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**CIN: L27100MH1973PLC016617**

25<sup>th</sup> September, 2014

BSE Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street – Mumbai 400 021  
Fax : 91-22-22721919,  
91-2272-2037/39/41/61

National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai – 400051  
Fax. No: 022-26598237/38,  
022-26598347/48

Dear Sir,

**Sub: Clarification on the news related to cancellation of Coal Blocks**

**Ref : Security Code – BSE: 504614 / NSE: SARDAEN**

With reference to the captioned subject we wish to clarify as under.

1. The Supreme Court has cancelled all the coal blocks allotted between 1993 and 2010 except coal blocks allotted to SAIL, NTPC and UMPPs. This includes the coal mine Gare Palma IV/7 allotted to the Company in April 2000 which was in operation since 2009 and Madanpur South Coal Block allotted in Joint Venture in which company has interest to the extent of 20.63%.
2. The Supreme Court although quashed the allotment, has clarified that the cancellation will take effect only w.e.f. 31st March, 2015.
3. The Supreme Court has imposed an amount of Rs.295/- PMT of coal extracted as an additional levy to be paid before 31<sup>st</sup> December, 2014.
4. This will entail liability of Rs.108 Crores on the Company for the coal extracted till 31<sup>st</sup> March 2014.
5. The company expects that the effect on earnings for the current and future years due to cancellation of the coal block will get compensated to a large extent by restarting of the iron ore mine.

Thanking you,

Yours faithfully,  
For Sarada Energy & Minerals Ltd.,

  
(P.K. Jain)  
Chief Financial Officer