

F.No. 13016/89/2006-CA-I
Government of India
Ministry of Coal

New Delhi, dated 4th Feb., 2014

To

The Managing Director
Tenughat Vidyut Nigam Limited (TVNL)
Hinoo, Doranda, Ranchi 834 002 Jharkhand

Sub: Furnishing of Bank Guarantee (BG) in respect of Rajbar (E&D) coal block in the State of Jharkhand allotted to M/s Tenughat Vidyut Nigam Limited (TVNL)-Regarding.

Sir,

I am directed to refer to this Ministry's allocation letter No.13016/23/2006-CA-I dated 2nd August, 2006 (Annexure-I) and to this Ministry's show cause notice letter No. 13011/11/2012-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. Rajbar(E &D) coal block located in the State of Jharkhand was allocated to M/s Tenughat Vidyut Nigam Limited (TVNL) 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 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 meeting held on 25/26.03.2008 it was noted the block is unexplored. Application submitted in October, 2006 for PL to Govt. of Jharkhand. Not yet granted. Practically no progress since allocation.
- (ii) In the Review Meeting held on 15/16.10.2008, it was noted that the block is unexplored. Application has been submitted in October, 2006 for PL to Govt. of Jharkhand. 2 years for obtaining PL. Very slow progress. No intention to develop the block.
- (iii) Further, the Review Committee in its meeting held in 22/23.06.2009 noted that the block is Unexplored. Application submitted in October, 2006 for PL to Govt. Jharkhand. PL is expected by June, 2009. Very slow progress.

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After the last meeting, the only progress recorded was that prior approval for PL had been obtained. The company was advised to pursue vigorously with the State Govt. Chief Secretary was requested to review the status at his level.

- (iv) In the Review Committee meeting held in on 20/21.07.2010 it was noted that the block is unexplored. Exploration will be carried out by CMPDIL. CMPDIL informed that there are L&O problems at the mine site. A show cause notice was issued vide letter dated 21.10.2010.
- (v) In the Review meeting held on 28th January, 2011 and 4th February, 2011 the Committee reviewed the progress of allocated coal block and assessment of reply of show cause notice issued in response to recommendation of the meeting held on 20/21.07.2010, the committee recommended to issue warning for inordinate delay in development of the block. A warning was issued on 14.07.2011.
- (vi) The Review Committee meeting held on 11/12.01.2012 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. The company was issued the show cause notice on 02.05.2012. The company furnished their reply to the show cause notice.

4. In the meantime, the Government has set up an Inter-Ministerial Group (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 Rajbar (E&D) 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 4 Months	Due to block being regionally explored
Submission of Bank Guarantee	NA	-		BG introduced from June,07 for Govt Block.



Mining Lease Application	2.2.2009 3 months from GR)	Pending	3Yrs 1 Months	
Submission of Mining Plan	2.5.2009 6 months from GR)	Pending	2Yrs 10 Months	
Approval of Mining Plan	2.7.2009 8 months from GR)	Pending	2Yrs 8 Months	
Application of Previous approval	2.9.2009 10 months from GR)	Pending	2Yrs 6 Months	
Granting of Previous approval	2.10.2009 11 months from GR)	Pending	2Yrs 5 Months	
Application of Forest clearance	2.11.2009 12 months from GR)	Pending	2Yrs 4 Months	
Grant of Forest Clearance	2.5.2010 18 months from GR)	Pending	1Yrs 10 months	
Application EMP Clearance	2.11.2009 12 months from GR)	Pending	2Yrs 4 Months	
Grant of EMP Clearance	2.5.2010 18 months from GR)	Pending	1Yrs 10 Months	
Grant of Mining Lease	2.11.2010 24 months from GR)	Pending	1Yr 4 Months	
Application of Land	2.6.2010 19 months	Pending	1Yrs 9 Months	

---41-


Acquisition	from GR)			
Completion of Land Acquisition	2.11.2011 36 months from GR)	Pending	4Months	
Application for opening permission	2.3.2012 40 months from GR)	Pending	-	
Grant of Opening permission	2.4.2012 41 months from GR)	Pending	-	
Production	2.5.2012 42 months from GR)	Pending	-	Open cast including forest land

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

M/s Tenughat Vidyut Nigam Limited, Jharkhand (Rajbar E & D)

The IMG considered the terms and conditions of allocation, the show cause notice issued and the reply along with the presentation made by the allocatee and the status paper placed before the IMG. The IMG noted that this is a regionally explored block and yet more than 6 years have elapsed from the date of allotment i.e. 2.8.2006. The prospecting licence has been granted on 14.5.2010. There is no progress in the development of coal block and all milestones are pending. The allocatee M/s TVNL had applied for the block for the proposed expansion of its power plant in the State of Jharkhand in which an investment of Rs.10.35 crores was reported, out of which Rs.9.28 crore has been spent on exploration and preparation of GR completed on 10.5.2012. The normative date for start of production was 2.5.2012.

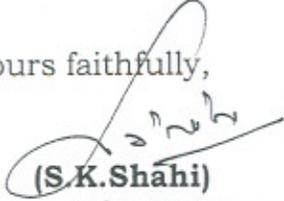
IMG noted that during review of 2010 de-allocation of the block was recommended, but it was not de-allocated at that time as it was regionally explored block which takes more time. Accordingly a warning was issued on 14.7.2011. IMG noted that as reported in the reply the ownership of TVNL is under dispute between the State Government of Bihar and the State Government of Jharkhand and the matter is presently pending in the Supreme Court of India. In view of this, the IMG did not recommend any action with respect to de-allocation in the matter at this stage. However, IMG 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.

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

8 Accordingly, M/s Tenughat Vidyut Nigam Limited (TVNL) are directed to furnish a **Bank Guarantee (BG) for an amount of Rs. 241.92 crore(Rupees two hundred forty one crores ninety two lakhs 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 Jharkhand, Ranchi.
3. The CMD, Coal India Limited, 10- Netaji Subhash Road, Kolkata- 700001.
4. The Coal Controller's Organisation, 1, Council House Street, Kolkata for necessary action at their end.
5. CMD, CMPDIL, Ranchi.
6. NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.

New Delhi the 28 August, 2006.

To

The Managing Director,
Tenughat Vidyut Nigam Limited (TVNL),
Hippo, Doranda, Ranchi Jharkhand - 834002

Subject Regarding Rajbar E&D coal block in the State of Jharkhand

Sir,

I am directed to refer to your letter No. 344/2006 dated 1st March, 2006 on the above subject and to convey the 'in principle' approval of the Central Government to the working of Rajbar E&D coal block by M/s Tenughat Vidyut Nigam Limited (TVNL) 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 TVNL or a separate company to be created with participation of M/s TVNL 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 Rajbar E & D block.
- (viii) Any violation of the conditions imposed above in mining and disposing of coal from the Rajbar E & D 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 Power, Government of India, New Delhi.
2. Chief Secretary, Government of Jharkhand, Ranchi.
3. Chairman, CIL, Kolkata / CMD, CMPDIL, Jharkhand
4. Coal Controller / Office Folder.


03/08

TIME LIMIT
in months from '0' date

S2.0

37

74

1.5

EVENT	TIME LIMIT
Purchase of GR	1.5
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	

SHOW CAUSE NOTICE

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

New Delhi, dated 9nd May, 2012

To

M/s Tenughat Vidyut Nigam Ltd.,
Hinoo, Doranda,
Ranchi – 834 002 Jharkhand.

Subject: Show cause notice in respect of Rajbar E& D 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 **Rajbar E&D** 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 **Rajbar E&D** 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



94

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	2.3.2012	Pending	-
Grant of Opening permission	2.4.2012	Pending	-
Coal Production	2.5.2012	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



95

should not be held as violation of the terms and conditions of the allotment of Rajbar E&D 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 Rajbar E&D coal block.



(Sandeep Gupta)

Under Secretary to the Govt. of India

Copy to Coal Controller.

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 Tenughat Vidyut Nigam Ltd. |
| 2. Name of Coal Block | :- Rajbar E & D (RE) |
| 3. Date of Allocation: | :- 2.8.2006 |
| 4. Location | :- Auranga, Jharkhand. |
| 5. Total investment | :- Not available |
| 6. Investment Made (3/12) | :- Not available |
| 7. Reserve (Mill tonnes) | :- 385 MT |
| 8. Yearly rated capacity (MTPA) | :- 6 MTPA |
| 9. Cost of GR | :- Not available |
| 10. BG Amount | :- Not applicable (BG not mentioned in the allocation letter because BG introduced for Govt block in June' 2007). |
| 11. Type of EUP | :- Power |
| 12. Location of Project | :- Lalpania |
| 13. Capacity of Project | :- 1320 MW |
| 14. Explored/Un explored | :- Regionally explored |
| 15. Zero Date | :- 2.8.06 (As per allocation letter). |
| 16. Previous Recommendation, if any- | :- Deallcation |

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 4 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 1 Months		
Submission of Mining Plan	2.5.2009 6 months from GR)	Pending	2Yrs 10 Months		
Approval of Mining Plan	2.7.2009 8 months from GR)	Pending	2Yrs 8 Months		
Application of Previous approval	2.9.2009 10 months from GR)	Pending	2Yrs 6 Months		
Granting of Previous approval	2.10.2009 11 months from GR)	Pending	2Yrs 5 Months		
Application of Forest clearance	2.11.2009 12 months from GR)	Pending	2Yrs 4 Months		

Prepared by
 P. Ph

Checked by
 Bha

M. K.



76

Grant of Forest Clearance	2.5.2010 18 months from GR)	Pending	1Yrs 10 months		
Application EMP Clearance	2.11.2009 12 months from GR)	Pending	2Yrs 4 Months		
Grant of EMP Clearance	2.5.2010 18 months from GR)	Pending	1Yrs 10 Months		
Grant of Mining Lease	2.11.2010 24 months from GR)	Pending	1Yr 4 Months		
Application of Land Acquisition	2.6.2010 19 months from GR)	Pending	1Yrs 9 Months		
Completion of Land Acquisition	2.11.2011 36 months from GR)	Pending	4Months		
Application for opening permission	2.3.2012 40 months from GR)	Pending	-		
Grant of Opening permission	2.4.2012 41 months from GR)	Pending	-		
Production	2.5.2012 42 months from GR)	Pending	-	Open cast including forest land.	

Other Details:

Exploration work completed and GR prepared and submitted to DMG, Govt. of JH. on. 10.05,2012.

Prepared by
DPh

Checked by
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23

RAJBAR E & D

70

Sl No	Items	Remarks
1	Name Of the Block	Rajbar E & D Location:- Auranga/Jharkhand Unexplored Block (Opencast)
2	Name Of the allocate	M/s Tenughat Vidyut Nigam Limited (TVNL)
3	Date Of allocation	02.08.2006
4	End use plant and Capacity	Under Govt. Company Dispensation
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 27/28th Sep, 2007, was noticed that block is Unexplored. Application submitted in Oct. 2006 for PL to Govt. of Jharkhand.</p> <p>In Review Meeting held on 25/26th March, 2008, was noticed that Application submitted in Oct. 2006 for PL to Govt. of Jharkhand. Not yet granted. Practically no progress since allocation.</p> <p>In Review meeting held on 15/16.10.2008, the Committee noted that the block is unexplored. Application submitted in Oct, 2006 for PL to Govt. of Jharkhand. 2 years for obtaining PL. Very slow progress. No intention to develop the block.</p> <p>In the Review meeting held on 22/23.06.2009, PL is expected by this month. Very slow progress. After the last meeting, the only progress recorded is that prior approval of PL has been obtained. The company was advised to pursue vigorously with the State Govt. Chief Secretary was requested to review the status at his level. SCN issued on 16.09.2009.</p> <p>In Review Meeting held on 20/21st July, 2010 it was noted that Unexplored. Exploration will be carried out by CMPDIL. CMPDIL informed that there are L&O problems at the mine site. MDO will develop the power project. MDO not yet decided. The committee was dissatisfied with the development of mine & asked to issue show-cause notice for de-allocation. SCN issued on 21.10.2010.</p> <p>M/s Tenughat Vidyut Nigam Ltd replied to SCN vide its letter dated 03.11.2010. The reply was considered by the Review Committee and the reasons given for the delay were not found convincing. Therefore with the approval of Hon'ble Minister it was decided that to issue warning to M/s Tenughat Vidyut Nigam Ltd. In respect of the block. Accordingly, warning was issued vide MOC's letter dated 14.07.2011.</p>



71

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>Company informed that land schedules are being collected and offer obtained from reputed parties for detailed exploration which is being processed.</p> <p>GR: - Being unexplored block, No Geological Report available. P.L.Application-01.11.2006 P.L. Granted- 14.05.2010 (after 4 years). As per condition of Allocation letter, prospecting of the coal block was to be done through CMPDIL. TVNL took up the matter with CMPDIL on 03/11/06. Even after several persuasions, CMPDIL could not undertake the work, rather regretted on 11/11/2010 to take up the exploration for their over booked positions. TVNL there after engaged Mines & Geology department, GoJ for exploration & G.R preparation in Jan'2011. GR submitted on 10th May, 2012. As per GR, reserve is 807 MT.</p> <p>MP: - Tender floated in August 2012 for engagement of an agency for preparation of Mine Plan. Likely to submit in MoC by March 2013.</p> <p>EIA/EMP Studies & Approval, EIA/EMP study report preparation & submission to SPCB, Environment Clearance, and Grant of ML: - Activities shall be started after approval of Mining plan.</p> <p>Forest Clearance, Clearance from Min. of E & F: - After approval of mining plan. Land Acquisition: - Land schedule prepared. Notification by Ministry of Coal under various sections of CB Act for Coal Mining Area, Rehabilitation & Resettlement, Forest Land acquisition – Felling of trees & taking over possession of site is under process.</p> <p>Coal Mining & Start of Coal Production: - After grant of ML. The time schedule will be decided and adhered to Proposed to start Coal Mining in 12th Plan.</p> <p>Progress of End use Plant: - TVNL expansion (3x210 MW) started in Aug 2003, with plan subsequent addition of 1x500MW. Development of coal blocks was envisaged to go in tandem. 3x210 MW bid could not be finalised due to techno commercial reason and cancelled in May 2009. For expansion of existing station Technical Advisor M/s aXYKno Ltd was appointed & bid document under preparation.</p> <p>Due to TVNL ownership dispute, an IA petition filed before Hon'ble Supreme court which was heard on 14.09.12 and next date for further hearing is fixed on 02.11.12.</p> <p>Besides (2x660MW) capacity addition of existing station it is proposed to develop Rajbar E&D coal block through joint venture route along with greenfield expansion of 2x660 MW project, Land for which has been identified at three location(near Rajbar coal block, near existing</p>



72

		<p>station and near Petarwar)</p> <p>Due to unavailability of adequate financial resources TVNL can only expand on the basis of coal block by inviting investments through JV route. Commissioning of Greenfield (expansion) likely to start in 2015-16.</p> <p>Constraint: - TVNL is under legal dispute regarding its ownership issue with Govt. of Bihar and Govt. of Jharkhand. The matter is sub-judice and in August 2008 Hon'ble Supreme Court in S.L.P. no. 17235/2008 passed an order as:</p> <p>"The parties are directed to maintain status quo, which will not however, prevent the state of Jharkhand from proceeding with any expansion works in respect of the Tenughat Vidyut Nigam Limited, but it is also under taken on behalf of the State of Jharkhand that no equity will be claimed for any such expansion or works in connection with the said undertaking."</p> <p>Remedy: - An IA petition filed before Hon'ble Supreme court to modify/clarify the order dated 01/08/08 so that TVNL may enter into joint venture with Private/Govt./Financial institution for the purpose of expansion of TVNL & development of coal block with full financial security to JV partner of its investment. The IA was heard on 14.09.12 and next date for further hearing is fixed on 02.11.12.</p> <p>Submission: - Cancellation of Rajbar E&D coal block shall adversely affect the expansion of TVNL and affect the power starved state of Jharkhand. Delays are purely due to unavoidable circumstances owing to over booked status of CMPDIL and ownership dispute of TVNL before Hon'ble Supreme court.</p>
11	Investment made in Coal Block development and EUP (As per CA Certificate)	As per CA Certificate enclosed as Annexure-III.
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.	Being unexplored block, No Geological Report available. Tender floated in August 2012 by the company for engagement of an agency for preparation of Mine Plan. Likely to submit in MoC by March 2013.



Annexure IV Page: 7/7
77

1. Name of Company:-M/s Tenughat Vidyut Nigam Limited, Jharkhand
2. Name of Coal Block:- Rajbar E & D (Regionally Explored) .
3. Date of Allocation:- 02.08.2006
4. Normative Date of production:-02.05.2012(as per allotment letter)
5. Status of Mine Plan:- MP pending
6. Yearly Rated Capacity:- 27 MTPA (Estimated as per status report submitted by the company)
7. Grade of Coal:- E-G(Major share of total reserve)
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 submlsion 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 Mina 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	A	B	C	D	E	F	G	TOTAL	Remarks
Reserve (in Mill. Tonnes)	0.011	0.085	24.405	58.119	197.258	314.050	213.583	807.511	As per Company's report (cop enclosed)
(%) share of Reserve	0.001	0.011	3.022	7.197	24.428	38.891	26.450	100	
GCV Range for respective grade in Kcal/Kg)	Exceeding 6454	6049-6454	5597-6049	5089-5597	4324-5089	3865-4324	3113-3865		As per MOC's Cha (copy enclosed)
Average GCV for respective grade	6454	6252	5823	5343	4706	4095	3489		
Weighted average GCV	0.06	0.69	175.97	384.54	1149.58	1592.59	922.84	4226.27	*

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

Total of weighted average GCV= 4226.27 Kcal/Kg

Price/Tonne for GCV of 4226.28 kcal/kg= Rs. 640/- (As per CIL Notification No.CIL:S&M:GM

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

Royalty/Tonne=Rs.640x14%= Rs.89.6 (Royalty rate =pricex14% as per gazette notification No. G.S.R.349(E) dt.10.05.2012)

The Royalty for Estimated Peak rated capacity of 27 MT/year (as informed by the company in status report)=Rs. 89.6x27 =Rs. 2419.2 Million = Rs.241.92 Crore

Bank Guarantee on the basis of one year royalty=Rs.241.92 Crore (Rupees two hundred forty one crores ninety two lakhs only)

[Handwritten signatures]

Asst. Coal Controller