

	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.
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SECL/BSP/S&M/COMM/48/JAL CPP/ 3284

Date: 20.01.2011
SPEED POST

Office: Jaiprakash Associates Limited,
Sector-128, Noida (UP) – 201 304

Plant: Jaippee Himachal Cement Plant,
Tikri, Dist: Solan (H.P.)

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/48/JAL CPP(LOA)/3225** dated **15.11.2008** issued by SECL to **Jaippee Himachal Cement Plant, Tikri, Dist: Solan (H.P.) for 25 MW CPP.**
2. Validity period of LOA expired on **14.11.2010.**
3. The Assured failed to fulfill all the activities/milestones within the validity period of LOA.
4. Deficient milestones have already been communicated to you and also updated on SECL's website from time to time. However, milestone-wise deficiencies are also mentioned below in brief.
 - i) **Milestone Sl. No. 2:** Board Resolution submitted, but it is not clear about the capacity of plant.
 - ii) **Milestone Sl. No. 3:** TFR submitted. In the document it is mentioned that fuel used in the plant is 50% coal and 50% rice husk.
 - iii) **Milestone Sl. No. 4:** Lease Deed not submitted.
 - iv) **Milestone Sl. No. 5:** ToR submitted, but of 30 MW multi fuel based CPP.
 - v) **Milestone Sl. No. 7:** Sanction Letter for firm water allocation not submitted.
 - vi) **Milestone Sl. No. 8:** Board Resolution submitted but plant capacity is not mentioned and Loan Sanction letter also not submitted.
 - vii) **Milestone Sl. No. 9:** (a) Agreement dated 03.08.2006 for purchase of Steam Turbine Generator Set for 30 MW submitted. (b) Notice to Proceed/Work order/Contract for end-use plant not submitted.
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of the above, it is hereby notified in terms of Clause 3.4.1 of LOA that the LOA under reference is being cancelled/withdrawn followed by encashment of commitment guarantee (CG) for Rs. **8379000/-** including additional commitment guarantee (Addl. CG) for Rs. **8379000/-**, in accordance with the terms & conditions of LOA.

Yours faithfully,

Chief General Manager(S&M)

Copy for information & necessary action to:

1. Chief Manager (F)/ (I/C), SECL, Kolkata
2. Sr. Manager(S&M)/(I/C), SECL, Kolkata
3. Sr. Manager(F)/(I/C), SECL, Kolkata
4. Sr. Manager(F)/(S&M), SECL, Bilaspur

Copy to:

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

Copy for kind information to:

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