

No.13016/28/2005-CA-I (Part)  
Government of India  
Ministry of Coal

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New Delhi, the 26<sup>th</sup> April, 2010

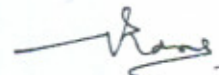
**CIRCULAR**

As per existing guidelines of Ministry of Coal vide order No. 13016/28/2005-CA-I dated 29<sup>th</sup> August, 2005, all the new coal/lignite block allocattees are required to submit bank guarantee amount equal to one year's royalty amount based on mine capacity assessed by CMPDIL, grades of coal and the weighted average royalty which is required to be submitted by the allocattees within 3 months as per the terms and conditions of the allocation.

2. Further, all the block allocattees are also required to ensure that the Bank Guarantee remains valid at all times till the mine reaches its rated capacity or till the Bank Guarantee is exhausted. For this purpose, they are supposed to be vigilant about the date of expiry of the Bank Guarantee and required to submit the extended Bank guarantee well in time.

3. However, it has come to the notice of this Ministry that some of the block allocattees are not submitting the bank guarantee/ extended bank guarantee in time. This is a violation of the terms and conditions of allocation of blocks. The allocattees are however being reminded individually from time to time either by this Ministry or by Coal Controllers Organisation. Despite this, the situation has not improved to the satisfaction of the Ministry. If any such violation of terms and conditions is noticed in the future, appropriate action will be taken against defaulting allocattees.

4. As per prevailing practice, allocattee companies are submitting bank guarantee to this Ministry, which in turn is forwarded to Coal Controller Organisation for safe custody. All the coal/lignite block allocattees who are required to submit bank guarantee are, now directed to submit their respective Bank Guarantees, in Original, to the Coal Controller Office, Kolkata under intimation to this Ministry.



(V.S. Rana)

Under Secretary to the Govt. of India

- (i) Allocattees of all coal/lignite blocks.
- (ii) The Coal Controller, Coal Controllers' Organisation, Kolkata.

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