

By Speed Post

No.13016/29/2003-CA-I (Vol.II)

Government of India

Ministry of Coal

\*\*\*\*\*

New Delhi, dated 18<sup>th</sup> March, 2014

To,

The Chairman & Managing Director,  
M/s National Thermal Power Corporation Ltd.,  
NTPC, SCOPE Complex, 7, Institutional Area,  
Lodhi Road, New Delhi-110003.

**Subject: Imposition of Bank Guarantee (BG) in respect of Talaipalli coal block allocated to M/s National Thermal Power Corporation Ltd.- regarding.**

Sir,

I am directed to refer to this Ministry's allocation letter No. 13016/29/2003-CA-I dated 25.01.2006 conveying allocation of **Talaipalli** coal block in pursuance of the provisions contained in Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973, subject to certain conditions (**Annexure-I**). One of the conditions of the allocation was that the power projects (4000 MW) based on coal from this block shall commence generation latest by the end of the 11<sup>th</sup> Five Year Plan. The end use project schedule and the coal mine development schedule should be submitted to this Ministry within 3 months from the date of allocation. One of the conditions also stipulates that violation of any of the conditions imposed in the allocation on the part of NTPC or such separate Government Company in mining and disposing of coal from the Talaipalli coal block will render the mining lease liable for cancellation.

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 22/23.06.2009 it was stated that exploration completed. Other Milestones were pending. Preparation of M.P. was under process. For MP and, EIA etc. consultants were being engaged. For MP it was expected another 5/6 months. In the review meeting held on 20/21.07.2010 it was noticed that exploration completed. FC, EMP & LA were pending. Mine Plan was approved. Company was persuing with State Govt. for LA. NOC for FC was awaited from State Govt.. Issue was under examination for coal production through JV formation with NTPC-SECL.

3. In the review meeting held on 11/12.01.2012, it was noticed that the progress of the **Talaipalli** 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. It was also intimated that the progress would be monitored regularly and if the development of the coal block and associated end use plant is not as per the schedule furnished and if any willful delay is noticed, appropriate action including deduction of bank guarantee/de-allocation of block would be considered.



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4. In the meantime, the Government has constituted an Inter-Ministerial Group (IMG) on 21.06.2012 under the Chairmanship 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 18<sup>th</sup> meeting held on 01.05.2013 *inter alia* considered the status of the development of the **Talaipalli** Coal Block prepared by the Coal Controller's Organisation (CCO) as on December, 2012 and noted that no significant progress was made by the company towards development of the coal block. It was noticed that a number of important/critical milestones were pending. Keeping in view the unsatisfactory progress, IMG recommended to issue show cause notice for delay in development of coal block. Accordingly a show cause notice dated 10.06.2013 was issued (**Annexure-II**).

5. Subsequently, on receipt of reply in response to show cause notice, the IMG asked the allocatee company to make a presentation before it on the progress of development of allocated coal block and associated end use project(s). The representatives of the company gave presentation on 24.10.2013 before the IMG in its 23<sup>rd</sup> meeting. The IMG considered the presentation, the status of the **Talaipalli** coal block and associated end use project(s) prepared by the Ministry of Coal and Coal Controller's Organisation (**Annexure-III**). The details of milestones to be achieved and the time lapsed against each milestone, as reported by the Office of Coal Controller, are given in the table below:

Mile Stones	Schedule date of Completion	Actual date of Completion	Slippage in YY/MM (as on June'13)	Remarks	Special Observation
Purchase of GR	13.11.2008 (27 months)	29.9.2008	-	Drilling took 2 years time.	
Submission of Bank Guarantee	29.12.2008	Not applicable	-	As BG introduced in June.2007	
Mining Lease Application	29.12.2008 (3 mts from GR preparation))	ML under CBA Act.	-	Zero date taken from date of GR preparation as per allocation letter.	
Submission of Mining Plan	29.3.2009 (6 months from GR preparation)	10.11.2009	8 months		
Approval of Mining Plan	29.5.2009 (8 months from GR preparation)	31.3.2010	10 months		
Application of Previous approval	29.7.2009 (10 months from GR preparation)	Not required	-		
Granting of Previous approval	29.8.2009 (11 months from GR preparation)	Not required	-		
Application of	29.9.2009	5.3.2009	3yrs 6		





Forest clearance	(12 months from GR preparation)		months		
Grant of Forest Clearance	29.3.2010 (18 months from GR preparation)	<i>Pending</i>	3 yrs 3 months		Stage-I forest clearance accorded by MOEF on 5.11.12
Application EMP Clearance	29.9.2009 (12 months from GR preparation)	26.4.2010	7 months		
Grant of EMP Clearance	29.3.2010 (8 months from GR preparation)	25.1.2012 (In principal approval)	1yr 10 months	Formal clearance after Stg-I clearance.	
Grant of Mining Lease	29.9.2010 (18 months from GR preparation)	Not required	-		
Application of Land Acquisition	29.4.2010 (19 months from GR preparation)	14.7.2006	-		
Completion of Land Acquisition	29.9.2011 (36 months from GR preparation)	<i>Pending</i>	1yr 9 Months		
Application for opening permission	29.1.2012 (40 months from GR preparation)	<i>Pending</i>	1yr 5 Months		
Grant of Opening permission	29.2.2012 (41 months from GR preparation)	<i>Pending</i>	1yr 4 Months		
Coal Production	29.3.2012 (42 Months)	<i>Pending</i>	1yr 3 Months	OC mine with forest land.	Coal prod. is targeted by Sept.14

6. After detailed deliberations, IMG recommended for imposition of Bank Guarantee on the allocatee of **Talaipalli** coal block in order to expedite the development and production from coal block. The recommendations made by the IMG are as follows:-

“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 this was a regionally explored block and as per CCO's status report, GR has been purchased, mining plan approved, in-principle approval of Environment Clearance as well as Forest clearance (Stage-I) received. Mining Lease is not required as land acquisition has been made under CBA Act, 1957. A part of transfer of Govt. land is pending with Govt. of Chhattisgarh for which notification has been issued and disbursement of compensation has commenced. However, there have been delays in achieving milestones.

*[Signature]*

The IMG considered the reply of the allocatee to the show cause notice wherein the allocatee has informed that the delay in opening of mine is on account of land transfer and approval of R&R by the Chhattisgarh Govt. As regards EUP, target date of commissioning of Lara TPP, Chhattisgarh is 2016-17.

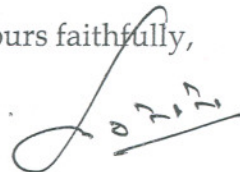
As per Chartered Accountant (CA) certificate submitted by the company, investment in coal block and EUP till June'13 is Rs. 325.33 Crs and Rs. 1139.17 Crores, respectively.

**Recommendation:** Taking into account the facts brought before it including the fact that EC and FC (Stage-I) has been granted and mine opening is pending for transfer of land by the State Govt. and Stage-II FC as well as the fact that against scheduled date of production of 25.02.2011, mine could not be opened so far, IMG recommends imposition of Bank Guarantee (BG) on the allocatee in order to expedite the development and production from coal block."

7. The recommendation of the IMG has since been considered and approved by the Government. In view of above allocatee company is directed to submit the Bank Guarantee of Rs. 232.848 crores (Rupees two hundred thirty two crores eighty four lakhs eight thousand only) to Coal Controller's Organisation immediately failing which appropriate action would be taken including de-allocation of the block (The calculation of imposition of BG is as per **Annexure-IV**).

Encls: As above

Yours faithfully,



(S.K. Shahi)

Director

Tel: 23382807

Copy to:

- (i) The Chief Secretary, Government of Chhattisgarh, D.K.S. Bhawan, Raipur, Chhattisgarh.
- (ii) The Secretary, Ministry of Power, Shramshakti Bhawan, New Delhi.
- (iii) The Coal Controller, Coal Controller Organisation, 1- Council House Street, Kolkata with the direction to take necessary steps for imposition of Bank Guarantee.
- (iv) The Chairman, Coal India Ltd., 10 - Netaji Subhash Road, Kolkata - 700 001.
- (v) NIC, Ministry of Coal for uploading the letter on Ministry's website.



Sl. No. 480

No.13016/29/2003-CA-I  
Government of India  
Ministry of Coal

ANNEX-I

New Delhi, dated the 25<sup>th</sup> January, 2006.

To

Received  
Sub. to Compt  
30/1/06

The Chairman-cum-Managing Director,  
National Thermal Power Corporation Limited,  
NTPC-Bhawan,  
SCOPE Complex, Lodhi Road,  
New Delhi - 110 003.

Subject: Allocation of Talaipalli coal block to M/s, National Thermal Power Corporation Ltd. (NTPC) for meeting coal requirement for the 4000 MW of Power Generation capacity as part of Lara integrated coal mine-cum-power project.

Sir,

I am directed to refer to your letter No. 01/FM/Coal Mining/006-623 dated 01.03.2005 on the subject mentioned above and to convey the 'in principle' consent of the Government of India for allocation of Talaipalli coal block in the State of Chattisgarh under the revised coal mining policy as decided by the Central Government vide letter No. 38025/2/97-CA dated 12.12.2001 subject to the following conditions: -

- i) Coal mining shall be carried out by NTPC, or a separate company to be created with NTPC 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 Talaipalli coal block. In case there already exist linkages from the above sources, NTPC shall continue to honour its commitment towards long-term linkage from these nationalized coal companies.
- iii) All coal mined from the block, including any middlings or rejects etc. if washing is resorted to, shall be used in NTPC power plants. No coal will be disposed off in any other manner, whatsoever, without prior permission, in writing, of the Ministry of Coal.

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- iv) The Company 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, and all the mineral, environmental and labour laws and other regulations governing coal industry.
- v) NTPC would plan for mining in Talaipalli coal block as per the approved mining plan so as to extract the reserves to the maximum extent possible.
- vi) The mining lease will be executed in the name of NTPC or such separate Government company which may be formed with equity participation of NTPC.
- vii) The power projects (4000 MW) based on coal from this block shall commence generation latest by the end of the 11<sup>th</sup> Five Year Plan. The end use project schedule and the coal mine development schedule should be submitted to this Ministry within 3 months from the date of this letter. Time frame for achieving major milestones related to coal mining is enclosed for guidance and adherence.
- viii) Violation of any of the conditions imposed above on the part of NTPC or such separate Government Company in mining and disposing of coal from the Talaipalli coal block will render the mining lease liable for cancellation.

2. The company may approach CIL, CMPDIL for geological report of the block on payment of necessary exploration cost to work the block as per the provisions of MM (D&R) Act, 1957 and contact the State Government authorities concerned for completing the necessary formalities for attaining mining lease rights and related matters. 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)*  
(V.S. Rana)

*(Signature)*  
Under Secretary to the Govt. of India.

Encls. As above.

Copy to: -

*(Signature)*  
30/1/08

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, South Eastern Coalfields Limited, Distt. Bilaspur, Chattisgarh.

18/83



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4. Ministry of Power (Shri Punit Goyal, Director), Shram Shakti Bhawan, New Delhi.
5. Ministry of Railways, Railway Board (- Shri M.S. Mathur, Joint Director (TP) Rail Bhawan, New Delhi.
6. Chief Secretary, Govt. of Chattisgarh, Secretariat, Raipur.
7. Coal Controller, Office of the Coal Controller, 1, Council House, Kolkatta.
8. CPAM Section.

*[Handwritten signature]*

*[Handwritten signature]*  
( V.S. Rana )

*[Handwritten initials]* Under Secretary to the Govt. of India.

102 (84)

**SHOW CAUSE NOTICE**  
**BY SPEED POST**

No. 13016/29/2003-CA-I  
Government of India  
Ministry of Coal

New Delhi, dated 10<sup>th</sup> June, 2013

To

M/s National Thermal Power Corporation,  
The Chairman and Managing Director  
NTPC, SCOPE Complex,  
7 Institutional Area,  
Lodhi Road, New Delhi 110 003.

**Subject: Show cause notice to M/s National Thermal Power Corporation in respect of Talaipalli coal block.**

Sir,

I am directed to refer to this Ministry's letter No. 13016/29/2003-CA dated 25<sup>th</sup> January, 2006 conveying allocation of **Talaipalli** coal block in pursuance of the provisions contained in Section 3(3)(a)(i) of the Coal Mines (Nationalization) Act, 1973, subject to certain conditions including commencement of generation of power from the coal of this block by the end of 11<sup>th</sup> Five Year Plan i.e by March, 2012.

2. In order to expedite the development of the coal block, 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 **Talaipalli** coal block allocated to company was 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 **Talaipalli** coal block. The IMG noted that Forest Clearance (Stg.-I), EMP and Land Acquisition are still pending in your case. Keeping in view the unsatisfactory progress, IMG recommended

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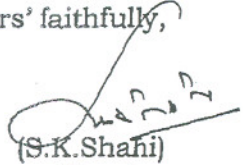


issuing show cause notice for delay in development of coal block. The recommendation of IMG has since been considered and accepted by the Government.

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 **Talaipalli** 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 **Talaipalli** 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 .



(4)

ANNEX-III

**Talaipalli**

Sl No	Items	Remarks
1	Name Of the Block	Talaipalli block
2	Name Of the allocate	<b>M/s National Thermal Power Corporation Ltd.</b>
3	Date Of allocation	25.01.2006
4	End -use Plant	
5	Important terms and conditions of allocation	As per Allocation letter enclose- Annexure-I.
6	Milestones of allocation /Slippages against Milestones as stated in the SCN	Status of CCO, Kolkata is enclosed – Annexure -II
7	History Previous review / action	<p>In the review meeting held on 20<sup>th</sup> and 21<sup>st</sup> July, 2010 the Committee noted that Exploration completed. FC, EMP, LA area pending. Mine Plan approved Perusing with State Govt. for Land Acquisition. NOC for FC is awaited from State Govt. Examining coal production through JV formation with NTPC-SECL. A show cause notice was issued on 29.09.2010.</p> <p>In the meeting held on 28.01.2011 and 4.2.2011 regarding review of progress of allocated coal blocks an assessment of reply of show cause notices issued in response to recommendation of the meeting of the review committee held on 20<sup>th</sup> 21<sup>st</sup> July, 2010, the Committee noted that the block was unexplored and the company had carried out detailed exploration. ML not required as the land to be acquired through CBA Act. EMP-pending, FC no apparent progress and LA-pending. A warning was issued on 21.06 .2011.</p> <p>In the review meeting held on 11<sup>th</sup> and 12<sup>th</sup> January, 2012 the Committee noted that FC (Stage-I),EMP and Land Acquisition are pending. Company stated that 40,000 mts drilling completed. FC proposal is pending with PCCF, Govt. of Chhattisgarh. Expected to reach MOEF in January, 2012. NTPC formed JVC with SCCL to develop the block. A caution letter was issued on 26.04.2012.</p>



		<p>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 &amp; 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 the company towards development of the <b>Talaipalli</b> coal block. The IMG noted that <b>the Forest Clearance (Stage -I), EMP and Land Acquisition are still pending.</b> , 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. The company was issued show cause notice on 10<sup>th</sup> June, 2013.</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	
9	Litigation any orders of the court , if any	
10	Summary of reply of the company including reasons for delay	<p><b>Forest Clearance (Stage I):</b>MOEF has accorded Forest Clearance (Stage I) on 05.11.2012. NTPC has apprised it to CCO on 22.11.2012.</p> <p><b>Land Acquisition:</b> All notification under Coal Bearing Area (CBA) Act completed for mining area land, land compensation payment to the project affected persons is under progress and already paid for 1200 acres of private land out of 2930 acres.</p>



		<p>Advance payment of 90% of total cost of private land under Land Acquisition (LA) Act, 2894 deposited to Raigarh Distt. Admn and is pursuing with them for land acquisition notifications for MGR corridor , R&amp;R colony and Township.</p> <p><b>Copy of reply received from the company is enclosed as Annexure -III</b></p>
11	Comments of State Govt. on reply of the allocatee on SCN	<p>A copy of the reply of the company was sent to State Govt. of Chattisgarh for their comments.</p> <p>Comments of State Govt. have not been received.</p>
12	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	<p>The completion of land acquisition, application for opening permission and grant of opening permission is still pending.</p>



**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. NTPC Ltd.
2. Name of Coal Block:- Talaipalli (Explored)/Govt
3. Name of Owner/Address etc :- AGM(Fuels), Mand Raigarh, NTPC Ltd., Room NO. 123, 1<sup>st</sup> Floor, R & D Building, NTPC, EOC, Sector 24 Noida-201301
4. Date of Allocation:- 25.1.2006
5. Location: Mand Raigarh/CG
6. Project cost:- Feasibility report under finalization
7. Total investment made Cr (As per CA report) :- Rs. 300.70 Cr. (Upto June'13)
8. Reserve (Mill tonnes):- 1267 (Geological)
9. Mineable Reserve in MT:- 843.68
10. Yearly rated capacity (MTPA):- 18
11. Grade of Coal:- E-F
12. Cost of GR:- Rs. 16 Cr.
13. BG Amount :- Not applicable (BG introduced in June.2007)
14. Type of EUP:- Power
15. Location of Project:- Lara
16. Capacity of Project:- 4000 MW Super Critical Unit
17. Explored/Un explored:- RE
18. Type of Mine :- OC
19. Zero Date:- 29.9.2008 (date of preparation of GR)
20. **Previous Recommendation, if any:-** Caution notice issued by MOC as per decision of review meeting dated 11/12.1.2012. Again in 18<sup>th</sup> 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	13.11.2008 (27 months)	29.9.2008	-	Drilling took 2 years time.	
Submission of Bank Guarantee	29.12.2008	Not applicable	-	As BG introduced in June.2007	
Mining Lease Application	29.12.2008 (3 mts from GR preparation))	ML under CBA Act.	-	Zero date taken from date of GR preparation as per allocation letter.	
Submission of Mining Plan	29.3.2009 (6 months from GR preparation)	10.11.2009	8 months		
Approval of Mining Plan	29.5.2009 (8 months from GR preparation)	31.3.2010	10 months		
Application of Previous approval	29.7.2009 (10 months from GR preparation)	Not required	-		
Granting of Previous approval	29.8.2009 (11 months)	Not required	-		



	from GR preparation)				
Application of Forest clearance	29.9.2009 (12 months from GR preparation)	5.3.2009	3yrs 6 months		8
Grant of Forest Clearance	29.3.2010 (18 months from GR preparation)	<i>Pending</i>	3 yrs 3 months		Stage-I forest clearance accorded by MOEF on 5.11.12
Application EMP Clearance	29.9.2009 (12 months from GR preparation)	26.4.2010	7 months		
Grant of EMP Clearance	29.3.2010 (8 months from GR preparation)	25.1.2012 (In principal approval)	1yr 10 months	Formal clearance after Stg-I clearance.	
Grant of Mining Lease	29.9.2010 (18 months from GR preparation)	Not required	-		
Application of Land Acquisition	29.4.2010 (19 months from GR preparation)	14.7.2006	-		
Completion of Land Acquisition	29.9.2011 (36 months from GR preparation)	<i>Pending</i>	1yr 9 Months		
Application for opening permission	29.1.2012 (40 months from GR preparation)	<i>Pending</i>	1yr 5 Months		
Grant of Opening permission	29.2.2012 (41 months from GR preparation)	<i>Pending</i>	1yr 4 Months		
Coal Production	29.3.2012 (42 Months)	<i>Pending</i>	1yr 3 Months	OC mine with forest land.	Coal prod. is targeted by Sept.14

**Observation of Field Office of CCO during inspection of the block**

Date of Inspection	
Infrastructure development	As per site inspection carried out by OSD Office, Ranchi, & Dhanbad it was reported that
Activities related to coal transportation	• No
Presence of mining equipment.	• No
Any sign of mining activities.	• No



Escrow A/c for mine closure	• No
Other activities	•
Engagement of MDO	M/s. NTPC-SCCL Global Venture Pvt Ltd has been appointed as MDO <sup>9</sup>

**Other details and constraint faced by the block allocates**

**Forest clearance:-** Stage-I forest clearance accorded on 5.11.2012. NPV of forest land and compensatory afforestation charges deposited to MOEF on 15.2.13. *Stage-I forest clearance compliance for both Dharamjaygarh and Raigarh forest divisions forwarded to DFO on 13.6.13 and on 22.6.13. Stage-I expected by Oct. 13.*

- **Land acquisition:-** Section 4 to 11 notification completed. Disbursement of compensation commenced from 2.2.12 made for 618 acres.
- **Total land: 5763 acres,** Forest land: 1898 acres and Pvt. land:- 3227 acres, Govt. land: 638 Acres.
- **Coal Production by March.2015.**

EUP:- Proposed: 4000 (5x800) MW TPP at Lara, CH. Target of commissioning Schedule:- : U#I=16-17, U#II=16-17.

**Investment made (As per CA report):-** Rs. 1082.23 Cr. (Lara Project) upto June'13

ANNEX-IV  
FTSN No - 2372/2014 153

Speed Post

No F.CC/MCBA/102/46/2012-BG ) 165:  
GOVERNMENT OF INDIA  
MINISTRY OF COAL  
OFFICE OF THE COAL CONTROLLER  
1, Council House Street,  
Kolkata - 700 001,

3-2248-9612 to 16  
Fax : 033-2248-2459  
E-mail: coalcont-wb@nic.in

*25/11/2014*  
*24/11/14*

Dated: 14.02.2014

*17/2/14*

To  
The Director (CA-I)  
Government of India,  
Ministry of Coal, Shastri Bhawan,  
New Delhi -110115.

Subject: Bank Guarantee Calculation in respect of 7(seven) coal blocks  
subsequent to the recommendations of the IMG – reg.

Ref: MOC's letter No.13016/10/2013-CA-I (Part), dated, 25.11.2013

Reference to the above, please find herewith calculation of Bank Guarantee amount to be deducted/imposed in respect of 7(seven) coal blocks as per the recommendation of 23<sup>rd</sup> meeting of IMG for your perusal and necessary action if agreed at your end please.

Please do the needful.

Yours faithfully,

Dy. Asstt. Coal Controller & H.O.

Enclosure: As above

*Please put up*  
*20.12.14*  
*In hand*

*25/12*  
*U.S.A. 1 urgent*  
*on file*

*28/2*  
*Go with B*



1. Name of Company:-M/s National Thermal Power Corporation Ltd.
2. Name of Coal Block:- Talaipalli
3. Date of Allocation:- 25.01.2006
4. Normative Date of production:-29.03.2012
5. Yearly Rated Capacity:- 18 MTPA for OC mine & 0.72 for UG mine
6. Grade of Coal:- Overall E
7. BG Amount:- To be determined on the basis of one year royalty as done before as recommended by IMG
8. Recommendation: IMG recommends imposition of Bank Guarantee (BG) on the allocate in order to expedite the development and production from the coal block.

**Calculation of average GCV for Open Cast Mine**

Grade	A	B	C	D	E	F	G	TOTAL	Remarks
Grade wise Gross Geological Reserves (MT)		1.30	55.96	106.48	265.04	735.85	158.82	1323.45	
(%) share of Reserve		0.098	4.228	8.046	20.027	55.601	12.000	100	
GCV Range for respective grade (K cal/kg)	Exceeding 6454	6049-6454	5597-6049	5089-5597	4324-5089	3865-4324	3113-3865		As per MOC's Chart (copy enclosed)
Average GCV for respective grade (K cal/kg)	6454	6252	5823	5343	4706	4095	3489		
Weighted average GCV (K cal/kg)	0.00	6.13	246.2	429.9	942.47	2276.86	418.68	4320.24	*

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

Total of weighted average GCV= 4320.24 Kcal/Kg

Price/Tonne for GCV of 4320.24= Rs.860/- (As per CIL Notification No. CIL:S&M:GM (F):Pricing:235 dt.27.05.2013)

Royalty/Tonne=Rs. 860x14%= Rs.120.40 (Royalty rate =pricex14% as per gazette notification No. G.S.R.349(E) dt.10.05.2012)

The Royalty for Peak rated capacity of 18 MT/year=Rs. 120.4x18 Million =Rs.2167.2 Million = Rs.216.72 Crore

X= Bank Guarantee amount for OC mine on one year royalty basis=Rs.216.72 Crore ( Rupees two hundred sixteen crores and seventy two lakhs only)

Calculation of average GCV for Underground Mine

Grade	A	B	C	D	E	F	G	TOTAL	Remarks
Grade wise Gross Geological Reserves (MT)	39.35	15.42	7.42	8.50	4.92	1.27	0.25	77.13	
(%) share of Reserve	51.02	19.99	9.62	11.02	6.379	1.647	0.324	100	
GCV Range for respective grade(K cal/kg)	Exceeding 6454	6049-6454	5597-6049	5089-5597	4324-5089	3865-4324	3113-3865		As per MOC's Chart (copy enclosed)
Average GCV for respective grade(K cal/kg)	6454	6252	5823	5343	4706	4095	3489		
Weighted average GCV(K cal/kg)	3292.83	1249.77	175.97	560.17	300.2	67.44	11.3	5657.68	*

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

Total of weighted average GCV= 5657.68 Kcal/Kg

Price/Tonne for GCV of 5657.68 kcal/kg= Rs. 1600/- (As per CIL Notification No.CIL:S&M:GM

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

Royalty/Tonne=Rs.1600x14%= Rs.224/- (Royalty rate =pricex14% as per gazette notification No. G.S.R.349(E) dt.10.05.2012)

The Royalty for Peak rated capacity of 0.72 MT/year =Rs. 224 x 0.72 =Rs.161.28 Million = Rs.16.128 Crore

Y=Bank Guarantee amount for UG mine on one year royalty basis=Rs.16.128 Crore ( Rupees sixty eight crores and fifty three lakhs only)

Total Bank Guarantee on the basis of one year royalty=X+Y=Rs.(216.72+16.128) Crore=Rs.232.848 crores ( Rupees two hundred thirty two crores eighty four lakhs eighty thousand only)

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