

By Speed Post

**F.No. 13016/94/2006 -CA-I
Government of India
Ministry of Coal**

New Delhi, dated *24th* December, 2013

To

M/s Metals and Minerals Trading Corporation Limited (MMTCL),
Core-1, Scope Complex,
7, Institutional Area,
Lodi Road, New Delhi -110003

Sub: Furnishing of Bank Guarantee (BG) in respect of Gomia coal block in the State of Jharkhand allotted to M/s Metals and Minerals Trading Corporation Limited (MMTCL) - Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/23/2006-CA dated 2nd August, 2006 (**Annexure-I**) and to this Ministry's show cause notice letter No. 13011/15/2012-CA-I dated 2nd May, 2012 (**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. Gomia coal block located in the State of Jharkhand was allocated to M/s Metals and Minerals Trading Corporation Limited (MMTCL) in pursuance of the Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973 subject to certain terms and conditions. In the allocation letter, at point No.(v) the following is stipulated as under:-


"(v) The exploration of the coal blocks shall be done either through CMPDIL or under the direct supervision of CMPDIL. Prospecting license shall be applied for within three months of date of allotment and the detailed exploration shall be completed at the earliest. After the detailed exploration is completed the allocatee of the block shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage

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would render this allocation liable for cancellation and withdrawal of block from the allocatee.”

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 gives presentation in respect of the development made by them with reference to the milestones prescribed in the allocation letter. During these meetings following was noted:

- i. In the Review Committee in its meeting held in 22/23.06.2009 noted that the block was unexplored. All the activities are pending. The representative expressed that their block area has been reduced by CMPDIL from original 13.5 Sq.km to 3.5 Sq.K.M where as they had filed PL application for original bigger area. They have sent a communication to MOC in this regard.
 - ii. In the Review Committee meeting held in on 20/21.07.2010 it was noticed that the block was unexplored. PL not granted. Prefeasibility study not yet completed. Exploration not yet started. Govt. of JH representative viewed that MMTC have to sign PL deed first. MMTC had not kept the commitment made in the part to comes up whether they want to keep the block. Company assured to come up within 6 months.
 - iii. The Review Committee meeting held on 11/12.01.2012 noted that no serious efforts have been made by the company to develop the coal block, even after repeated assurance tendered by the Company during the period. It is also noted that all the important /critical milestones are pending for Gomia(deep UG mine) coal block. The company has repeatedly failed to keep the its promises made to the Ministry and is thus non-serious about timely development of the block. 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

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(IMG) 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 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 allocate company was referred to IMG. Accordingly, the IMG asked 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 **10th October, 2012** before the IMG. The IMG considered the presentation, the **status note of the Gomia 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
Purchase of GR	2.11.2008 (27 Months)	Pending	3Yrs 7 Months	Due to regionally explored
Submission of Bank Guarantee	NA	-		BG introduce from June,07 for Govt Block.
Mining Lease Application	2.2.2009 3 months from GR)	Pending	3Yrs 4 Months	
Submission of Mining Plan	2.5.2009 6 months from GR)	Pending	3 Yrs 1 Month	


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Approval of Mining Plan	2.7.2009 8 months from GR)	Pending	2Yrs 11 Months	
Application of Previous approval	2.9.2009 10 months from GR)	Pending	2Yrs 9 Months	
Granting of Previous approval	2.10.2009 11 months from GR)	Pending	2Yrs 8 Months	
Application of Forest clearance	2.11.2009 12 months from GR)	Pending	2Yrs 7 Months	
Grant of Forest Clearance	2.5.2010 18 months from GR)	Pending	2 Yrs 1 Month	
Application EMP Clearance	2.11.2009 12 months from GR)	Pending	2Yrs 7 Months	
Grant of EMP Clearance	2.5.2010 18 months from GR)	Pending	2 Yrs 1 Month	
Grant of Mining Lease	2.11.2010 24 months from GR)	Pending	1Yr 8 Months	
Application of Land Acquisition	2.6.2010 19 months from GR)	Pending	2Years	
Completion of Land Acquisition	2.11.2011 36 months from GR)	Pending	8 Months	
Application for opening permission	2.3.2013 40 months from GR)	Pending	-	
Grant of Opening permission	2.4.2013 41 months from GR)	Pending	-	
Production	2.5.2013 (54 Months from GR)	Pending	-	Underground including forest land.

6. After detailed deliberations, the IMG made the following recommendations :-

M/s MMTCL Ltd. (Gomia)

The IMG considered the terms and conditions of allocation, the


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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 regionally explored block and more than 6 years have elapsed from the date of allotment i.e. 2.8.2006. PL has been applied for in August 2008 and received in August 2010. Phase-I drilling has been completed and Phase-II is expected to be completed by September 2012 and GR would be ready by December 2012. MMTC is taking up mining jointly with SCCL. The mine has overlapping area with CBM block of ONGC. The investment in the mining project as per the CA certificate is Rs.2.33 crores. The normative date of production as per the allocation letter is 2.5.2013.

IMG noted that during review of 2010 the Committee had recommended issue of show-cause notice for de-allocation, but it was not de-allocated at that time as it was regionally explored block which takes more time. Accordingly, a warning was issued on 18.7.2011. The IMG noted that the mine is a deep underground mine and the drilling is reportedly nearing completion. The GR is likely to be prepared by December 2012. Though there are slippages against all milestones, however, taking into account all factors, IMG does not consider it appropriate to recommend de-allocation of the coal block at this stage and recommends 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.

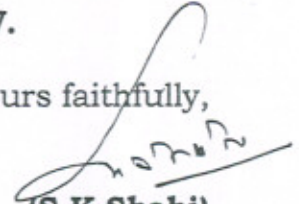
7. The recommendation of the IMG has since been considered and accepted by the Government.

8 Accordingly, **M/s Metals and Minerals Trading Corporation Limited (MMTCL)** is directed to furnish a Bank Guarantee (BG) for an amount of **Rs. 29.8032 crore**(Rupees twenty nine crores eighty lakhs thirty two

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thousand only) 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 calculation of amount for the purpose of furnishing Bank Guarantee as provided by the Coal Controller is **at Annexure -IV.**

Yours faithfully,


(S.K. Shahi)
Director

Copy to:-

1. The Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
2. The Chief Secretary, Government of West Bengal, Writers Building, Kolkata.
3. The CMD, Coal India Limited, 10- Netaji Subhash Road, Kolkata-700001.
4. The Coal Controller's Organisation, 1, Council House Street, Kolkata with direction to take necessary steps to deduct the Bank Guarantee amount
5. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

New Delhi, the 22nd August, 2006.

To
The Managing Director,
M/s Metals and Minerals Trading Corporation Limited (MMTCL),
New Delhi.


Subject Regarding Gomia coal block in the State of Jharkhand.

Sir,

I am directed to refer to your letter No.MMTC/Coal Blocks/2006 dated 17.2.06 on the above subject and to convey the 'in principle' approval of the Central Government to the working of Gomia coal block by M/s Metals and Minerals Trading Corporation Limited (MMTCL) under the Government Company dispensation in pursuance of Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act 1973 subject to the following conditions.

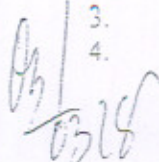
- (i) Coal Mining shall be carried out by M/s MMTCL or a separate company to be created with participation of M/s MMTCL provided that the separate created company is a Government company eligible to do coal mining as per the provisions of the Coal Mines (Nationalisation) Act, 1973.
- (ii) The allocatee 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, all the mineral, environmental and labour laws alongwith other regulations governing coal industry.
- (iii) The allocatee would do mining of coal from the allocated block in accordance with a mining plan approved by the Central Government.
- (iv) The mining lease will be executed between the State Government and the allocatee as per the provisions of MMDR Act 1957 and the rules framed thereunder.
- (v) The exploration of the coal block shall be done either through CMPDIL or under the direct supervision of CMPDIL. Prospecting license shall be applied for within three months of date of allotment and the detailed exploration shall be completed at the earliest. After the detailed exploration is completed the allocatee of the block shall proceed for ensuring earliest commencement of production. The milestone chart appended shall be adhered to. Any slippage would render this allocation liable for cancellation, and withdrawal of block from the allocatee.
- (vi) Whether the block could be operated as one mine or otherwise would be determined by the Central Government after the detailed exploration is completed, having regard to factors such as the interest of conservation, safety, deployment of optimal technology for optimal extraction of coal, mine capacity, the earliest commencement of production, etc.
- (vii) The existing coal linkages granted from CIL/SCCL would not be disturbed in any way with coal mined from Gomia block.
- (viii) Any violation of the conditions imposed above in mining and disposing of coal from the Gomia coal block will render the mining lease liable for cancellation.

Yours faithfully,


(V.S. Rana)

Under Secretary to the Government of India

- Copy to
1. Secretary, Ministry of Commerce, Government of India, New Delhi.
 2. Chief Secretary, Government of Jharkhand, Raipur.
 3. Chairman, CIL, Kolkatta / CMD, CMPDIL, Jharkhand.
 4. Coal Controller / Office Folder.





S.No.	EVENT	TIME LIMIT in months from '0' date
1.	Purchase of GR	1.5
2.	Mining Lease Application	3
3.	Mining Plan submission	6
4.	Mining Plan approval	8
5.	Previous approval application	11
6.	Previous approval	11
7.	Forest Clearance application	12
8.	Forest Clearance	18
9.	Environment Clearance Application	12
10.	Environment Clearance	18
11.	Mining Lease grant	24
12.	Land acquisition begin	9, 19
13.	Land Acquisition	30, 36
14.	Opening permission application	34, 40 for OC 46, 52 for UG
15.	Opening permission grant	35, 41 for OC 47, 53 for UG
16.	Production	36, 42 for OC 48, 54 for UG
17.	Reaching Rated Capacity	

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Annexure - II

SHOW CAUSE NOTICE

No.13011/15/2012-CA-I
Government of India
Ministry of Coal

New Delhi, dated 2nd May, 2012

To

M/s MMTC,
Core-I, Scope Complex,
7, Institutional Area,
Lodi Road, New Delhi -110003

Subject: Show cause notice in respect of Gomia (deep UG mine) coal block.

Sir,

I am directed to refer to this Ministry's letter No.13016/23/2006-CA-I dated 02.08.2006 conveying allocation of Gomia (deep UG mine) 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 are pending for Gomia (deep UG mine) coal block. The company has repeatedly failed

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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	2.11.2008 (27 Months)	Pending	3Yrs 4 Months (as on 3/2012)
Submission of Bank Guarantee	NA	-	-
Mining Lease Application	2.2.2009	Pending	3Yrs 1 Months (as on 3/2012)
Submission of Mining Plan	2.5.2009	Pending	2Yrs 10 Months (as on 3/2012)
Approval of Mining Plan	2.7.2009	Pending	2Yrs 8 Months (as on 3/2012)
Application of Previous approval	2.9.2009	Pending	2Yrs 6 Months (as on 3/2012)
Granting of Previous approval	2.10.2009	Pending	2Yrs 5 Months (as on 3/2012)
Application of Forest clearance	2.11.2009	Pending	2Yrs 4 Months (as on 3/2012)
Grant of Forest Clearance	2.5.2010	Pending	1Yrs 10 Months (as on 3/2012)
Application EMP Clearance	2.11.2009	Pending	2Yrs 4 Months (as on 3/2012)
Grant of EMP Clearance	2.5.2010	Pending	1Yrs 10 Months (as on 3/2012)
Grant of Mining Lease	2.11.2010	Pending	1Yr 4 Months (as on 3/2012)
Application of Land Acquisition	2.6.2010	Pending	1Yrs 9 Months (as on 3/2012)
Completion of Land Acquisition	2.11.2011	Pending	4Months (as on 3/2012)
Application for opening permission	2.3.2013	Pending	-
Grant of Opening permission	2.4.2013	Pending	-
Coal Production	2.5.2013 (54 Months)	Pending	-

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 conditions of the allotment of Gomia (deep UG mine) 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 Gomia (deep UG mine) coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

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

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 MMTCL Ltd. |
| 2. Name of Coal Block | : - Gomia UG Mine (RE) |
| 3. Date of Allocation | : - 2.8.2006 |
| 4. Location | : - East Bokaro, Jharkhand. |
| 5. Total investment (Proj.cost) | : - Not Available till date |
| 6. Investment Made (6/12) | : - 2.30 crs |
| 7. Reserve (Mill tonnes) | : - 287 MT |
| 8. Grade of coal:- W-IV | |
| 9. Yearly rated capacity (MTPA) | : - Not available till date |
| 10. Cost of GR:- 1.95 Crs | |
| 11. BG Amount | : - Not applicable (BG not mentioned in the allocation letter because BG introduced for Govt block in June' 2007). |
| 12. Type of EUP | : - Commercial |
| 13. Location of Project | : - Coal supply to the project within the state. |
| 14. Capacity of Project | : - Not applicable |
| 15. Explored/Un explored | : - Regionally explored |
| 16. Zero Date | : - 2.8.06 (As per allocation letter). |
| 17. Types of mine (OC/UG/Mix) | : - UG |
| 18. Previous Recommendation, if any- | : - Deallocation |

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	2.11.2008 (27 Months)	Pending	3Yrs 7 Months	Due to regionally explored	
Submission of Bank Guarantee	NA	-		BG introduce from June,07 for govt Block.	
Mining Lease Application	2.2.2009 3 months from GR)	Pending	3Yrs 4 Months		
Submission of Mining Plan	2.5.2009 6 months from GR)	Pending	3 Yrs 1 Month		
Approval of Mining Plan	2.7.2009 8 months from GR)	Pending	2Yrs 11 Months		
Application of Previous approval	2.9.2009 10 months from GR)	Pending	2Yrs 9 Months		
Granting of Previous approval	2.10.2009 11 months from GR)	Pending	2Yrs 8 Months		
Application of	2.11.2009	Pending	2Yrs 7 Months		

Prepared by
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Checked by
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Forest clearance	12 months from GR)				
Grant of Forest Clearance	2.5.2010 18 months from GR)	Pending	2 Yrs 1 Month		
Application EMP Clearance	2.11.2009 12 months from GR)	Pending	2Yrs 7 Months		
Grant of EMP Clearance	2.5.2010 18 months from GR)	Pending	2 Yrs 1 Month		
Grant of Mining Lease	2.11.2010 24 months from GR)	Pending	1Yr 8 Months		
Application of Land Acquisition	2.6.2010 19 months from GR)	Pending	2Years		
Completion of Land Acquisition	2.11.2011 36 months from GR)	Pending	8 Months		
Application for opening permission	2.3.2013 52 months from GR)	Pending	-		
Grant of Opening permission	2.4.2013 53 months from GR)	Pending	-		
Production	2.5.2013 (54 Months from GR)	Pending	-	Underground including forest land.	

Other Details and constraint faced by the block allocates

Pre feasibility study report prepared by Tata Steel Ltd by drilling 13 bore holes.

A preliminary GR using the data from boreholes is available.

The density of boreholes drilling is only 4.5 Bore Hole per sq Km as against required norm of 9 Bore Hole per Sq. Km.

MMTC is taking up mining jointly with SCCL.

Phase-I drilling started Sept.10 and Phase-II drilling is expected Sept.12.

Drilling is expected to be completed in Dec.12.

GR is expected by April. 13.

Prepared by
[Signature]

Checked by
[Signature]

[Signature]
COAL CONTROLLER



GOMIA

Sl No	Items	Remarks
1	Name Of the Block	Gomia
2	Name Of the allocate	M/s Metals and Minerals Trading Corporation Limited (MMTCL)
3	Date Of allocation	02.08.2006
4	End use plant and Capacity	Commercial mining
5	Important terms and conditions of allocation	As per Allocation Letter enclosed – Annexure-I
6	Milestones of allocation and slippages against Milestones as stated in the SCN	Status of CCO, Kolkata as on June, 2012 is enclosed as Annexure-II.
7	History Previous review / action	<p>In Review Meeting held on 25/26th March, 2008 it was noted that Gomia was unexplored block. The company awarded the work for pre-feasibility report to TATA Steel. No progress has been made.</p> <p>MMTC was informed that time frame for completing their exploration and GR was 2 years. MMTC informed that this block being most difficult underground block, they had awarded the work for pre-feasibility report to TATA Steel. No progress was been made. Chairman advised M/s MMTC to take expeditious action to complete all milestones to enable start of mining operation as per schedule.</p> <p>In Review meeting held on 15/16.10.2008, the Committee noted that MMTC was informed that time frame for completing their exploration and GR was 2 years. MMTC informed that this block being most difficult underground block, they have awarded the work for pre-feasibility report to TATA Steel. But Tata Steel Failed to do the job due to local problem. Representative informed that they are expected to get the PL shortly. Chairman advised M/s MMTC to take expeditious action to complete all milestones to enable start of mining operation as scheduled.</p> <p>In the meeting held on 22/23.06.2009, the Committee observed that Gomia all activities were pending. The representative expressed that their block area has been reduced by CMPDIL from original 13.5 sq.Km to 3.5 Sq. K.M. where as they had filed PL application for original bigger area. They have sent a communication to the MOC in this regard.</p> <p>In Review Meeting held on 20/21st July, 2010 it was noted that Gomia block was unexplored. PL not granted. Prefeasibility study not yet completed. Exploration not yet started. Govt. of JH representative viewed that MMTC have to sign PL deed first.</p>



		MMTC has not kept the commitment made in the past to come up whether they wasn't to keep the block. Company assured to come up within 6 months. The Committee observed that the company has been given enough time to develop the block and asked to issued show-cause notice for de-allocation.																								
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	<p>MMTC has stated that it has awarded the work based on open tender to M/s Adani Mining Pvt Ltd on 14.08.2012 for undertaking the final phase of detailed exploration and submission of GR. So far 800 meters of drilling has been completed. Drilling is expected to completed by November 2012 and GR by December 2012. MMTC has also entered into an MOU with M/s SCCL on 24.08.2012 wherein MMTC and SCCL have decided to get the mine developed through JV/Special purpose vehicle. MMTC has submitted the following revised schedule for completion of different milestones.</p> <table border="1"> <thead> <tr> <th>Mile stones</th> <th>Revised date</th> </tr> </thead> <tbody> <tr> <td>Application for prior approval of mining lease</td> <td>March 2012</td> </tr> <tr> <td>Grant of prior approval of mining lease</td> <td>May 2012</td> </tr> <tr> <td>Application for forest clearance</td> <td>No forest land</td> </tr> <tr> <td>Application for EMP clearance</td> <td>June 2013</td> </tr> <tr> <td>Grant of Mining lease</td> <td>June 2014</td> </tr> <tr> <td>Grant of EMP clearance</td> <td>October 2014</td> </tr> <tr> <td>Application for land acquisition</td> <td>July 2012</td> </tr> <tr> <td>Completion of land acquisition</td> <td>December 2012</td> </tr> <tr> <td>Appl for mine opening permission</td> <td>June 2012</td> </tr> <tr> <td>Grant of mine opening permission</td> <td>December 2012</td> </tr> <tr> <td>Coal production</td> <td>May 2012</td> </tr> </tbody> </table> <p>Reasons for delay -Deep underground – upto 1100 mts depth -Highly gassy mine -To ensure safer mining, de-gasification required - Coal block is overlapping with CBM block -Safety hazard</p>	Mile stones	Revised date	Application for prior approval of mining lease	March 2012	Grant of prior approval of mining lease	May 2012	Application for forest clearance	No forest land	Application for EMP clearance	June 2013	Grant of Mining lease	June 2014	Grant of EMP clearance	October 2014	Application for land acquisition	July 2012	Completion of land acquisition	December 2012	Appl for mine opening permission	June 2012	Grant of mine opening permission	December 2012	Coal production	May 2012
Mile stones	Revised date																									
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Coal production	May 2012																									



-18 deep varying seems
-Dense settlement/built up area

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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 grant of PL is under Section 5(1) of MM(D&R) Act, 1957 and the ministry has conveyed the Previous approval for Prospecting license in favor of MMTC vide this Ministry's letter date 13th August, 2009. It may thus be seen that most of the milestones are pending.

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Investment made in mining and end-use plants

CA certificate is enclosed. MMTC has stated that it has already made an investment of Rs. 3 crores and has committed to spend another neary Rs. 4 crores during FY 2012-13.



2/2

1. Name of Company:-M/s MMTC Ltd.
2. Name of Coal Block:- Gomia (Regionally Explored) .
3. Date of Allocation:- 02.08.2006
4. Normative Date of production:-02.05.2013(as per allotment letter)
5. Status of Mine Plan:- MP pending
6. Yearly Rated Capacity:- 1.2 MTPA (as informed by the company)
7. Grade of Coal:- As per Status Q.E.June'2013
8. BG Amount:- To be determined on the basis of one year royalty as recommended by IMG
9. Recommendation: IMG recommends 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.

In absence of Mine Plan of the coal block which is not yet approved, calculation of amount of BG to be submitted by the allocate company is made on the basis of information received from the company.

Grade	S-I	S-II	W-I	W-II	W-III	W-IV	UG	TOTAL	Remarks
Reserve (in Mill. Tonnes)	0.53	4.96	28.03	50.46	92.98	65.45	8.77	251.18	As per Company's report (copy enclosed)
(%) share of grade wise coal	0.21	1.97	11.16	20.09	37.02	26.06	3.49	100	
Corresponding grade wise price (Rs /Tonne)	4880	4080	2550	2110	1550	1460	490		As per CIL notification
(%) share of price	10.248	80.376	284.58	423.899	577.512	380.476	17.101	1774.192	

- N.B.
- 1) Price of coal as per CIL Notification No.CIL:S&M:GM (F):Pricing:1965 dt.31.01.2012
 - 2) As Gomia coal block is under CCL area, the price of coal of CCL has been taken.
 - 3) In absence of S-I & S-II grade coal in CCL area, the price of S-I & S-II grade coal of BCCL area has been considered.
 - 4) In absence of price of ungraded coal, price of G-17 is considered.

Average price per tonne =Rs. 1774.192 or Rs. 1774/- (As derived from the above table)
 Royalty/Tonne=Rs.1774/- X 14% =Rs.248.36 (Royalty rate =priceX14% as per gazette notification No. G.S.R.349(E) dt.10.05.2012)
 The Royalty for Peak rated capacity of 1.2 MT/year (as informed by the company)=Rs. 248.36x1.2 MTPA =Rs.298.032 Million = Rs.29.8032 crore

Bank Guarantee on the basis of one year royalty=Rs.29.8032 Crore (Rupees twenty nine crores eighty lakhs thirty two thousand only)

Signature 26/11/13

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Signature

Signature 26/11/2013

