not much progress had been made and all the milestones were pending. In the review meeting held on 22/23.06.2009 the company assured to start OBR by October, 2009, Coal production by December, 2009 and Unit-II (EUP) in March, 2010.</p> <p>In the review meeting held on 20/21.07.2010, it was noticed that no serious efforts were made by the company to develop the block, even after repeated assurances. In the review meeting held on 11/12.01.2012 it has been noticed that all the important/critical milestones such as grant of previous approval, Forest clearance, EMP, Mining Lease and Land acquisition are pending.</p>
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	<ul style="list-style-type: none">▪ As per the directive of GOAP, the development of Tadicherla-I Coal Block was entrusted to M/s. Singareni Collieries Company Limited (SCCL).▪ MOU has been entered on 23.08.2010 with M/s SCCL for development of the block.▪ Pre-mining activities started on 23.11.2011 and drilling of 40 No's additional bore holes was completed with a progressive



		<p>drilling of 7000 Meters to collect required geological sub-surface data accurately.</p> <p>Scheduled date of mining operations April-2013</p> <p>Status of Power Project (EUP)</p> <ul style="list-style-type: none"> ☞ Zero-date commenced (i.e. Date of release of advance to the BTG Contractor M/s BHEL) on 21-01-2009. ☞ Land already acquired for K TPP Stage-II (1x600 MW) along with K TPP Stage-I (1x500 MW) requirement. ☞ Environmental Clearance obtained vide F.No.J-13011/54/2008-IA.II(T), Dated 05-02-2009.
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.	The company has submitted Mining Plan vide its letter dated 22.10.2007. Technical Wing in the Ministry had furnished approval of Standing Committee vide its letter dated 30.05.2008. After confirmation of payment of GR cost approval of Mining Plan has been conveyed to the company on 06.08.2008.
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 :- M/s Andra Pradesh Power Generation Corp Ltd
2. Name of Coal Block :- Tadicherla-I (Explored)
3. Date of Allocation :- 6.12.2005
4. Location :- Godavari Basin. A.P.
5. Total investment (Proj.Cost) :- 600 Crs
6. Investment Made (as on 6/12) :- 75 Crs
7. Reserve (Mill tonnes) :- 77.04 MT
8. Grade of coal :- D
9. Yearly rated capacity (MTPA) :- 2.5 MT
10. Cost of GR :- 3.85 Crs
11. BG Amount :- Not applicable (BG not mentioned in the allocation letter because BG introduced for Govt block in June' 2007)
12. Explored/Un explored :- Explored
13. Zero Date :- 6.12.2005 (As per allocation letter).
14. Types of mine(OC/UG/Mix) :- Open cast
15. Type of EUP :- Power Plant
16. Location of Project :- Kakatiya Thermal Power Plant, A.P.
17. Capacity of Project:- 600 MW
18. Previous Recommendation, if any-

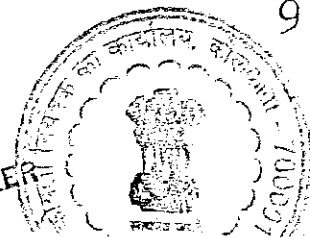
Details of milestone to be achieved and time lapsed against each milestone are as under:-

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM as on 06/2012	Remarks	Special observation
Purchase of GR	21.1.2006 (45 days)	29.06.2006	5 Months	45 days as it is explored	
Submission of Bank Guarantee	NA	NA	NA	BG introduced from June'2007 for govt. Block.	
Mining Lease Application	6.3.2006 (3 months)	10.7.2007	1Yr 4 Months		
Submission of Mining Plan	6.6.2006 (6 months)	22.10.2007	1Yr 4 Months		
Approval of Mining Plan	6.8.2006 (8 months)	6.8.2008	2 Yrs		
Application of Previous approval	6.10.2006 (10 months)	Not available	5Yrs 8 months		
Granting of Previous approval	6.11.2006 (11 months)	Pending	5 Yrs 7 Months		
Application of	6.12.2006	11.4.2008	1 Yr 4 Months		

Prepared by
Dilip

checked by
Baner

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COAL CONTROLLER




Forest clearance	(12 months)				
Grant of Forest Clearance	6.6.2007 (18 months)	Pending	5 Years		
Application EMP Clearance	6.12.2006 (12 months)	24.7.2007	7 Months		
Grant of EMP Clearance	6.6.2007 (18 months)	Pending	5 Yrs		
Grant of Mining Lease	6.12.2007 (24 months)	Pending	4 Yrs 6 Months		
Application of Land Acquisition	6.7.2007 (19 months)	6.7.2007	-		
Completion of Land Acquisition	6.12.2008 (36 months)	Pending	3 Yrs 6 months		
Application for opening permission	6.4.2009 (40 months)	Pending	3 Yrs 02 Months		
Grant of Opening permission	6.5.2009 (41 months)	Pending	3 Yrs 01 Month		
Production	6.6.2009 (42 Months)	Pending	3 Years	Open cast including forest land.	

Other details and constraint faced by the block allocates

- **Land Acquisition:** - Total land 930 hac. Out of which 303 hectors of Private land has been acquired and an amount of Rs.36 crores has been deposited with Land Acquisition Officer and 575 Ha Govt. land has been acquired. Socio Economic survey of Private A forestation land completed.
- **Forest Clearance:** - For 52 Ha of forest land, joint survey for compensatory a forestation land at Nookalapally (V), Malliai under Jagityal division was completed with revenue and forest officials. Stage- I forest clearance is pending.
- **EMP:-** During the final presentation at MOEF, Andhra Pradesh Power Generation Corporation Ltd (APGENCO) is directed to submit RR package. Preparation of RR (Rehabilitation and Resettlement) package is under finalization. Presentation to MOEF completed

Prepared by


Checked by



 कोयला नियंत्रक
 COAL CONTROLLER



TO WHOM SO EVER IT MAY CONCERN

This is to certify that M/s. Andhra Pradesh Power Generation Corporation Limited (APGENCO) Hyderabad, Andhra Pradesh has spent an amount of Rs. 1263.20 Crores in respect of end-use plant of Tadicherla-I coal block (captive) i.e. Kakatiya Thermal Power Project – II (600 MW) up to 31st August 2012 as against the total project cost of Rs. 2968.64 Crores, as per the books and records produced.

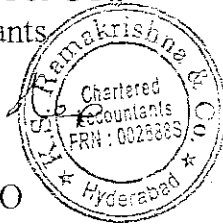
We further certify that the said project was financed by M/s. REC for Rs. 2170.00 Crores and Andhra Bank for Rs. 500.00 Crores.

Hyderabad
Date: 06.10.2012

For K.S.RAMAKRISHNA & CO.
Chartered Accountants

K. Rama Rao

K. RAMA RAO
Partner
M.No. 206039



K.S. Ramakrishna & Co.
Chartered Accountants



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e-mail : krrao67@gmail.com

TO WHOM SO EVER IT MAY CONCERN

This is to certify that M/s. Andhra Pradesh Power Generation Corporation Limited (APGENCO), Hyderabad, Andhra Pradesh has spent an amount of Rs. 77.74 Crores for development of Tadicherla-I coal block (captive) up to 31st August 2012 as per the books and records produced.

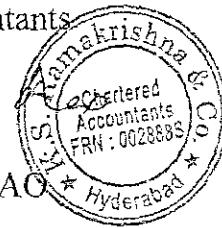
We further certify that as per the Annual Plan submitted by APGENCO to the Andhra Pradesh State Government and Planning Commission of India, the future investment provision made for the financial year 2012-13 is Rs. 81.67 Crores.

Hyderabad
Date: 06.10.2012

For K.S.RAMAKRISHNA & CO.,
Chartered Accountants

K. Rama

K. RAMA RAO
Partner
M.No. 206039



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Annexure-IV

1. Name of Company:-M/s Andhra Pradesh Power Generation Corp. Ltd.
2. Name of Coal Block:- Adichera-I (Regionally Explored)
3. Date of Allocation:- 06.12.2005
4. Normative Date of production:-06.06.2009 (as per allotment letter)
5. Status of Mine Plan:- MP approved
6. Yearly Rated Capacity:- 2.5 MTPA (as per mine plan)
7. Grade of Coal:- C & D
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.

Calculation of weighted Average GCV

Seam Name	Seam wise reserve as per Mine Plan(in MT)	% of share of reserve	Average GCV as per Mine Plan	Weighted Average of GCV
(1)	(2)	(3)	(4)	(5)=(4)x(3)/100
IA	2.33	4.86	4200	204.1
I	8.44	17.60	4903	862.8
II	9.92	20.69	4350	900.0
IIIA	1.61	3.35	5335	178.7
III	11.26	23.50	5728	1346.0
IVA	6.53	13.63	5965	813.0
IV	7.85	16.37	5838	955.6
Total	47.9356	100		5260.3

Total weighted GCV = 5260.3 K.cal/Kg

Price/Tonne for GCV of 5260.3kcal/kg= Rs. 1840/- (As per SCCL Notification No.35/2012-13 dt.03.04.2012)

Royalty/Tonne=Rs.1840x14%= Rs.257.60/- (Royalty rate =pricex14% as per gazette notification No. G.S.R.349(E) dt.10.05.2012)

The Royalty for Peak rated capacity of 2.5 MT/year=Rs. 257.60x2.5 Million=Rs.644 Million = Rs 64.4 Crore

Bank Guarantee may be asked to submit for one year royalty ~~Rs.64.4 Crore~~ (Rupees sixty four crores forty lakhs only)

Beal *Di* *Hrisma*
Coal Controller