

No. 23011/81/2007-CPD(Pt-II)  
Government of India  
Ministry of Coal

Shastri Bhawan,  
New Delhi the 13<sup>th</sup> December, 2010

To

Shri Amitabh Roy,  
Chief General Manager(S&M),  
Coal India Limited, 15 Park Street,  
Kolkata-16.

**Subject: Modification in the milestones for "Letter of Assurance"(LoA) for Cement Plants- reg**

Sir,

I am directed to refer to your letter No. CIL/CMO/47252/New PII/559 dated 25.8.2010 on the above mentioned subject In para (4) of your letter it was proposed that the suggestion of DIPP for signing of FSA for capacity lower than the capacity recommended by the SLC(LT) for Cement Plants can be accepted, if a dispensation is given by the Ministry of Coal in this regard.

2. The matter has been examined in this Ministry and the Competent Authority has approved the proposal of DIPP for accepting lower capacity of cement plants as compared to the capacity recommended by the SLC(LT), subject to the following conditions:-

i) Reduction in total capacity/ unit size or reduction of number of units for which LoA has been authorized will be permitted, provided a request is made in writing to coal companies/Ministry of Coal, to be duly recommended by DIPP within the stipulated validity period of LoA. This permission will be one time permission and no further request for the said capacity/unit size revision/reduction/enhancement would be permitted. .

(ii) The coal quantity would be worked out by CIL/SCCL on the basis of revised reduced capacity and unit size and would be governed by the existing norms applicable for the revised reduced capacity and unit size and subject to fulfilment of milestones FSA for the approved revised reduced quantity would be concluded by the concerned coal company.

ii) The reduction in total capacity or unit size will be permissible subject to pro-rata enforcement of Bank Guarantee and in default of approved reduced capacity, enforcement of full Bank Guarantee for the remaining amount as applicable under Ministry of Coal guidelines No. 23011/47/2009-CPD dated 1.7.2009 (available on available on MoC website. ( www.coal.nic.in ).

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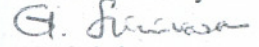
iv) The approved revised capacity or unit size would be considered for milestones purposes.

v) No refund of processing fee will be entertained on account of the proposed reduction. If the applicant decides to enhance the capacity in future, the applicant will apply afresh for the same as per extant instructions of Ministry of Coal.

3. CIL is requested to take necessary action accordingly and intimate action taken in the matter to this Ministry.

4. CIL is also requested to apprise this Ministry of the action taken by CIL on para(1) to (3) of their letter dated 25.8.2010 referred above.

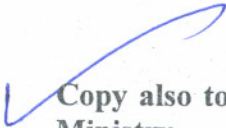
Yours faithfully

  
(G. Srinivasan)

Under Secretary to the Govt. of India

To

1. CMD, SCCL, PB No. 18, Red Hills, Khairatabad, Hyderabad, AP
2. Director(Marketing), CIL, 15, Park Street, Kolkata
3. Sh. Shyamal Mishra, Director Deptt. of Industrial Policy and Promotion, Udyog Bhawan, New Delhi
4. CGM(CP), CIL, 10, NS, Road, Kolkata
5. GM(S&M), CIL, Scope Minar, Laxmi Nagar, Delhi
- 6.. Cement Manufacturers Association(CMA), Noida

 Copy also to: NIC, Ministry of Coal, for placing the same on the Website of this Ministry.