

By Speed Post

F.No 13016/84/2006-CA-I
Government of India
Ministry of Coal

.....
New Delhi, dated

10¹⁵ June,
May, 2013

To

1. The Chairman-cum-Managing Director
M/s Tamil Nadu Electricity Board,
NPKRR, Malligai, Electricity Avenue,
800, Anna Salai, Chennai-600002.

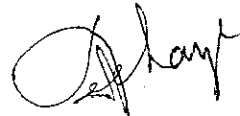
2. The Managing Director,
M/s Maharashtra State Mining Corporation Ltd,
Udyog Bhavan, 3rd Floor, Civil Lines,
Nagpur-440001.

Sub: Introduction and submission of Bank Guarantee in respect of Gare Palma Sector-II Coal block allocated to M/s Tamil Nadu Electricity Board and M/s Maharashtra State Mining Corporation Ltd.-Regarding

Sir,

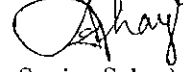
I am directed to refer to Ministry of Coal's letter of even number dated 21st February, 2013 and to D.O.letter No.CE/M/Mines/EE/A1/F.Gare Pelma/D.118/13 dated 20th April, 2013 received from the Principal Secretary & CMD, TANGEDCO & TNEB, Govt. of Tamil Nadu and to letter No.MTCL/Admin/2012-13/1068 dated 13th March, 2013 received from the CMD, M/s Maha Tamil Collieries Ltd. (JV company of TNEB and MSMC) and to say that the representations of Govt. of Tamil Nadu and M/s Maha Tamil Collieries Ltd. have been examined in consultation with the Coal Controller's Organisation.

2. The Coal Controller's Organisation has informed that Bank Guarantee (BG) amount is generally calculated as Bank Guarantee amount (equal to one year's royalty amount) = (Royalty per tonne of coal) X (Peak Rated Capacity of the mine). In the instant case, peak rated capacity of Gare Palma Sector-II coal block is 23.6 MTPA (as per the information furnished by the JV company vide its letter No.MTCL/Tech./2012-13/1021 dated 10th January, 2013) and rate of royalty is Rs.89.60 per tonne. **Accordingly the BG amount (equal to one year's royalty amount) is Rs.89.60 X 23.60 MTPA = Rs.211.456 crores.** However, the contention of calculation of BG amount based on the average production of 75 years as stated in the representations of Govt. of Tamil Nadu and M/s Maha Tamil Collieries Ltd. (JV company of TNEB and MSMC) under reference is not acceptable.



3. Further, vide Ministry of Coal's order dated 21st February, 2013, it is also mentioned that the JV company of the joint allocattees, M/s MahaTamil Collieries Limited (MTCL) is directed to submitted the Bank Guarantee of Rs.211.456 crores within three months failing which the block may be de-allocated. The last date for submission of Bank Guarantee was 20.05.2013. In view of the above, the JV company of the joint allocattees, M/s MahaTamil Collieries Limited (MTCL) is directed to submitted the Bank Guarantee of **Rs.211.456 crores** within a week to Coal Controller's Organsiation from date of issue of this letter, failing which appropriate action would be taken including de-allocation of coal block.

Yours faithfully,



(A. Sanjay Sahay)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Tamil Nadu, Secretariat, Chennai.
2. The Principal Secretary & CMD TADGENCO and TNEB, N.P.K.R.R., Maaligai, Electricity Avenue, 144, Anna Salai, Chennai-600002.
3. The Chief Secretary, Government of Maharashtra, Mantralaya, Mumbai-400032..
4. The Chief Secretary, Government of Chhattisgarh, Dau Kalyan Singh Bhavan, Mantralaya, Raipur, Chhattisgarh.
5. The Secretary, Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi.
6. The CMD, Coal India Limited, 10, Netaji Subash Road, Kolkata.
7. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to take follow up action to receive the bank guarantee as mentioned above.
8. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.