

**F.No NA-104/12/2020-NA**  
**Government of India/भारतसरकार**  
**Ministry of Coal/कोयलामंत्रालय**  
**Nominated Authority / नामनिर्दिष्टप्राधिकारीकाकार्यालय**

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R.No.120- 1st Floor, F-Wing Shastri Bhawan,  
New Delhi, Dated: 19.11.2024.

To

**The Chairman cum Managing Director,  
M/s Chowgule and Company Private Limited,  
Chowgule House, Mormugao Harbour,  
Goa-403803**

**Subject: Termination of Coal Mine Development & Production Agreement (CMDPA) dated 11.01.2021 and Vesting Order NA-104/12/2020-NA dated 03.03.2021 in reference to Sahapur East Coal Mine allocated to M/s Chowgule and Company Private Limited (CCPL).**

Ref: Hon'ble High Court of Delhi Order dated 27.09.2024 in W.P. (C) 13165/2024, CM APPLs. 55043-55044/2024.

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Sir,

Please refer to Hon'ble Delhi High Court's order dated 27.09.2024 passed in W.P. (C) 13165/2024, CM APPLs. 55043-55044/2024 titled as *M/s Chowgule and Company Private Limited and Another against UOI and another before the Hon'ble High court, New Delhi* whereby the following directions have been issued by Hon'ble High Court:-

- i. The Respondents shall resume possession of the coal mines which shall be deemed to have been surrendered by the Petitioners and proceed to allot/auction the said coal mines in accordance with the procedure prescribed under the CSMP Act and Rules thereunder.
- ii. Upon the same being auctioned/allotted, a status report shall be placed on record. However, no specific appropriation orders shall be passed without leave of this Court. Liberty is given to move an application.
- iii. All Bank Guarantees which were submitted by the Petitioners shall be kept alive by the Petitioners and the same shall not be invoked until further orders of this Court in the present writ petition.
- iv. The Bank Guarantees submitted by the Petitioners, as their value stands today, shall not be revised further but shall be kept alive. If any amounts are to be enhanced in terms of the submissions of the Ministry, the same would also be considered at the final stage.
- v. The appropriation order dated 27th March 2024 appropriating 10% of the performance security, which is pending before the Special Tribunal, Bilaspur shall be decided in accordance with law. If the appropriation is upheld by the Special Tribunal, the Respondent shall be entitled to encash the performance security to the extent of 10% and the Petitioners shall top up the said amount, subject to its rights and remedies available in law.



2. Sahapur East Coal Mine was allocated to M/s Chowgule and Company Private Limited (CCPL) vide Vesting Order NA-104/12/2020-NA dated 03.03.2021 and CMDPA was executed on 11.01.2021. As per *Clause 10.1* of the CMDPA, the conduct of mining operations at the Coal Mine shall be subject to the 'Efficiency Parameters'.

3. Due to M/s CCPL's non-compliance with the efficiency parameters stipulated in the CMDPA, Show Cause Notice was issued on 11.07.2023. The matter was subsequently reviewed by the Scrutiny Committee, which recommended the imposition of a penalty in accordance with the CMDPA. Following the approval of the Competent Authority, an appropriation order dated 27.03.2024 (enclosed) was issued for the appropriation of 10% of the Performance Bank Guarantee (PBG). M/s CCPL has since approached the tribunal, resulting in a stay of the appropriation, which is currently sub judice.

4. Further, M/s CCPL requested the Office of the Nominated Authority for equal access to the one-time window scheme for surrendering the Sahapur East coal mine, referencing *No. NA-301/1/2021- NA, dated 09.05.2022*. This request was denied, and M/s CCPL was informed via letter dated 06.09.2024 that *"The policy for the surrender of coal blocks as outlined in Office Memorandum No. NA-301/1/2021- NA, dated 09.05.2022, pertains exclusively to non-operational coal mines allotted to Government companies and was applicable for a period of three months from the date of issuance. This policy is no longer in effect and cannot be extended to auctioned coal blocks or private companies/entities."* Since M/s CCPL does not fall under this policy, the request of M/s CCPL for the surrender of the Sahapur East Coal Block under Office Memorandum No. NA-301/1/2021- NA, dated 09.05.2022, cannot be considered."

5. Thereafter, aggrieved with the letter M/s CCPL filed W.P (C) No. W.P. (C) 13165/2024, CM APPLs. 55043-55044/2024 in the Hon'ble High Court of Delhi. In the said Writ Petition Hon'ble High Court vide its order dated 27.09.2024 opined that "during the pendency of these writ petitions, since the Petitioner (M/s CCPL) do not wish to operate the Mines at all, the Ministry ought to be permitted to put the Mines to utilization." Hence, the Court has directed this Ministry to resume possession of the Sahapur East Coal Mine which shall be deemed to have been surrendered by the Petitioner (M/s CCPL) and proceed to allot/auction the said coal mines in accordance with the procedure prescribed under the CSMP Act and Rules thereunder.

6. Further, the Hon'ble court has also directed that all Bank Guarantees which were submitted by the Petitioner (M/s CCPL) shall be kept alive by the Petitioner, and the same shall not be invoked until further orders of Hon'ble Court in the present writ petition. Further, as per the court order, the appropriation order 27.03.2024 regarding 10% performance security is to be decided by the Special Tribunal, Bilaspur and if upheld, the office of Nominated Authority shall be entitled to encash the Performance Bank Guarantee to the extent of 10% and M/s CCPL shall top up the said amount, subject to its rights and remedies available in law.

7. According to clause 26.3.1(q) of CMDPA with respect to Saha pur East coal mine forms a termination event.

" 26.3.1(q) Surrender of coal mine by Successful bidder

8. Therefore, in light of the Hon'ble Court's Order dated 27.09.2024 and clause mentioned above, this letter may be treated as a notice under clause 26.3.3 of CMDPA. On the completion of notice of 15 days business day, the CMDPA dated 11.01.2021 and Vesting Order No. NA-104/12/2020-NA dated 03.03.2021 shall stand terminated in respect of Saharpur East coal mine. Further, M/s CCPL is directed to keep all the Bank Guarantees alive in view of the above-mentioned court order and also, to top up the Performance Bank Guarantees, if the appropriation is upheld by the Tribunal, Bilaspur (PTT No. 78 of 2024) in respect to appropriation order dt. 27.03.2024.

9. Further, M/s Chowgule and Company Private Limited (CCPL) shall not be entitled to any benefit under CMDPA 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.

Yours faithfully,



[Rupinder Brar]

Additional Secretary and Nominated Authority



Copy to :-

1. The Chief Secretary, Government of Madhya Pradesh, Madhya Pradesh.
2. Coal Controller, Coal Controller's Organization, New Delhi.
3. US (P&S-II), MoC
4. The Branch Manager, State Bank of India, Commercial Branch, Vasco-Da-Gama, Shri Vidyadhiraj Bhavan, Goa-403802- In compliance with Hon'ble Delhi High Court's order dated 27.09.2024, the CMDPA stands terminated, however, the Performance Bank Guarantees are to be kept alive till further directions. As and when the liberty is granted by the Hon'ble Court, the Office of Nominated Authority would exercise its right to appropriate the Performance Bank Guarantees.