

Through Email/SPEED POST

**F.No-104/27/2015/NA
Government of India
Ministry of Coal
O/o Nominated Authority

**120, 1st Floor, F-wing, Shastri Bhawan
New Delhi - 110001, Dated 20th March, 2018**

To,

The Chairman cum Managing Director
GMR Chhattisgarh Energy Limited,
New Shakti Bhawan, No. 302,
New Udaan Bhawan Complex, Opposite Terminal 3,
IGI Airport, New Delhi- 110037

Subject: Appropriation of Bank Guarantee No. 140GOPG151050001 constituting Performance Security submitted in respect of Ganeshpur coal mine.

Sir,

I am to refer to the Coal Mine Development and Production Agreement (CMDPA) dated 16.03.2015 signed between Nominated Authority and M/S GMR Chhattisgarh Energy Limited (Successful Bidder) in respect of Ganeshpur coal mine. As per clause 6.1.6 of the CMDPA, "the Performance Security should remain valid until time when the Coal Mine achieves the annual peak rated capacity".

2. The Bank Guarantee No. 140GOPG151050001 dated 15.04.2015 and 0160IPEBG150077 dated 13.04.2015 together amounting to Rs. 294,94,60,000/- submitted by GCEL as Performance Security in respect of said coal mine had expired on 31.01.2018. However, the same was not renewed within the stipulated time. In this regard, two extensions were granted to Successful Bidder for the submission of renewed Bank Guarantee. First extension was granted till 26 February' 2018 with a condition that if Bank Guarantee was not renewed the termination of Agreement in terms of Clause 24.3.1 (n) would be initiated. Pursuant to said extension, only partial Bank Guarantee amounting Rs 100/- Crore i.e BG No. 140GOPG151050001 was renewed and submitted by Successful Bidder that too valid till 31.03.2018. Second extension was granted till 13th March' 2018, however, the Bank Guarantee amounting balance amount was not submitted by the Successful Bidder. The Successful Bidder vide letter dated 13.03.2018 has further requested for grant of time for the submission of renewed Bank Guarantee.

3. As per Clause 6.2.1 of the CMDPA, any breach or non-compliance of any of the provisions of this Agreement including in case of the Warranties

being untrue or misleading or incorrect in any manner whatsoever, constitutes an event of appropriation of Performance Security.

4. Accordingly, an amount of Rs 2,94,94,600/- (Two Crore Ninty Four Lakh Ninty Four Thousand Six Hundred only) i.e 1% of Performance Security Rs. 2,94,94,60,000/- has been appropriated from Bank Guarantee No. I40GOPG151050001 dated 15.04.2015 submitted by M/s GMR Chhattisgarh Energy limited, as token penalty towards breach of provisions of the Agreement.

5. It is to further inform you that your request for extension has been considered and it has been decided to allow a final time till 26th March' 2018 for the renewal of the complete Bank Guarantee amounting Rs 2,94,94,60,000/- .

6. In view of the above, you are here by directed to renew the Bank Guarantees no. I40GOPG151050001 and 0160IPEBG150077 by **26th March' 2018**. You are further directed to top up the Bank Guarantee constituting Performance Security within 15 Business days of the receipt of this notice as per Clause 6.3.3 of the CMDPA. Failure to do so shall constitute Termination Events in terms of Clause 24.3.1 (e) & 24.3.1 (n).

Yours faithfully,



(N K Singh)

Deputy Secretary to the Government of India

Copy to:-

1. Chief Secretary, Government of Jharkhand.
2. Senior Manager , Canara Bank, P.C.B Connaught Place, New Delhi-110001- with a request to treat this notice as demand under Bank Guarantee no I40GOPG151050001 dated 15.04.2015 as amended on 31.01.2018 issued by Canara Bank in favour of President of India, acted through Central Government represented by Nominated Authority, and to encash an amount of Rs 2,94,94,600/- (Two Crore Ninty Four Lakh Ninty Four Thousand Six Hundred only) i.e 1% of Performance Security Rs. 2,94,94,60,000/- and transfer to the account of PAO, Ministry of Coal, Bank- United Bank of India, Branch Name- Connaught Circus, New Delhi , Account No.-0276050414586, IFSC Code- UTBIOCON702, MICR Code-110027022- as a token penalty for the reason of breach of the provisions of Coal Mine Development & Production Agreement. You are requested to return

the Bank Guarantee of remaining amount in original after transferring the above said amount.

3. Deputy Secretary (CBA-II), Ministry of Coal.
4. Coal Controller, Coal Controller Organisation, Kolkata.
5. Pay & Accounts Officer, Pay & Accounts Office, Ministry of Coal- for necessary action.
6. TD (NIC), Ministry of Coal- for uploading on the website of Ministry of Coal.