



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.

SECL/BSP/S&M/COMM/326/AL&SL/ 1618

Dtd.: 21.10.2009

SPEED POST

Office: Arsh Iron & Steel Limited,
89, M. N. Ghosh Road, Raniganj,
Dist. Burdwan (W.B.)-713347

Plant: Vill. Sarora, Post Neora,
Tehsil Tilda, Dist. Riapur (CG)-493114

Dear Sir,

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

1. This has reference to LOA no **SECL/BSP/S&M/COMML/326/AI&SL/1989** dated **17.07.2008** issued by SECL (Assurer) to **Arsh Iron & Steel Limited, Village Sarora, Post Neora, Tehsil Tilda, Dist. Riapur (CG)-493114** (Assured) for **Sponge Iron Unit - 30,000 tpa**.
2. Validity period of LOA expired on **16.07.2009**.
3. The Assured failed to fulfill all the activities/milestones within the validity period of LOA.
4. Deficient milestones have already been notified through SECL website. However, milestone-wise deficiencies are also mentioned below in brief.

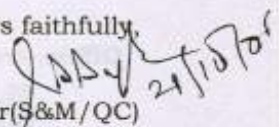
Milestone no. 5:-Whereas the LOA is for 30000 TPA capacity, environmental clearances are for 1x90 TPD (29700 TPA) capacity.

Contd...2

...2...

5. 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of the above, it is hereby notified in terms of Clause 3.4.1 of LOA that the LOA under reference is being cancelled/withdrawn followed by encashment of commitment guarantee (CG) for Rs.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 (Additional CG) for Rs. **6,15,600** 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
3. FM(I/C), SECL, Kolkata
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