

**File No.: NA-210/02/2025-NA**

Government of India

Ministry of Coal

Nominated Authority

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4<sup>th</sup> Floor, Zone-6, GPOA-3, Netaji Nagar,

New Delhi-110023

Dated: 01<sup>st</sup> June, 2026

**NOTICE**

**Subject: Renewal/Extension of Performance Bank Guarantee before Seven working days from due date of Expiry.**

Reference is invited to the respective Allotment Agreement / Coal Block Development and Production Agreement (CBDPA) / Coal Mine Development and Production Agreement (CMDPA) executed between the Nominated Authority and your company (hereinafter referred to as the "Agreement").

2. As per Clause 6.1.6 of the respective Agreements, the Performance Security shall remain valid until the expiry of the period for which the Mining Lease has been granted / will be granted, or until extractable reserves remain in the coal mine, whichever is earlier, or till the Peak Rated Capacity is achieved, as the case may be.
3. It has been observed that, in certain instances, the Performance Bank Guarantees (PBGs) constituting Performance Security are kept due for renewal or extension till the last day of expiry, which results in ambiguity regarding timely submission of renewed Bank Guarantees. It has also been noticed that, on several occasions, only scanned copies of renewed PBGs are submitted prior to the date of expiry, while the original physical copies are submitted after the expiry date. In this regard, it is reiterated that the onus of ensuring that the PBG remains valid in accordance with the terms of the Agreement rests solely with the Allocatee, irrespective of any communication issued by this office.
4. In this regard, all Allocatees are hereby directed to ensure that the PBG(s) furnished under the Agreement remains valid at all times in accordance with the above contractual provision. Further, where the existing PBG is due to expire, the Allocatee shall ensure renewal of the PBG and **submit the renewed original Performance Bank Guarantee** in physical form to the office of the Nominated Authority **at least seven (07) working days prior to the date of expiry of the existing PBG.**
5. Failure to renew and submit the PBG within the stipulated timeline shall be treated as non-compliance with the provisions of the Agreement and shall attract action in accordance with the terms of the Agreement, including appropriation of 100% of Performance Security.
6. This Notice is issued to all existing Allocatees in the interest of uniformity, transparency, and effective enforcement of contractual obligations and shall be treated as a standing instruction for all future renewals of Performance Bank Guarantees.
7. This issues with the approval of the Competent Authority.



(Arvind Kumar)

Under Secretary to the Govt. of India

To:

STD (NIC), MoC – for uploading on the Ministry of Coal's website under NA tab.