

Date: January 10, 2024

Addendum No. 1 to the Standard Agreement dated December 20, 2023
For Auction of Coal Mines for Sale of Coal - 19th Tranche under CM(SP) Act and 9th Tranche under MMDR Act

The following addendum is applicable to the Standard Agreement dated 20 December 2023 under 19th Tranche of auction under the CMSP Act & 9th Tranche of auction under the MMDR Act.

S. No	Reference to Standard Agreement	As appearing in original document	To be read as
1.	Clause 6.1	<p>6.1.2 For Fully Explored Mine, the Performance Security shall be an amount which is 65% of aggregate of: (a) one year royalty computed on the basis of peak rated capacity of the Coal Mine as per the approved Mining Plan and (b) one year revenue (in accordance with Clause 9.1.1), payable to the State Government with respect to the Coal Mine computed on the basis of peak rated capacity of the Coal Mine as per the approved Mining Plan. For the purpose of calculation of Performance Security, Representative Price after adjustment with latest available sub-index of National Coal Index or National Lignite Index, as applicable, of the relevant basket of coal grade(s) shall be considered. It is clarified that relevant grade of coal shall mean weighted average grade of non- coking coal and/or weighted average grade of coking coal, as the case may be, for the Coal Mine, as per Geological Report. For Coal Mine with lignite coal, relevant grade of coal shall be as notified by Government of India separately.</p> <p>In case, the approved Mining Plan of the Coal Mine is not available, Performance Security shall be estimated on the basis of an indicative peak rated capacity, as may be provided in the Tender Document. Upon in-principle approval of the Mining Plan, the Successful Bidder shall submit a revised Performance Security on the basis of approved Mining Plan.</p>	<p>6.1.2 <u>For Fully Explored Mine: -</u></p> <p><u>(A)</u> The Performance Security shall be an amount which is 65% of aggregate of: (a) one year royalty computed on the basis of peak rated capacity of the Coal Mine as per the approved Mining Plan and (b) one year revenue (in accordance with Clause 9.1.1), payable to the State Government with respect to the Coal Mine computed on the basis of peak rated capacity of the Coal Mine as per the approved Mining Plan. For the purpose of calculation of Performance Security, Representative Price after adjustment with latest available sub-index of National Coal Index or National Lignite Index, as applicable, of the relevant basket of coal grade(s) shall be considered. It is clarified that relevant grade of coal shall mean weighted average grade of non- coking coal and/or weighted average grade of coking coal, as the case may be, for the Coal Mine, as per Geological Report. For Coal Mine with lignite coal, relevant grade of coal shall be as notified by Government of India separately.</p> <p>In case, the approved Mining Plan of the Coal Mine is not available, Performance Security shall be estimated on the basis of an indicative peak rated capacity, as may be provided in the Tender Document. Upon in-principle approval of the Mining Plan, the Successful Bidder shall submit a revised Performance Security on the basis of approved Mining Plan.</p> <p><u>(B) It may be noted that for the coal mines where method of mining has been mentioned as Underground at the time of launch of auction process, then the Performance Security amount shall be calculated at 50% of the applicable Performance Security amount as calculated for a Fully Explored coal mine, basis the above-mentioned methodology. In case, the method of mining is not provided at the time of launch of auction process or other methods of mining except Underground is provided, the rebate of 50% on the Performance Security shall not be applicable and the</u></p>

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			<p><u>Performance Security shall be calculated as per Clause 6.1.2 (A) of the Agreement.</u></p> <p><u>Further, in case, in the Mining Plan or revised Mining Plan, as applicable, the method of mining is revised to Underground, then, the Performance Security shall be revised to 50% of the applicable Performance Security amount as calculated for a Fully Explored coal mine as per Clause 6.1.2 (A). Conversely, in case, in the Mining Plan or revised Mining Plan, as applicable, the method of mining is revised to Opencast or Mixed method of mining, then, the rebate of 50% on the Performance Security shall not be applicable and the Successful Bidder shall have to submit the Performance Security amount as calculated for a Fully Explored coal mine as per Clause 6.1.2 (A). The revised Performance Security pursuant to change in method of mining shall be submitted within 30 (thirty) days from such change in method of mining as per Mining Plan or Revised Mining Plan, as applicable.</u></p>

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2.	Clause 6.1.4	<p>6.1.4 The amount of Performance Security for Fully Explored Mines shall be revised in following events:</p> <p>(a) on an annual basis as follows:</p> <p>a. First Revision: Upon grant of mine opening permission basis the difference in the i) National Coal Index or National Lignite Index, as applicable, at the time of grant of mine opening permission and ii) National Coal Index or National Lignite Index, as applicable, basis which the Performance Security was first estimated in accordance with Clause 6.1.2 above.</p> <p>b. Subsequent Revisions: In the month of April of the year subsequent to the grant of mine opening permission, basis the difference in the i) National Coal Index or National Lignite Index, as applicable, for the month of March of previous financial year and ii) National Coal Index or National Lignite Index, as applicable, at the time when mine opening permission was granted. In all subsequent years, in the month of April, basis the difference in the i) National Coal Index or National Lignite Index, as applicable for the month of March of previous financial year and ii) National Coal Index or National Lignite Index, as applicable for the month of March of previous to previous financial year.</p> <p>It is clarified that the date of grant of mine opening permission to be considered for the purpose of revision of the performance Security shall be the actual date or the date as prescribed in the efficiency parameters, whichever is earlier.</p> <p>(b) In case of any revision in rate of royalty, the amount of Performance Security shall be revised accordingly. Such revision shall take place at the beginning of the financial year which is subsequent to the financial year in which the rate of royalty is revised, as stipulated in Clause 6.1.5; and/or</p> <p>(c) In case of any revision in the peak rated capacity as a result of any revision in the mining plan in accordance with Clause 16, the amount of Performance Security shall be revised accordingly upon approval of revision to the Mining Plan. Such revision shall take place at the beginning of the financial year which is subsequent to the financial year in which the Mining Plan is revised, as stipulated in Clause 6.1.5.</p>	<p>6.1.4 The amount of Performance Security for Fully Explored Mines shall be revised in following events:</p> <p>(a) on an annual basis as follows:</p> <p>a. First Revision: Upon grant of mine opening permission basis the difference in the i) National Coal Index or National Lignite Index, as applicable, at the time of grant of mine opening permission and ii) National Coal Index or National Lignite Index, as applicable, basis which the Performance Security was first estimated in accordance with Clause 6.1.2 above.</p> <p>b. Subsequent Revisions: In the month of April of the year subsequent to the grant of mine opening permission, basis the difference in the i) National Coal Index or National Lignite Index, as applicable, for the month of March of previous financial year and ii) National Coal Index or National Lignite Index, as applicable, at the time when mine opening permission was granted. In all subsequent years, in the month of April, basis the difference in the i) National Coal Index or National Lignite Index, as applicable for the month of March of previous financial year and ii) National Coal Index or National Lignite Index, as applicable for the month of March of previous to previous financial year.</p> <p>It is clarified that the date of grant of mine opening permission to be considered for the purpose of revision of the performance Security shall be the actual date or the date as prescribed in the efficiency parameters, whichever is earlier.</p> <p>(b) In case of any revision in rate of royalty, the amount of Performance Security shall be revised accordingly. Such revision shall take place at the beginning of the financial year which is subsequent to the financial year in which the rate of royalty is revised, as stipulated in Clause 6.1.5; and/or</p> <p>(c) In case of any revision in the peak rated capacity as a result of any revision in the mining plan in accordance with Clause 16, the amount of Performance Security shall be revised accordingly upon approval of revision to the Mining Plan. Such revision shall take place at the beginning of the financial year which is subsequent to the financial year in which the Mining Plan is revised, as stipulated in Clause 6.1.5.</p>

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		<p>It is clarified that revisions to the amount of Performance Security may occur under sub-clause (a), (b) and (c) above, simultaneously, if such sub-clauses are applicable.</p> <p>6.1.5 The revision to the amount of Performance Security shall be carried out once in every financial year upon grant of mine opening permission to the Successful Bidder. Upon such revision, the bank guarantee constituting the Performance Security shall be substituted with another bank guarantee of the revised value issued in accordance with this Clause 6, within a period of 30 days of from the beginning of financial year i.e. by April 30 of every year, in case of revision under each of sub-clause (b) and (c) of Clause 6.1.4. In case of revision under sub-clause (a) of Clause 6.1.4, the bank guarantee constituting the Performance Security shall be substituted with another bank guarantee of the revised value issued in accordance with this Clause 6, within a period of 30 (thirty) days from the publication of the Reference Index for the month of March of previous financial year or within a period of 30 (thirty) days from the grant of mine opening permission to the Successful Bidder, as applicable.</p>	<p><u>(d) In case of revision in the method of mining in the Mining Plan or revised Mining Plan in accordance with Clause 16, the amount of Performance Security shall be revised accordingly. Such revision shall take place within a period of 30 (thirty) days from such change in method of mining as per Mining Plan or Revised Mining Plan, as applicable.</u></p> <p>It is clarified that revisions to the amount of Performance Security may occur under sub-clause <u>(a), (b), (c) and (d) above</u>, simultaneously, if such sub-clauses are applicable.</p> <p>6.1.5 The revision to the amount of Performance Security shall be carried out once in every financial year upon grant of mine opening permission to the Successful Bidder. Upon such revision, the bank guarantee constituting the Performance Security shall be substituted with another bank guarantee of the revised value issued in accordance with this Clause 6, within a period of 30 days of from the beginning of financial year i.e. by April 30 of every year, in case of revision under each of sub-clause <u>(b), (c) and (d) above</u> of Clause 6.1.4. In case of revision under sub-clause (a) of Clause 6.1.4, the bank guarantee constituting the Performance Security shall be substituted with another bank guarantee of the revised value issued in accordance with this Clause 6, within a period of 30 (thirty) days from the publication of the Reference Index for the month of March of previous financial year or within a period of 30 (thirty) days from the grant of mine opening permission to the Successful Bidder, as applicable.</p>