

Through Email/Speed Post

F.No-103/33/2015/NA

Government of India

Ministry of Coal

120, F- Wing, First Floor, Shastri Bhawan
New Delhi, Dated : 9th February, 2021

To,

The Chairman cum Managing Director
NTPC Limited
NTPC Bhawan, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi- 110003

Also to,

Branch Manager,
State Bank of India,
C.A.G II, New Delhi,
4th & 5th Floor, Redfort,
Capital Parsvanath Towers
New Delhi.**Sub: - Termination of Allotment Agreement and Allotment Order in respect of Mandakini-B coal mine allotted to M/s. NTPC Limited under the Coal Mine (Special Provisions) Act' 2015 on surrender.**

Sir,

This is in reference to the letter dated 26.12.2020 from M/s. NTPC Ltd towards surrender of the Mandakini-B coal mine allotted to it under the Coal Mines (Special Provisions) Act' 2015. In this regard, attention is invited to Clause 24.3.1 (o) of the the Allotment Agreement dated 17th June 2016 entered into by M/s. NTPC limited with Ministry of Coal in respect of the aforesaid coal mine which has been reproduced as under:-

"24.3.1. This Agreement may be terminated upon occurrence of any of the following events (each a "Termination Event"):

.....(o) surrender of the Coal Mine by the Allottee"

2. Further, as per Clause 24.3.3 of the Allotment Agreement;



"In case the Nominated Authority elects to terminate this Agreement, then the Performance Security and all other payments made by the Allottee shall be forfeited and the Allottee shall not be entitled to any benefits under this Agreement but would continue to be liable towards any antecedent liability, all obligations accrued before the effective date of surrender/termination and also for the obligations that must be fulfilled after termination."

3. Further, show cause notice dated 10 December 2019 was issued in respect of the coal mine, as to why action as appropriate should not be initiated for not completing the milestone within stipulated timeline. The reply to the Show Cause Notice dated 10.12.2019 for following milestones submitted by your company, was placed before the Scrutiny Committee members in the 10th meeting of Scrutiny Committee held on 5th-6th February, 2020. Thereupon, comments were sought from the State Government incorporating the issues faced by Allottee in regard to Environment Clearance, non-availability of SES data, opposition by the villagers to carry out EIA study and for conducting Gram Sabha in regard to **Mandakini B coal mine**, in view of the reasons stated by M/s NTPC Limited, which is still awaited.

Sl. No.	Milestone	Due Date	PBG Weightage
1	Completion of Exploration and Preparation of Geological Report (GR)	08-June-2018	5%
2	Mining Lease Application or notification under Section 7 of the CBA Act, 1957, as applicable	08-Sept-2018	7%
3	Submission of Mining Plan	08-Dec-2018	8%
4	Mining Plan Approval	08-May-2019	8%

4. Meanwhile, a second show cause notice dated 15th October, 2020 by O/o Nominated Authority was issued for following milestones:

Sl. No.	Milestone	Due Date	PBG Weightage
1	Forest Clearance	March 8, 2020	5%
2	Environment Clearance	March 08, 2020	5%
3	Grant of Mining Lease or notification under section 11 of the CBA Act, 1957, as applicable	June 8, 2020	5%

5. Thereafter, the request for surrender of coal mine vide letter dated

26.12.2020 from M/s. NTPC Ltd citing difficulties in making the mine commercially viable has been received. In view of the above facts, it is to say that very little progress has been made in the development of the coal mine and as the Allottee has decided to surrender the same citing difficulties in making the mine commercially viable which do not justify the delay in development of the mine. As such there is no reason why the Allotment Agreement should not be terminated under Clause 24.3.1 (o) and action as per Clause 24.3.2 and 24.3.3 should not be taken against M/s. NTPC Limited.

6. By virtue of Clause 6.2.1(i), the performance security shall be appropriated upon surrender of coal mine. Item 9 of Clause 6.3.1 classifies 'Surrender of the Coal Mine by the Allottee' as an appropriation event and for the same 'Entire Performance Security' shall be appropriated.

7. Accordingly, considering the request of surrender of the said coal mine, this letter may be **treated as notice** under Clause 24.3.2 of the Allotment Agreement. On completion of notice period of **15 business days**, the Allotment Agreement and Order dated August 08, 2016 shall stand terminated and the Performance Security and all other payment made by the Allottee shall be appropriated, whereupon the Allottee shall not be entitled to any benefits under the Allotment Agreement but would continue to be liable towards any antecedent liability, and towards all obligations accrued before the effective date of surrender/termination and also for the obligations that must be fulfilled after termination.

8. In view of the above, it has been decided to terminate the Allotment Agreement and Allotment Order in respect of Mandakini-B coal mine. Accordingly, the Bank Manager, State Bank of India, CAG II, New Delhi, 110001 is requested to treat this as notice of demand under **Bank Guarantee No.1731316BG1001036 amounting ₹1,680,000,000/-** issued by State Bank of India in favour of the Nominated Authority, and deposit the amount of **₹1,680,000,000/- (in words: Rupees One hundred and Sixty Eight crore only)** which is the entire guaranteed amount under the said bank guarantee to the account of PAO, Ministry of Coal, United Bank of India, Account no 0276050414586, Branch- Connaught Circus (New Delhi), **IFSC code-PUNB0027620** for the reason of termination of Allotment of Mandakini-B coal mine after fifteen days from the issue of this order.

Yours faithfully,

M. Nagaraju
9/12/21

[M. Nagaraju]

Additional Secretary & Nominated Authority

म. नागराजु / M. NAGARAJU
अपर सचिव / ADDITIONAL SECRETARY
भारत सरकार / GOVT. OF INDIA
कोयला मंत्रालय / MINISTRY OF COAL
शास्त्री भवन / SHASTRI BHAWAN
नई दिल्ली / NEW DELHI

Copy to:-

1. The Chief Secretary, Government of Odisha.
2. Deputy Secretary (CBA-II), Ministry of Coal.
3. Coal Controller, Coal Controller Organisation, Kolkata.
4. US (IFD)/US (CLD), Ministry of Coal, Government of India.
5. Pay & Accounts Officer, Pay & Accounts Office, Ministry of Coal- with a request to deposit the amount of Rs.168 crores received from State Bank of India in Detailed Head 8443.00.117.03.07.00 until further directions from this office to deposit the above-mentioned amount in CFI.
6. Bank Manager United Bank of India, Connaught Circus Branch, New Delhi.
7. Sr. TD (NIC), MoC- for uploading on the website of Ministry of Coal.