

No.NA-104/6/2021-NA
Government of India
Ministry of Coal
O/o. the Nominated Authority

120-F, Shastri Bawan, New Delhi,
Date : 21.04.2022

TERMINATION LETTER

To,

Shri Mrigank Shekhar,
Director/Authorised Signatory,
Shreesatya Mines Private Limited,
DN-36, Primare Tower, Sector-V,
4th Floor, Salt Lake, Kolkata,
West Bengal-700091.

Subject : Termination of CMDPA of Burakhap Small Patch coal mine

Sir,

Please refer to the CMDPA signed on 23.09.2022 with Shreesatya Mines Private Ltd. (SMPL) for Burakhap Small Patch coal mine and to say that as per Clause 3 of the CMDPA prescribes the Conditions of Vesting required for issuance of Vesting Order in favour of Successful bidder subject to satisfaction of certain conditions, inter alia, paying the first installment of Upfront Amount in Accordance with Clause 5.2.1, having furnished the Performance Security and Fixed Amount, Additional Levy, etc. As per Clause 5.2.1 of the CMDPA, SMPL was required to pay the First Installment of Upfront Amount with 40 business days of execution of the Agreement. As per Clause 6.1.1, SMPL was required to submit Performance Security amounting to INR 81,50,81,295.52 for the performance of SMPL's obligations within such time as specified in Clause 3.2.2. Further, as per Clause 3.2 of the CMDPA, SMPL was required to provide a written notice / Completion Notice within 40 days of the Agreement Date upon satisfaction of each of the vesting conditions specified in Clause 3.1 failing which the Nominated Authority may terminate the Agreement without incurring any liability whatsoever by providing a written notice to the Successful bidder.

2. On the requests received from SMPL through e-mails dated 29.10.2021 and 08.11.2021 regarding facing of difficulty in obtaining of Performance Security amounting to INR 81,50,81,295.52 from their bankers, SMPL was granted extension of time for submission of Performance Security till 02.12.2021, vide letter dated 11.11.2021 provided that upfront amount and fixed amount shall be deposited by SMPL within 5 working days of receipt of the said letter. In compliance, SMPL had deposited Rs. 2,59,04,776/- for fixed cost and Rs. 2,25,54,400/- for first instalment of upfront amount. However, again on 02.12.2021, a request on e-mail was received from SMPL for extension of time for submission of Performance Security.

3. Unfortunately, substantial time has been lapsed and SMPL has failed to comply with the Clauses 3.1, 3.2 and 6.1.1 of the CMDPA signed for Burakhap Small Patch coal mine. As per Clause 26.3.1 (d) of the CMDPA, the Agreement may be terminated upon failure of the successful bidder to complete the vesting conditions within the time specified in Clause 3.2. Further, Clause 26.3.2 and 26.3.3 are enumerated below :-

"26.3.2 Upno occurrence of a Termination Event, the Nominated authority may elect to terminate this Agreement by providing a 15 Business Days written notice to the Successful Bidder. The determination of the Nominated authority regarding occurrence of a Termination Event shall be final and binding on the successful bidder.

26.3.3 In case the Nominated Authority elects to terminate this Agreement except under Clause 26.3 (j), then the Performance Security and all other payments made by the successful bidder shall be forfeited and the Successful Bidder 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 the surrender / termination and also for the obligations that must be fulfilled after termination. In case Nominated Authority elects to terminate this Agreement under clause 26.3 (j) after accepting the Event of Force Majorure, then i) the Performance Security submitted by the Successful Bidder shall not be forfeited and ii) the balance Upfront Amount, if any, after readjustment of Monthly Payments in accordance with Clause 9.4 shall be refunded. The Successful Bidder 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 the surrender / termination and also for the obligations that must be fulfilled after termination.”

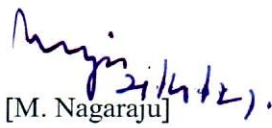
4. In view of the above, in terms of Clause 3.2.2 of the CMDPA, I hereby terminate the CMDPA dated 23.09.2021 for Burakhap Small Patch coal mine signed with SMPL. Termination shall take effect from 15 business days from date of this Termination letter. Accordingly, the amount of first installment of Upfront Amount and Fixed Cost deposited by SMPL shall also stand forfeited.

5. Further, as per Clause 5.12.3 (k) of the Tender Document provides that In the event a Bidder is declared as the Successful Bidder, and such Successful Bidder, within the specified time limits, fails to furnish Performance Security, the Nominated Authority reserves the right to reject any Bid. Clause 6.1.5 of the Tender document provides as under :-

“6.1.5 The Nominated Authority shall be entitled to forfeit and appropriate the Bid Security as damages, inter-alia in any of the events specified in Clause 5.12.3 of this Tender Document, without prejudice to its other rights or remedy available under this Tender Document, the Agreement or Applicable Law, without incurring any liability whatsoever. The Bidder, by submitting its Bid pursuant to this Tender Document, shall be deemed to have acknowledged and confirmed that the Nominated Authority will suffer loss and damage on account of withdrawal of its Bid or for any other default by the Bidder during the period of Bid validity as specified in this Tender Document. No relaxation of any kind on Bid Security shall be given to any Bidder.”

6. In view of the above, the bid security [BG No.0034NDDG00005222 dated 06.07.2021 amended on 31.01.2022] amounting to INR 1,80,43,520.00 submitted by SMPL stands forfeited as damages.

Yours faithfully,


[M. Nagaraju]
Nominated Authority

Copy to :-

1. The Chief Secretary, Government of Jharkhand, Ranchi.
2. The Coal Controller, Coal Controllers' Organisation, SCOPE Minar, Laxmi Nagar, New Delhi.
3. Deputy Secretary (P&S), MoC
4. US (IFD) / US (CLD), MoC
5. Pay & Accounts Officer, Pay & Account Office, Bhikiji Cama Place, New Delhi.
6. TD (NIC) – for uploading on the website of Ministry of Coal.
7. **The Branch Manager, ICICI Bank branch located at Rishikesh, 1/1, Ashutosh Chowdhury Avenue, Ballygunge, Kolkata 7000 019 along with BG No. 0034NDDG00005222 (Original**

Attached) issued on 06.07.2021 and amended on 19.07.2021 and 31.01.2022 in original with request to encash the same immediately and transfer the amount to the bank account, details of which are as under:

Bank Name: PUNJAB NATIONAL BANK (PNB)

Bank Branch: CONNAUGHT CIRCUS

Account No.: 0276050414586

IFSC: PUNB0027620

MICR Code: 110024773

Bank Address: J C DAS BUILDING 90/8, CONNAUGHT CIRCUS NEW DELHI – 110001

Bank Contact No: (011)-23360661, 23347012