

File No.410/1/2018-NA
Government of India/भारत सरकार
Ministry of Coal/कोयला मंत्रालय
O/o Nominated Authority / नामनिर्दिष्ट प्राधिकारी का कार्यालय

120-F, Shastri Bhawan, New Delhi
Dated : September 28, 2022

CIRCULAR

Subject : Direction to amend/revise the Bank Guarantee(s) with a minimum Claim Period extending one year beyond the Date of Expiry/period for Bank Guarantee (BG) constituting Performance Security in relation to mines allocated by Nominated Authority.

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In accordance with the provisions of Coal Mine Development and Production Agreement (CMDPA)/ Allotment agreement, the Bank Guarantee(s) constituting Performance Security is(are) to be renewed/extended by the successful bidders'/allocattees of the coal mines.

2. It may be noted that a Bank Guarantee has two different time periods/dates, viz. **Expiry Date** (Validity period till which BG remains valid) and **Claim Period** (a contractually agreed grace period beyond the validity period of Bank Guarantee to make a demand to the bank against a default which had occurred during the validity period/till expiry date). On several instances, it has been observed that in the BGs furnished by the allottees, both the expiry date and claim period/date are kept either same or very less time period is given(say 1,3 or 6 months). Since on several instances, Bank Guarantees are renewed/extended on the last day of expiry, thereby further creating concerns pertaining to claims of appropriation owing to non-submission of Performance Bank Guarantees.

3. In view of above, allocattees of coal mines allocated by O/o Nominated Authority are hereby **directed to amend/revise all the Performance Bank Guarantees already furnished with a minimum claim period of one year beyond the Date of Expiry**. Further, it is informed that the same conduct shall be observed for future renewal/extension of Performance Bank Guarantees, failing which Nominated Authority may initiate appropriate action as deemed fit.

4. This is with the approval of the Competent Authority.



[Manish Uniyal]
Under Secretary to Govt. of India

To,

All allocattees of coal mines allocated by Nominated Authority

Copy to :-

1. TD (NIC), Ministry of Coal with request to upload this Notice on the Website of MoC.