



South Eastern Coalfields Limited

'MINIRATNA' CATEGORY-I COMPANY

(A Subsidiary of Coal India Limited)

Seepat Road, P. O. SECL,
Bilaspur-495006 (Chhattisgarh)

Tel. 07752-246322

Fax. 07752-246472

Sales

& Mktg. Deptt.

Ref: SECL/BSP/S&M/COMM/171/ TSIL/ 771

Dtd.: 30.06 2010

SPEED POST

Office: Tata Sponge Iron Ltd.,
PO: Joda, Dist: Keonjhar,
Orissa-758034

Plant: PO: Joda, Dist: Keonjhar
Orissa-758034

Dear Sir,

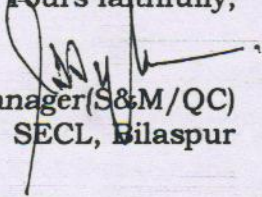
**Sub: Cancellation/withdrawal of Letter of Assurance (LOA)
& encashment of Commitment Guarantee**

1. This has reference to LOA no. **SECL/BSDP/S&M/COMML/171/TSIL(LOA)/04**, dated **29.04.2009** issued by SECL (Assurer) to **Tata Sponge Iron Ltd., PO: Joda, Dist: Keonjhar, Orissa- 758034** (Assured) for **Sponge Iron unit-2,40,000 tpa.**
2. Subsequently, vide our letter No. **SECL/BSP/S&M/COMM/171/TSIL(LOA)/2078** dated **05.12.2009** milestone deficiencies were intimated to the assured after examination of the documents submitted by them.
3. Validity period of LOA expired on **28.04.2010.**
4. The Assured failed to fulfill all the activities/milestones within the validity period of LOA.
5. Deficient milestones have already been notified through SECL website. However, milestone-wise deficiencies are also mentioned below in brief.
 - a) **Milestone no. 2:** Certified copy of the decision of the Board of Directors regarding In-principle letter of approval for the project not submitted.
 - b) **Milestone No.6:** Consent to establish from Pollution Control Board/MOEF not submitted.
 - c) **Milestone no.7:** Forest clearance from MOEF (Central Govt.)/NOC from State Forest department not submitted.
 - d) **Milestone no. 14:** Board's Resolution on the amount of equity investment in the project does not indicate the project under verification and Loan sanction letters also not submitted
 - e) **Milestone no. 15:** Copy of signed agreement with the EPC contractor / Equipment supplier (Key equipment to include rotary Kiln and cooler) not submitted.
 - f) **Milestone no. 16:** Progress report on project by consultant appointed for the project not submitted.

Cond. ...

3. In view of the above, it is hereby notified in terms of Clause 3.4.1 of LOA that the LOA under reference is being cancelled/ withdrawn followed by encashment of commitment guarantee (CG) for Rs. 20,52,000/- including additional commitment guarantee (Addl. CG) for Rs.205200 , in accordance with the terms & conditions of LOA.

Yours faithfully,


Chief General Manager(S&M/QC)
SECL, Bilaspur

Copy for information & necessary action to:

- | | | |
|--------------------------------|---|---|
| 1. Dy.CFM (I/C), SECL, Kolkata | } | |
| 2. SM(I/C), SECL, Kolkata | } | For encashment of CG and Additional CG, |
| 3. FM(I/C), SECL, Kolkata | } | as per guidelines and system in vogue. |
| 4. FM(S&M), SECL, Bilaspur | } | |

Copy to:

1. Notice Board
2. SECL Website (Item 10: Other Important Notices)

Copy for kind information to:

1. D(T)(O), SECL
2. CGM(S&M), CIL, Kolkata