

MOST IMMEDIATE/BY SPEED POST

No 13016/56/2008-CA-I
Government of India
Ministry of Coal

.....

New Delhi, dated the 12th August, 2015

To

1. The Managing Director,
M/s Sunflag Iron & Steel Ltd.,
E Block, 11th Floor, International Trade Tower,
Nehru Place, New Delhi-66.

2. The Managing Director,
M/s Dalmia Cement (Bharat) Ltd.,
11/12th Floor, Hansalaya,
15, Barakhamba Road,
New Delhi-110001.

Subject: Deduction and encashment of proportionate amount of Bank Guarantee of **Khappa & Extn.** coal block in the State of Maharashtra allocated to M/s Sunflag Iron & Steel Ltd. and M/s Dalmia Cement (Bharat) Ltd.- Regarding

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Sir,

In supersession of this Ministry's letter of even number 5th August, 2015 on the above subject, I am directed to say that as mentioned in para 7 of the said letter conveying deduction and encashment of proportionate Bank Guarantee (BG) linked to the milestones set for delay in the development of the said coal block as per the allocation letter, Coal Controller's Organisation (CCO) has worked out the amount of Rs.0.585 crores of BG to be deducted and deposited with the Government.

2. The issue of Bank Guarantee was deliberated in the 31st meeting of Inter-Ministerial Group (IMG) held on 7th July, 2015 wherein at para 6 of the said meeting, the IMG observed that extent of breach of timelines by the prior allottees of Khappa & Extn. coal block had already been evaluated by the Government and accordingly, BG amount has already been calculated by the CCO. But before the BG amount to be deducted could be conveyed, the prior allottees moved High Court. The IMG recommended that BG deduction, which had previously been calculated, be conveyed in respect of the said block and the invocation/realization of BG shall be done only after bringing it to Hon'ble High Court's notice and obtaining its direction. The recommendations of 31st IMG meeting has been accepted by the Government.

3. Further, the W.P.No.191/2014 filed by M/s Dalmia Cement (Bharat) Ltd. Vs. Union of India in r/o Khappa & Extn. coal block before the High Court of Judicature at Bombay, Nagpur Bench, Nagpur has been disposed of vide its order dated 7th July, 2015 granting permission to the petitioner to withdraw the petition with liberty to seek relief in terms of prayer clause (b) of the writ petition before appropriate forum, if any occasion arises in future. In view of the order of Hon'ble High Court, the BG of Khappa & Extn. coal block is invoked without the need of obtaining any further direction from the Hon'ble High Court.

4. Accordingly, an amount of **Rs.0.585 crore** (Rupees fifty eight lakhs fifty thousand only) from the Bank Guarantee furnished by you is determined to be deducted and deposited with the Government.

Yours faithfully,



(Kishore Kumar)

Under Secretary to the Govt. of India

Copy to:-

1. The Chief Secretary, Government of Maharashtra, Mantralaya, Mumbai.
2. The Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
3. The Secretary, Department of Industrial Policy & Promotion, Udyog Bhavan, New Delhi.
4. The CMD, Coal India Limited, New Town, Rajarhat, Kolkata-700156.
5. The Coal Controller's Organisation, 1, Council House Street, Kolkata with the direction to invoke/realize of BG amount mentioned above and intimate the action taken to the Ministry of Coal immediately.
6. ✓ NIC Cell, Ministry of Coal for placing the letter on the Website of Ministry of Coal.