



RCE for Tikak Extension OCP (0.20 Mty), NEC	
Mine closure cost per Ha	: ₹ 10.58 lakh
Total mine closure cost (as on Feb 2022)	: ₹ 1861.44 lakhs
Life of the mine	: 23 years
Amount already deposited in Escrow account	: ₹ 451.08 lakhs
Balance Mine Closure Cost	: ₹ 1410.89 lakhs
Annual mine closure amount to be deposited	: ₹ 61.3430 lakhs (for the First year.)

Table 18.1

WPI as on April 2019	121.10
WPI as on Feb 2022	142.40
Escalated rate of closure cost (₹ Lakh per Ha)	10.58
Rate of compounding of Annual closure Cost	5.00%
Closure Cost "₹ Crs/Ha" as on Feb 2022	0.1058
Lease Area (Project Area for OC)	175.94 Ha
Amount to be deposited into Escrow Account "₹ in Crs" at Feb 2022 WPI	18.6144
Amount already deposited into Escrow Account "₹ in Crs"	4.5108
Net Amount to be deposited into Escrow "₹ in Crs"	14.1089
Life of the project "in Yrs"	23
Annual closure Cost (in ₹ Lakhs)	61.3430 (for the 1 st year)
Total Escrow Fund at the end of 23 years (in ₹ Crs)	25.4147

18.4 Time Scheduling for Abandonement

Tikak Extension OCP has a projected life of 23 years. The mine life may increase or decrease according to the rate of production. The closure of mine involving technical aspects, environmental aspects, socio-political aspects and financial assurances for implementing post-closure activities will run for three years.

18.5 Financial Assurance

North Eastern Coalfields (NEC) shall strictly adhere to the following:

1. For financial assurance North Eastern Coalfields (NEC) shall open an Escrow Account with any scheduled bank, with the Coal Controller organization (on behalf of the central government) as exclusive beneficiary before the

18.0 MINE CLOSURE PLANNING

Mine closure operation is a continuous series of activities starting from day one of the initiation of mining project. As progressive mine closure is a continuous series of activities, it is obvious that the proposals of scientific mining have included most of the activities in the progressive mine closure plan.

Final mine closure plan as per statute, shall be considered to have its approval at least nine months before the date of proposed closure of mine. This period of nine months is reckoned as preparatory period for final mine closure operations.

18.1 Progressive Mine Closure Plan

In this, technical and biological reclamation, air quality management, water quality management, waste management and top soil management is carried on continuously as the mine progresses.

18.2 Final Mine Closure Plan

Mine closure operations is proposed to be undertaken after examination and detailed study that there is no further expansion possibility of the mine and the void is to be suitably filled up so that the land is utilized gainfully by the society. Intermediate stoppages of operations due to any reasons for a period of time do not come under the proposed scheme of mine closure.

18.3 Abandonment Cost

As per the guidelines of the MoC, the cost of the mine closure is to be computed based on the total project area involved in the project. The updated cost of the mine closure as on February 2022 is estimated to be ₹ 10.58 lakh per hectare (considering the admissible escalation over Rs.9.00 lakh per Ha as on April 2019).

WPI of April 2019 = 121.10

WPI of February 2022 = 142.40

* The amount has been escalated based on WPI of Feb 2022 (142.40) vis-à-vis WPI of April 2019 (121.10) i.e. escalation by 1.176.

Total project area involved

: 175.94 Ha

permission is given for opening the mine by Coal Controller. North Eastern Coalfields (NEC) shall cause payment to be deposited in such Escrow Account at the rate computed as indicated in Table no 18.1. North Eastern Coalfields (NEC) may select the scheduled bank where the Escrow Account is to be opened and inform the same to Coal Controller, Kolkata. The Escrow Account has to be opened as per the aforesaid guidelines of the mine closure plan. The amount being deposited will be reviewed with such periodicity as deemed fit by the Coal Controller.

2. Mining is to be carried out in a phased manner initiating afforestation/ reclamation work in the mined out area of the first phase while commencing the mining in the second phase i.e. continuation of the mining activity from one phase to other indicating the sequence of operations depending on the geo-mining condition of the mine. Up to 50% of the total deposited amount including interest accrued in the Escrow Account may be released after every five year in the line with the periodic examination of the closure plan as per para 2.2 of the guideline. The amount released should be equal to the expenditure incurred on the progressive mine closure in past five year or 50% whichever is less. The balance amount at the end of the final mine closure shall be released to mine owner/ leaseholder on compliance of all provision of closure plan duly signed by the lessee to the effect that said closure of the mine complies all statutory rules, regulations, order made by the central/ or state government, statutory organizations, courts etc. and duly certified by the coal controller.
3. An agreement, outlining detailed terms and conditions of operating the Escrow Account, shall be executed among North Eastern Coalfields (NEC), the Coal Controller and the concerned bank in order to give effect to this. The agreement shall be executed before the grant of the permission by the Coal Controller to open the mine.