

STANDARD ALLOTMENT AGREEMENT
FOR
TRANCHE 5 OF ALLOTMENT OF COAL MINES
TO STATE GOVERNMENT COMPANIES/ CORPORATIONS FOR SALE OF COAL
UNDER THE COAL MINES (SPECIAL PROVISIONS) ACT, 2015

Nominated Authority
Ministry of Coal
Government of India

June 11, 2018

CONTENTS

PARTIES:	5
BACKGROUND:	5
1. DEFINITIONS AND INTERPRETATION	6
1.1. Definitions	6
1.2. Interpretation.....	10
2. ALLOCATION OF THE COAL MINE.....	12
3. CONDITIONS FOR ALLOTMENT	12
4. THE ALLOTMENT ORDER.....	13
5. POST ALLOTMENT OBLIGATIONS.....	14
5.1. Commencement Plan	14
5.2. Payment of the Upfront Amount.....	15
5.2.1. <i>First Instalment of fifty per cent</i>	15
5.2.2. <i>Second Instalment of twenty five per cent</i>	15
5.2.3. <i>Third Instalment of twenty five per cent</i>	15
5.2.4. <i>Failure to pay the Upfront Amount</i>	15
5.2.5. <i>Undertaking to pay revised Upfront Amount</i>	15
5.3. The Mining Lease	16
6. PERFORMANCE SECURITY AND APPROPRIATION	17
6.1. Performance Security.....	17
6.2. Events for appropriation of the Performance Security.....	19
6.3. Manner of appropriation of the Performance Security	20
7. INFORMATION	23
8. SALE OF COAL	25
8.1. Sale of Coal	25
9. MONTHLY PAYMENTS.....	26
10. EFFICIENCY PARAMETERS	27
11. GENERAL RIGHTS AND OBLIGATIONS	27
11.1. Limited Mining Rights.....	27
11.2. Authorisations.....	27
11.3. Geological and Archaeological Finds.....	27

11.4.	Health, Safety, Welfare, Social Security and Minimum Wages	28
12.	CONTRACTORS AND SUB-CONTRACTORS	29
13.	CHANGE IN CONTROL AND TRANSFER.....	29
13.1.	Change in Control of the Allottee.....	29
13.2.	Change in Control in case of a joint venture.....	30
13.3.	Consequences of default	30
14.	MINE PLAN AND FLEXIBILITY IN COAL PRODUCTION SCHEDULE	31
15.	MINE CLOSURE	31
16.	COMPLIANCE AND RECORD KEEPING.....	31
17.	REPRESENTATIONS AND WARRANTIES.....	32
18.	INDEMNITIES.....	32
19.	ASSIGNMENT, SECURITY FOR FINANCING.....	34
19.1.	Prohibition on Assignment	34
19.2.	Assignment Conditions.....	34
19.3.	Security for financing, enforcement Event	34
20.	INSURANCE.....	36
21.	ACCOUNTS AND AUDIT	36
21.1.	Audited Accounts	36
21.2.	Appointment of Auditors	36
21.3.	Certification of claims by Statutory Auditors	37
22.	GOVERNMENT INSPECTION	37
23.	EVENT OF FORCE MAJEURE	37
24.	EFFECTIVE DATE, TERM AND TERMINATION	38
24.1.	Effective Date	38
24.2.	Term.....	39
24.3.	Termination.....	39
24.4.	Retention of Books and Records.....	41
25.	GOVERNING LAW AND DISPUTE RESOLUTION.....	41
26.	MISCELLANEOUS	41
26.1.	Time of Essence.....	41
26.2.	Publicity	42

26.3. Severability	42
26.4. Costs and Expenses.....	42
26.5. Further Assurance	42
26.6. Legal And Prior Rights	42
26.7. Waiver.....	43
26.8. Amendments	43
26.9. Counterparts.....	43
26.10. No Agency or partnership.....	44
26.11. Notices	44
26.12. Entire Agreement.....	44
26.13. Specific Performance of Obligations	44
26.14. Power of the Central Government	45
26.15. Change Notice.....	45
SCHEDULE A - PARTICULARS OF THE COAL MINE	47
SCHEDULE B - FORMAT OF INTIMATION TO THE NOMINATED AUTHORITY.....	48
SCHEDULE C - FORMAT OF THE COMPLETION NOTICE.....	50
SCHEDULE D - EFFICIENCY PARAMETERS	52
SCHEDULE E - FORMAT OF PERFORMANCE SECURITY	55
SCHEDULE F – WARRANTIES	59
SCHEDULE G - ADDRESS FOR PROVIDING NOTICES.....	62
SCHEDULE H - FORMAT OF DEED OF UNDERTAKING	63
Signatories.....	65

This Allotment Agreement is made by and between following:

PARTIES:

- 1 **The President of India**, acting through the Central Government represented by the Nominated Authority appointed under Section 6 of the Coal Mines (Special Provisions) Act, 2015 (the “**Nominated Authority**”).
- 2 **[Name of the Allottee]** incorporated in India under the Companies Act, 1956/ 2013 with corporate identity number **CIN of the Allottee**, whose registered office is at **[address of registered office]**, India and principal place of business is at **[address of principal place of business, if different from registered office]** (the “**Allottee**”).

BACKGROUND:

- A. The Supreme Court of India through its judgment dated August 25, 2014 read with its order dated September 24, 2014 passed in Writ Petition (Criminal) No. 120 of 2012 (collectively the “**Supreme Court Judgment**”), had cancelled allotment of 204 coal blocks (“**Cancelled Coal Blocks**”).
- B. Subsequent to the Supreme Court Judgment, the Coal Mines (Special Provisions) Ordinance, 2014 and Coal Mines (Special Provisions) Second Ordinance, 2014 (collectively the “**Ordinances**”) were promulgated and the Coal Mines (Special Provisions) Rules, 2014 (the “**Rules**”) were framed for auction and allotment of all coal blocks which were subject to cancellation pursuant to the Supreme Court Judgment. The Ordinances were subsequently repealed by the Coal Mines (Special Provisions) Act, 2015 (the “**Act**”), which was notified on March 30, 2015.
- C. The Coal Mine (*as defined in Clause 1.1.17*) was included in the list of Cancelled Coal Blocks and accordingly, its allotment to the Prior Allottee (*as defined in Clause 1.1.39*) was cancelled pursuant to the Supreme Court Judgment with effect from the ‘appointed date’ (*as defined in the Act*).
- D. Thereafter, the Central Government issued an order dated March 20, 2018 as amended, under Rule 8(2) of the Rules, to the Nominated Authority for allotment of the Coal Mine for sale of coal pursuant to Section 5 of the Act.
- E. Pursuant to the allotment process conducted in accordance with the Act, the Rules, the Allotment Document dated **[insert date]** and receipt of a direction from the Central Government under Rule 11(9) of the Rules, the Allottee has become entitled to enter into an agreement with the Nominated Authority pursuant to Rule 13(5) of the Rules with respect to allocation of the Coal Mine to the Allottee for sale of coal.
- F. Accordingly, the Nominated Authority and the Allottee are entering into this Agreement

with respect to matters related to allocation of the Coal Mine, including without limitation, the development of the Coal Mine and production and sale of coal from the Coal Mine.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions and understandings set forth in this Agreement, and other good and valuable consideration (the adequacy of which are hereby mutually acknowledged), the Parties with the intent to be legally bound hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

The definitions and rules of interpretation in this clause apply in this Agreement.

1.1. Definitions

- 1.1.1. “**Act**” shall mean the Coal Mines (Special Provisions) Act, 2015.
- 1.1.2. “**Acceptable Bank**” shall mean a Scheduled Bank as listed in the Second Schedule of the Reserve Bank of India Act, 1934 excluding those listed under the headings of Gramin Banks, Urban Co-operative Banks and State Co-operative Banks.
- 1.1.3. “**Agreement**” means this Allotment Agreement and all attached annexure, schedules, exhibits and instruments supplemental to or amending, modifying or confirming this Agreement in accordance with the provisions of this Agreement.
- 1.1.4. “**Agreement Date**” shall mean the date on which execution of this Agreement by both the Allottee and the Nominated Authority is completed.
- 1.1.5. “**Allotment Conditions**” shall have the meaning given to such expression in Clause 3.1.
- 1.1.6. “**Allotment Date**” shall have the meaning given to such expression in Clause 4.3.
- 1.1.7. “**Allotment Document**” shall have the meaning given to it under the Rules and shall include the Allotment Document dated [insert date] for allotment of the Coal Mine.
- 1.1.8. “**Allotment Order**” shall have the meaning given to such expression in the Act and the Rules.
- 1.1.9. “**Applicable Law**” shall mean all applicable statutes, laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directive of any Governmental Authority or court or other law, rule or regulation approval from the relevant Governmental Authority, government resolution, directive, or other government restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law in India.

- 1.1.10. “**Appropriation Event**” shall have the meaning given to such expression in Clause 6.2.1.
- 1.1.11. “**Authorised Representative**” shall have the meaning given to such expression in Clause 4.4.
- 1.1.12. “**Business Day**” shall mean a day which is not a Saturday, Sunday or any other day declared as a public holiday by the Central Government.
- 1.1.13. “**Central Government**” shall mean the Government of India, acting through the Ministry of Coal.
- 1.1.14. “**CIL**” shall mean Coal India Limited (a Government of India undertaking).
- 1.1.15. “**CIL Notified Price**” shall mean the prevailing notified price of relevant grade(s) of coal by CIL or any of its subsidiaries, as may be territorially relevant to the Coal Mine.
- 1.1.16. “**Claim**” shall have the meaning given to such expression in Clause 18.3.
- 1.1.17. “**Coal Mine**” shall mean the coal mine as more particularly described in SCHEDULE A.
- 1.1.18. “**Companies Act**” means the Companies Act, 1956 or the Companies Act, 2013, as applicable, as now enacted or as the same may from time to time be amended, re-enacted or replaced.
- 1.1.19. “**Control**” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- 1.1.20. “**Commencement Plan**” shall have the meaning given to such expression in Clause 5.1.
- 1.1.21. “**Designated Bank Account**” shall mean the following bank account of the Nominated Authority:
Name of the bank: [to be mentioned]
Account number: [to be mentioned]
Name of the account holder: [to be mentioned] IFSC Code: [to be mentioned]
- 1.1.22. “**Development Area**” means the whole or any particular part of the Mining Area which is established for commercial development and which is delineated as such in a Mine Plan.
- 1.1.23. “**Efficiency Parameters**” shall have the meaning given to such expression in Clause 10.1.
- 1.1.24. “**Eligibility Conditions**” shall mean the eligibility conditions specified in the Act and the

Rules including all the eligibility conditions listed in Clause 3.2 of the Allotment Document.

- 1.1.25. “**Encumbrances**” means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same.
- 1.1.26. “**Governmental Approval**” means any authorization, approval, consent, licence or permit required from any Governmental Authority.
- 1.1.27. “**Governmental Authority**” means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
- 1.1.28. “**Event of Force Majeure**” shall have the meaning given to such expression in Clause 23.1.
- 1.1.29. “**Good Industry Practice**” means, in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced Person engaged in the same type of undertaking under the same or similar circumstances.
- 1.1.30. “**Indemnified Party**” shall have the meaning given to such expression in Clause 18.1.
- 1.1.31. “**Mine Plan**” shall mean a mining plan which has been approved in accordance with the Applicable Laws in relation to the Coal Mine.
- 1.1.32. “**Mining Lease**” shall have the meaning given to such expression in Clause 5.3.1.
- 1.1.33. “**Monthly Payment**” shall have the meaning given to such expression in Clause 9.1.
- 1.1.34. “**MSME**” means a micro enterprise, or a small enterprise or a medium enterprise as defined in Micro, Small and Medium Enterprises Development Act, 2006, as amended from time to time.

- 1.1.35. **“MSME Share”** shall mean 25% of the coal production from the Coal Mine on Run-of-Mine (ROM) basis, for each calendar quarter, and the same shall include any amendments made to the same by the Nominated Authority in its sole discretion.
- 1.1.36. **“Parties”** means and refers to the Nominated Authority and the Allottee collectively and **“Party”** refers to any one of them, as the case may be.
- 1.1.37. **“Performance Security”** shall have the meaning given to such expression in Clause 6.1.1, and the same shall include a revised performance security sought pursuant to Clause 0.
- 1.1.38. **“Person”** means any individual, sole proprietorship, unincorporated association, body corporate, corporation, company, partnership, limited liability company, joint venture, Governmental Authority or trust or any other entity or organization.
- 1.1.39. **“Prior Allottee”** shall have the meaning given to it in the Act and for the purposes of the Coal Mine, the Prior Allottee shall be [name] incorporated in India under the Companies Act with corporate identity number [CIN of the Prior Allottee], whose registered office is at [address of registered office], India.
- 1.1.40. **“Reserve Price”** shall mean an amount equivalent to the royalty (as per prevalent rate) on coal payable on per tonne basis to State Government as per actual production of coal by the Allottee, including the Allottee in the State of West Bengal where royalty is prescribed in Rs. per tonne. The amount of Reserve Price will be calculated as per the extant / prevailing rate of royalty ad-valorem on price of coal as reflected in the invoice, excluding Taxes, levies and other charges
- 1.1.41. **“Rules”** shall have the meaning given to such expression in Clause B of the Background.
- 1.1.42. **“Selectee”** shall have the meaning given to such expression in Clause 19.3.3(c).
- 1.1.43. **“State Government”** shall mean the Government of the state where the Coal Mine is located.
- 1.1.44. **“Substitution Notice”** shall have the meaning given to such expression in Clause 19.3.3(b).
- 1.1.45. **“Supreme Court Judgment”** shall have the meaning given to such expression in Recital A of the Background.
- 1.1.46. **“Taxation”** (including with correlative meaning, the terms **“Tax”** and **“Taxes”**) means (a) any and all taxes, assessments and other charges, duties, impositions and similar liabilities imposed by any Governmental Authority, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added,

withholding, payroll, excise and property taxes, together with all interest, penalties and additions imposed with respect to such amounts; (b) any liability for the payment of any taxes, assessments and other charges, duties, impositions and similar liabilities by the Allottee as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (c) any taxes, assessments and other charges, duties, impositions and similar liabilities for the payment of any amounts by the Allottee as a result of any express obligation to indemnify any other Person or as a result of any obligation under any agreement or arrangement with any other Person with respect to such amounts and including any liability for Taxes of a predecessor entity.

1.1.47. “**Third Party**” means any Person that is not a signatory to this Agreement.

1.1.48. “**Term**” shall have the meaning given to such expression in Clause 24.2.

1.1.49. “**Termination Event**” shall have the meaning given to such expression in Clause 24.3.1.

1.1.50. “**Upfront Amount**” shall mean an amount equal to INR [amount in figures] (Indian Rupees [amount in words]) payable by the Allottee in terms of Clause 5.2, and the same shall include any revisions made pursuant to Clause 5.2.5 (applicable in case the approved Mine Plan is not available).

1.1.51. “**Warranties**” shall have the meaning given to such expression in Clause 17.1.

1.2. **Interpretation**

1.2.1. Any reference to any statute or statutory provision shall include:

- (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
- (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Agreement) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement prior to the Agreement Date and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced;

1.2.2. Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.

1.2.3. References to the masculine, the feminine and the neuter shall include each other.

1.2.4. References to a “**company**” shall include a company, corporation or other body

corporate, wherever and however incorporated or established.

- 1.2.5. The recitals and schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include any recitals and schedules to it. Any references to clauses and schedules are to clauses and schedules to this Agreement. Any references to parts or paragraphs are, unless otherwise stated, references to parts or paragraphs of the schedule in which the reference appears.
- 1.2.6. A reference to **this Agreement** or **any other document** shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented or replaced from time to time.
- 1.2.7. A reference to **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (not merely the sub-Clause, paragraph or other provision) in which the expression occurs.
- 1.2.8. A reference to a **party** shall include that party's representatives, successors and permitted assigns.
- 1.2.9. Each of the representations and warranties provided in this Agreement is independent of other representations and warranties and unless the contrary is expressly stated, no Clause in this Agreement limits the extent or application of another Clause.
- 1.2.10. Headings to Clauses, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of this Agreement.
- 1.2.11. A reference to "**in writing**" includes any communication made by letter or fax **but not e-mail** (unless otherwise expressly provided in this Agreement).
- 1.2.12. Unless otherwise specified, any reference to a time of day is to Indian Standard Time.
- 1.2.13. Any words following the terms **including, include, in particular, for example or any similar expression** shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.2.14. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.2.15. References to a document in **agreed form** are to that document in the form agreed by the parties and initialled by them or on their behalf for identification.
- 1.2.16. Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

2. ALLOCATION OF THE COAL MINE

- 2.1. The Allottee hereby represents and warrants to the Nominated Authority that it has complied with all the terms and conditions of the Act, the Rules, the Allotment Document and other Applicable Laws, as were required to be complied with by the Allottee, with respect to allotment process for the Coal Mine and the Allottee is eligible in all respects to receive allocation of the Coal Mine. The Allottee also represents and warrants to the Nominated Authority that it is in compliance with all the Eligibility Conditions and would continue to be in compliance with all the Eligibility Conditions during the Term.
- 2.2. Relying on the representations and warranties of the Allottee and the information, documents and other undertakings provided by the Allottee, including the Warranties provided under Clause 17, the Nominated Authority is pleased to enter into this Agreement with the Allottee for allocation of the Coal Mine to the Allottee subject to the terms and conditions specified in this Agreement.

3. CONDITIONS FOR ALLOTMENT

3.1. Allotment Conditions

The issuance of the Allotment Order in favour of the Allottee shall be subject to satisfaction of the following conditions (collectively the “**Allotment Conditions**”):

- (a) the Allottee continuing to be in compliance with all the Eligibility Conditions;
- (b) the Allottee having paid the first instalment of the Upfront Amount, in accordance with Clause 5.2.1, and having provided such undertaking as specified in SCHEDULE H, in case the approved Mine Plan is not available;
- (c) the Allottee having furnished the Performance Security, and having provided such undertaking as specified in SCHEDULE H, in case the approved Mine Plan is not available;
- (d) the Allottee having deposited an amount equal to INR [amount in figures] (Indian Rupees [amount in words]), being the ‘Fixed Amount’ specified in clause 3.4.3(b) of the Allotment Document, in the Designated Bank Account. It is clarified that any upward revision in the Fixed Amount on a subsequent date by the Government or the Nominated Authority consequent to any process or on the orders of any competent court of law, shall also be payable by the Allottee on receipt of any notice to that effect from the Nominated Authority;
- (e) only in the event that the Allottee is a Prior Allottee for the Coal Mine or any other Schedule I coal mine (as defined in the Act), the Allottee having paid the Additional Levy (as defined in the Act) within the due date for payment of such

Additional Levy as specified in Rule 18 of the Rules; and

- (f) The Allottee having provided a written intimation to the Nominated Authority in substantially the same form as provided in SCHEDULE B regarding: (i) the movable property which the Allottee has not negotiated to own or utilise and which it intends to move and store under Section 10(4) of the Act; (ii) the contracts which the Allottee is desirous of adopting under Section 11(1) of the Act, including contracts with secured creditors; and matters incidental thereto;

3.2. Completion of Allotment Conditions and Notice

- 3.2.1. Upon satisfaction of each of the Allotment Conditions specified in Clause 3.1, the Allottee shall provide a written notice to the Nominated Authority in substantially the same format as provided in SCHEDULE C (the “**Completion Notice**”)
- 3.2.2. In the event the Allottee does not provide a Completion Notice with respect to each of the Allotment Conditions listed in Clauses 3.1(a); 3.1(b); 3.1(c); 3.1(d); 3.1(e) (in cases where the Allottee is a Prior Allottee for the Coal Mine or any other Schedule I coal mine (as defined in the Act)) and Clause 3.1(f), within [number of days] Days of the Agreement Date, then the Nominated Authority may terminate this Agreement without incurring any liability whatsoever by providing a written notice to the Allottee. It is clarified that in such event the Allottee shall not be entitled to receive the Allotment Order and the Nominated Authority shall be entitled to dispose the Coal Mine in the manner provided in the Act and the Rules, including through re-auction/re-allotment or through appointment of a designated custodian.”
- 3.2.3. If the Allottee does not provide a Completion Notice with respect to 3.1(f) and fails to provide a written intimation in substantially the same form as provided in SCHEDULE B within [number of days] Days of the Agreement Date, then it shall be deemed that the Allottee is not desirous of owning or utilising any movable property or continuing any contract. In such cases, without prejudice to Clause 3.2.2, the Nominated Authority may elect to issue the Allotment Order without including aforementioned particulars in the Allotment Order; if all other Allotment Conditions have been satisfied by the Allottee and corresponding Completion Notice have been provided to the Nominated Authority.

4. THE ALLOTMENT ORDER

- 4.1. Upon receipt of the Completion Notice evidencing compliance with each of the applicable Allotment Conditions, the Nominated Authority may issue the Allotment Order, subject to the Act, the Rules, the Allotment Document and other Applicable Laws, in the manner provided in this Clause 4.
- 4.2. The Allotment Order shall be issued by the Nominated Authority in substantially the

same format as specified by the Central Government.

- 4.3. Prior to issuance of the Allotment Order, the Nominated Authority shall provide a written notice to the Allottee specifying the date of the Allotment Order (the “**Allotment Date**”) and the date and time on which and place from where the Allotment Order may be collected by the Allottee.
- 4.4. The Allottee shall depute an authorised representative of the Allottee (“**Authorised Representative**”) to receive the Allotment Order on behalf of the Allottee on the date, time and place specified by the Nominated Authority under Clause 4.3.
- 4.5. The Authorised Representative shall be provided the Allotment Order in duplicate and shall be required to acknowledge the receipt of the Allotment Order. In the event, the Authorised Representative is not present on the date and time specified by the Nominated Authority under Clause 4.3, then the Nominated Authority shall dispatch the Allotment Order by registered post with acknowledgment due, to the registered office of the Allottee.
- 4.6. The Allottee shall, within seven Business Days of the receipt of the Allotment Order through the Authorised Representative or through registered post, as the case may be, sign and return the duplicate copy of the Allotment Order in acknowledgement thereof. In the event the duplicate copy of the Allotment Order duly signed by the Allottee is not received by the aforementioned date, the Nominated Authority may, unless it consents to extension of time for submission thereof, appropriate the Performance Security and other payments made by such Allottee as damages and also terminate this Agreement and cancel and withdraw the Allotment Order.

5. POST ALLOTMENT OBLIGATIONS

5.1. Commencement Plan

- 5.1.1. Within 30 Business Days of the date of the Allotment Order, the Allottee shall be required to submit a detailed plan (the “**Commencement Plan**”) towards commencement of mining operations at the Coal Mine. The Commencement Plan shall include all actions that the Allottee may be required to perform to commence mining operations at the Coal Mine and shall include such information as may be required by the Nominated Authority, including without limitation, information regarding the following:
 - (a) the Governmental Approvals, including the Mining Lease or notification under Section 11 (1) of the Coal Bearing Areas (Acquisition And Development) Act, 1957 (hereinafter “CBA Act, 1957”), as the case may be, which shall be required for commencement of mining operations at the Coal Mine and the time within which the Allottee would make applications for such Governmental Approvals;

and

(b) revisions to the Mine Plan if any, as may be proposed by the Allottee.

5.1.2. The Commencement Plan shall be prepared by the Allottee to ensure strict compliance with the Efficiency Parameters.

5.2. **Payment of the Upfront Amount**

5.2.1. *First Instalment of fifty per cent*

The first instalment of fifty per cent of the Upfront Amount being an amount equal to INR [amount in figures] (Indian Rupees [amount in words]), shall be deposited by the Allottee in the Designated Bank Account in the manner provided in Clause 3.1(b) as an Allotment Condition.

5.2.2. *Second Instalment of twenty five per cent*

The second instalment of twenty five per cent of the Upfront Amount being an amount equal to INR [amount in figures] (Indian Rupees [amount in words]), shall be deposited by the Allottee in the Designated Bank Account, on or before 15 Business Days from the date of notification under Section 11(1) of the CBA Act, 1957 OR on or prior to expiry of 15 Business Days from the date of execution of the Mining Lease by the relevant State Government

5.2.3. *Third Instalment of twenty five per cent*

The third instalment of twenty five per cent of the Upfront Amount being an amount equal to INR [amount in figures] (Indian Rupees [amount in words]), shall be deposited by the Allottee in the Designated Bank Account, on or prior to expiry of 15 Business Days from the date of grant of mine opening permission from the Coal Controller's Organization.

5.2.4. *Failure to pay the Upfront Amount*

In the event the Allottee fails to pay the second instalment or the third instalment of the Upfront Amount within the time specified in Clause 5.2.2 or Clause 5.2.3, respectively, then the Nominated Authority shall be entitled to appropriate the Performance Security in the manner stipulated in Clause 6 and such failure may also result in termination of this Agreement as provided in Clause 24.

5.2.5. *Undertaking to pay revised Upfront Amount, applicable in case the approved Mine Plan is not available*

The Parties acknowledge that approved Mine Plan is not available with respect to

the Coal Mine, and accordingly, the Upfront Amount payable hereunder is on an estimation basis. The Nominated Authority may revise the amount of Upfront Amount payable pursuant to this Agreement, and such revision shall be deemed to be included in the expression “Upfront Amount” as defined in Clause 1.1.50. As an assurance for making payments as may be necessary on account of the above revision, the Allottee shall provide an undertaking to pay the revised Upfront Amount in substantially the same form as provided in SCHEDULE H.

In the event that the Allottee fails to pay the revised first instalment of the Upfront Amount, then the Nominated Authority shall be entitled to appropriate the Performance Security in the manner stipulated in Clause 6 and such failure may also result in termination of this Agreement as provided in Clause 24.

5.3. The Mining Lease

5.3.1. Pursuant to Section 8(4)(b) and Section 8(8), read with Section 8(12) of the Act, the Allottee shall become entitled to the mining lease with respect to the Coal Mine (the “**Mining Lease**”) to be granted by the State Government or notification under Section 11 (1) of the CBA Act, 1957, as the case may be, upon issuance of the Allotment Order.

5.3.2. The Allottee shall promptly upon issuance of the Allotment Order make an application to the State Government for grant of a Mining Lease or take steps for notification under Section 11 (1) of the CBA Act, 1957, as the case may be, in the name of the Allottee.

5.3.3. In case of a Regionally Explored Coal Mine, following provisions shall also be applicable:

(a) Subject to the approval of the Nominated Authority, after completing Detailed Exploration Operations in the Mining Area i.e. Exploration Period (i.e. Events up to Completion of Exploration and Preparation of Geological Report (GR) as set forth in SCHEDULE E (the “Efficiency Parameters”) hereof), the Allottee may relinquish whole or any portion of the Mining Area after submitting the Geological Report and drilling logs to the Nominated Authority in accordance with SCHEDULE E (the “Efficiency Parameters”).

(b) The Allottee shall notify the Nominated Authority the portion of the Mining Area it intend to relinquish and the portion it intend to retain at the time of submitting the Geological Report and the drilling logs. On receipt of such notice, the Nominated Authority shall communicate its decision on such notice to the Allottee. On approval of the Nominated Authority for the relinquishment of whole or any portion of the Mining Area, this Agreement shall terminate with respect to the portion of the Mining Area so relinquished and continue with respect to the portion of the Mining Area so retained by the Allottee. The Allottee shall retain

only that part of the Development Area which the Allottee has not relinquished.

- (c) This Agreement shall remain enforceable only for that part of the Development Area which has been retained by the Allottee pursuant to Clause 5.3.3.
- (d) Relinquishment of all or part of the Mining Area or termination of this Agreement shall not be construed as absolving the Allottee of any liability undertaken or incurred by the Allottee in respect of the Mining Area during the period between Effective Date and the date of such relinquishment or termination.
- (e) The liability of the Allottee shall be limited to any liability undertaken or incurred in respect of, relating to or connected with this Agreement and any Claims arising out of or in relation to the act of negligence, misconduct, commission or omission in carrying out Mining Operations during the period between Effective Date and the date of relinquishment of the Mining Area or termination or expiry hereof, as the case may be.

6. PERFORMANCE SECURITY AND APPROPRIATION

6.1. Performance Security

- 6.1.1. The Allottee shall provide an irrevocable and unconditional guarantee from an Acceptable Bank payable at Delhi for an amount equal to INR [amount in figures] (Indian Rupees [amount in words]) (the “**Performance Security**”) in substantially the same form as provided in SCHEDULE E for the performance of its obligations within such time as specified in Clause 3.2.2.

The Performance Security shall be an amount which is equal to aggregate of:

- (a) one year royalty calculated on the basis of peak rated capacity of the Coal Mine as per the approved Mine Plan OR estimated peak rated capacity, in case the approved Mine Plan is not available;

and

- (b) peak rated capacity of the Coal Mine as per the approved Mine Plan OR estimated peak rated capacity, in case the approved Mine Plan is not available, multiplied by the Reserve Price.

However, in case of regionally explored coal mines, the Performance Security shall be equal to 10% (ten percent) of the estimated exploration expense during the exploration period i.e. till completion of exploration and preparation and submission of Geological Report in accordance with the Allotment Agreement.

In the event that approved Mine Plan is not available, then the amount of Performance

Security shall be revised after approval of the Mine Plan. The Allottee shall be intimated about the revised Performance Security to be furnished. Pursuant to such intimation, the Allottee shall be obliged to replace the Performance Security already furnished by it to the Nominated Authority, and the provisions of this Agreement as applicable to the already submitted Performance Security shall *mutatis mutandis* apply to the revised Performance Security. The revised Performance Security shall be submitted within 30 days of the receipt of such intimation from the Nominated Authority.

For the purpose of calculation of Performance Security, royalty and Reserve Price shall be determined as follows:

- (a) Except for Coal Mine(s) located in the State of West Bengal, the royalty and Reserve Price shall be determined on the basis of CIL Notified Price.
- (b) For Coal Mine(s) located the State of West Bengal, Reserve Price shall be determined on the basis of CIL Notified Price and the royalty shall be determined as per the prevailing royalty per tonne.

6.1.2. The amount of Performance Security shall be revised in following events:

- (a) 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 6.1.4; and/or
- (b) In case of any revision in CIL Notified Price, 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 CIL Notified Price is revised, as stipulated in Clause 6.1.4; and/or
- (c) In case of any revision in the Mine Plan in accordance with Clause 14, the amount of Performance Security shall be revised accordingly upon approval of revision to the Mine Plan. Such revision shall take place at the beginning of the financial year which is subsequent to the financial year in which the Mine Plan is revised, as stipulated in Clause 6.1.4.
- (d) In case of any downward revision in Peak Rated Capacity (“**PRC**”) in accordance with Clause 14.2.2, 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 PRC is revised, as stipulated in Clause 6.1.4.

It is clarified that revisions to the amount of Performance Security may occur under sub-clause (a) to (d) above, simultaneously, if such sub-clauses are applicable.

6.1.3. The revision to the amount of Performance Security shall be carried out once in every

financial year. 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 from the beginning of financial year i.e. by April 30 of every year, in case of revision under each of sub-clause (a) to (d) of Clause 6.1.3.

- 6.1.4. The Performance Security should remain valid (a) until the expiry of the period for which Mining Lease (including renewed Mining Lease) has been granted or will be granted, or the notification under Section 11 (1) of the CBA Act, 1957 is effective, as the case may be, or (b) until no extractable reserves are remaining in the Coal Mine, whichever is earlier.
- 6.1.5. While submitting Performance Security as required under Clause 6.1.1, the Allottee shall also provide an undertaking to submit the revised Performance Security in substantially the same form as provided in SCHEDULE H. The revised Performance Security so submitted shall replace the Performance Security submitted previously. Non-submission of the revised Performance Security, shall be treated as a Termination Event for the purpose of Section 24.3.1 of this Agreement.

6.2. **Events for appropriation of the Performance Security**

- 6.2.1. The Performance Security may be appropriated by the Nominated Authority upon occurrence of any of the following events (the “**Appropriation Event**”), to be determined by the Nominated Authority in its sole discretion:
 - (a) failure of the Allottee to provide the duly acknowledged duplicate copy of the Allotment Order as required under Clause 4.6;
 - (b) failure of the Allottee to make payment of the first instalment, second instalment or the third instalment of the Upfront Amount within the time specified in Clause 3.1(b), Clause 5.2.2 or Clause 5.2.3, respectively, or revised Upfront Amount as specified in Clause 5.2.5 within a time period of 30 days from the date of receipt of intimation from the Nominated Authority, in cases where approved Mine Plan is not available;
 - (c) failure of submission of Commencement Plan within the time specified in Clause 5.1.1;
 - (d) failure of the Allottee to comply with the Efficiency Parameters as required under Clause 10;
 - (e) any change in Control or transfer of right, title or interest in the Coal Mine which is not in conformity with Clause 13;

- (f) failure to make payment of the Monthly Payment in accordance with this Agreement;
- (g) any sale of coal which is not in conformity with Clause 8;
- (h) cessation of coal mining operation exceeding a period of one year continuously, or 18 months over a period of two years without occurrence of any event of force majeure;
- (i) surrender of the Coal Mine by the Allottee or termination of the Mining Lease granted to the Allottee or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be, before (a) the expiry of the period for which Mining Lease (including renewed Mining Lease) or the notification under Section 11 (1) of the CBA Act, 1957 is effective, as the case may be, has been granted or will be granted, or (b) no extractable reserves are remaining in the Coal Mine, whichever is earlier, except as provided in Clause 5.3.3;
- (j) failure of the Allottee to submit the revised Performance Security in accordance with Clause 0 or Clause 6.1.3;
- (k) any other breach or non-compliance of any of the provisions of this Agreement including in case of the Warranties being untrue or misleading or incorrect in any manner whatsoever.

6.2.2. Provided however that in the event an Appropriation Event has occurred solely on account of an Event of Force Majeure as provided in Clause 23, which could not have been mitigated by the Allottee through Good Industry Practice, then the Performance Security shall not be appropriated for such specific Appropriation Event.

6.3. Manner of appropriation of the Performance Security

6.3.1. Upon occurrence of an Appropriation Event, to be determined by the Nominated Authority, the Nominated Authority shall have the unconditional right to appropriate the Performance Security by providing a written notice to the Allottee, in the following proportion:

#	Appropriation Event	Amount of the Performance Security to be appropriated
1.	Failure of the Allottee to provide the duly acknowledged duplicate copy of the Allotment Order as required under Clause 4.6	Entire Performance Security.

#	Appropriation Event	Amount of the Performance Security to be appropriated
2.	Failure of the Allottee to make payment of the first instalment, second instalment or the third instalment of the Upfront Amount within the time specified in Clause 3.1(b), Clause 5.2.2 or Clause 5.2.3, respectively; or revised Upfront Amount as specified in Clause 5.2.5 within a time period of 30 days from the date of receipt of intimation from the Nominated Authority, in cases where approved Mine Plan is not available.	An amount equal to the first instalment, and/or second instalment and/or third instalment of the Upfront Amount; or the extent of difference in case of revised Upfront Amount as specified in Clause 5.2.5, as the case may be, together with 12% per annum simple interest on such amount starting from the date on which such amount was due and until the date of appropriation of the Performance Security.
3.	Failure of submission of Commencement Plan within the time specified in Clause 5.1.1	An amount equal to 10% of the Performance Security
4.	Failure of the Allottee to comply with the Efficiency Parameters as required under Clause 10	Such per cent of the Performance Security for each failure to comply with the Efficiency Parameters as specified in SCHEDULE D.
5.	Any change in Control or transfer of right, title or interest in the Coal Mine which is not in conformity with Clause 13	Entire Performance Security.
6.	Any sale of coal which is not in conformity with Clause 8	An amount equal to 25% of Performance Security for the first violation, an amount equal to 50% of Performance Security for the second violation and entire Performance Security for the third violation.

#	Appropriation Event	Amount of the Performance Security to be appropriated
7.	Failure of the Allottee to make payment of the Monthly Payment	The amount of Monthly Payment due and payable, along with a simple interest of twelve per cent per annum starting from the date on which such amount was due and until the date of appropriation of the Performance Security.
8.	Cessation of coal mining operation exceeding a period of one year continuously, or 18 months over a period of two years without occurrence of any event of force majeure	Entire Performance Security.
9.	Surrender of the Coal Mine by the Allottee or termination of the Mining Lease granted to the Allottee or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be, before (a) the expiry of the period for which Mining Lease (including renewed Mining Lease) or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be, has been granted or will be granted, or (b) extractable reserves are remaining in the Coal Mine, whichever is earlier, except as provided in Clause 5.3.3	Entire Performance Security.
10.	Failure of the Allottee to submit the revised Performance Security in accordance with Clause 0 or Clause 6.1.3	Entire Performance Security.

#	Appropriation Event	Amount of the Performance Security to be appropriated
11.	Any other breach or non-compliance with any of the provisions of this Agreement, including in case of the Warranties being untrue or misleading or incorrect in any manner whatsoever.	Such proportion as may be determined by the Nominated Authority in its sole discretion.

- 6.3.2. An Appropriation Event resulting in appropriation of the entire Performance Security shall be a Termination Event for the purposes of Clause 24.
- 6.3.3. In the event of a part appropriation of the Performance Security, the Allottee shall be required to: (i) rectify the Appropriation Event; and (ii) top-up the bank guarantee constituting the Performance Security within fifteen Business Days of receipt of a notice under Clause 6.3.1, failure to do so shall be a Termination Event for the purposes of Clause 24). Appropriation Event, except as mentioned in Clause 6.2.1(d), shall be rectified within seven Business Days of receipt of a notice under Clause 6.3.1. Appropriation Event mentioned in Clause 6.2.1(d) shall be rectified within the time specified in SCHEDULE D.
- 6.3.4. In the event that on account of one or more Appropriation Events, an amount equal to hundred per cent of the Performance Security is appropriated in aggregate in one or more instances, the same shall be a Termination Event for the purposes of Clause 24.

7. INFORMATION

- 7.1. In addition to information that may be required to be provided in accordance with Applicable Laws, the Allottee shall provide periodic reports to the Nominated Authority (or such other Governmental Authority as may be specified by the Nominated Authority) regarding mining operations at the Coal Mine, including compliance with the Efficiency Parameters, in accordance with the following provisions:

(a) ***Pre-Commencement Report***

Prior to commencement of mining operations at the Coal Mine, the Allottee shall provide a written intimation (“**Pre-commencement Report**”) to the Nominated Authority and the Central Government once every thirty calendar days regarding the following:

- (i) the actions taken by the Allottee towards commencement of the mining operations at the Coal Mine, including compliance with the Commencement Plan;

- (ii) any deviations from the Commencement Plan, the reasons for such deviations and the steps taken by the Allottee to rectify such deviation; and
- (iii) whether in the opinion of the Allottee, it shall be able to commence mining operations at the Coal Mine within the time mentioned in the Commencement Plan.

The Allottee shall also inform the Nominated Authority in writing within 3 Business Days of receipt of the mine opening permission from the Coal Controller's Organization.

(b) Commencement Report

Within three Business Days of the commencement of mining operations at the Coal Mine, the Allottee shall provide a written intimation to the Nominated Authority confirming commencement of mining operations at the Coal Mine (the "**Commencement Report**").

(c) Monthly Report

Subsequent to the Commencement Report, the Allottee shall provide a written intimation ("**Monthly Report**") to the Coal Controller's Organisation within seven Business Days of end of each calendar month comprising: (i) a declaration regarding compliance with the Efficiency Parameters in the immediately preceding calendar month. In the event of a non-compliance with the Efficiency Parameters, complete particulars of the same, including the reasons for such non-compliance, and the corrective steps proposed to be undertaken; and (ii) such other information as may be required to be provided by the Nominated Authority.

(d) Yearly Report

Within seven Business Days of conclusion of the annual general meeting of the Allottee, it shall provide the following information to the Coal Controller's Organisation:

- (i) two certified copies of its balance sheets, cash flow statement and profit and loss account, along with a report thereon by its statutory auditors;
- (ii) purchaser-wise details of coal sold and a certificate from statutory auditor of the Allottee confirming compliance with Clause 8; and
- (iii) such other information as may be required to be provided, by the Nominated Authority.

7.2. The Pre-Commencement Report, the Commencement Report, the Monthly Report and the Yearly Report shall be provided to the Nominated Authority or the Coal Controller's Organisation as attachments to an email addressed to the following e-mail address: (i) nomauthority.moc@nic.in in case of the Nominated Authority; or (ii) coalcont-wb@nic.in in case of the Coal Controller's Organisation. Such attachments must be digitally signed by the Allottee using a Class III digital signature certificate issued by a certifying authority in India.

7.3. The Nominated Authority shall have the right to seek such further information regarding the Pre-Commencement Report, the Commencement Report, the Monthly Report or the Yearly Report and also seek independent verification of the same.

8. SALE OF COAL

8.1. Sale of Coal

8.1.1. The coal produced from the Coal Mine shall be sold by the Allottee through: (i) e-auction for supply of coal over a period of time pursuant to a contract ("**Coal Supply Agreement**"); and/or (ii) e-auction for specified quantity of coal ("**Spot Sale**"), as set-out below:

- (a) In every calendar quarter (starting from first day of April with computation being on a pro rata basis), out of the total quantity of coal produced by the Allottee, the Allottee shall sell not less than the MSME Share to MSME buyers of its own State and Balance Coal to other buyers on pan-India basis. It is hereby clarified that such MSME share may be amended by the Nominated Authority in its sole discretion, and such amendment shall be binding on the Allottee.
- (b) At the beginning of each calendar quarter, the Allottee shall prepare a rolling forecast/ projection regarding the quantity of coal that it would extract from the Coal Mine and make available for purchase. Such projection shall be published by the Allottee on its website. The rolling forecast shall be for a period of 2 - 4 quarters and shall include details regarding the quantities of coal that would be made available for purchase for each quarter.
- (c) The Allottee shall apportion a reasonable quantity of coal from MSME Share for sale through e-auction for Spot Sale in order to meet the requirement of industries which may require coal on a seasonal or intermittent basis.
- (d) In the event that the actual coal made available for purchase to MSME buyers is less than the MSME Share, then the shortfall shall be adjusted in the subsequent quarter. The MSME Share shall be calculated mandatorily on annual basis at the end of the financial year. In the event that the Allottee is unable to sell the MSME Share to

MSME buyers in its own State at the end of the financial year, the Unsold Quantity, if any, shall be offered for sale to MSME buyers on pan-India and non-discriminatory basis in the first quarter of the subsequent financial year.

- (e) Further, in the event, the Allottee is unable to sell any part of the Unsold Quantity pursuant to clause (d), then such part of Unsold Quantity may be sold by the Allottee to any buyer including MSME buyers on pan-India and non-discriminatory basis, in the subsequent quarter. However, the MSME Share shall continue to be calculated mandatorily on annual basis at the end of the financial year.
- (f) It is clarified that even if in a quarter, the sale to MSME is more than the MSME Share, no reduction shall be made in the MSME Share in the subsequent quarter.
- (g) The consequences of breach of Clause 8.1 shall be as specified in Clause 6.3.1.
- (h) The sale of coal through the Coal Supply Agreement and/ or through a Spot Sale shall be made in a fair and transparent manner, while ensuring that such sale is made on a non-discriminatory basis.
- (i) Sale of coal to MSMEs shall be monitored by the respective State Government.

For the purposes of this Allotment Agreement:

- (i) “**Balance Coal**” means coal sold from the Coal Mine which is not part of the MSME Share.
- (ii) “**Unsold Quantity**” means a positive number equal to the MSME Share calculated on annual basis *less* the actual sale to MSME calculated on annual basis at the end of the financial year.

9. MONTHLY PAYMENTS

- 9.1. The Allottee shall be required to make monthly payments (the “**Monthly Payment**”) with respect to the coal produced from the Coal Mine on the basis of the Reserve Price.
- 9.2. The Monthly Payment is required to be made to the State Government where the Coal Mine is located i.e. the State Government of [insert name of the State], within 20 calendar days of expiry of each month with respect to coal produced from the Coal Mine in such calendar month, in the manner as may be prescribed by the State Government, with an intimation to the Nominated Authority.
- 9.3. All payments required to be made by the Allottee shall be made net of all applicable Taxes. In the event, Taxes are payable, the Allottee shall gross-up the amount payable and make payment of the aggregate amount.

9.4. In the event that the failure of the Allottee to make payment of the Monthly Payment exceeds for more than three instances, such non-compliance may also result in termination of this Agreement as provided in Clause 24.

9.5. It is clarified that in addition to the aforementioned payments, any royalty and Taxes payable under Applicable Laws shall be payable additionally.

10. EFFICIENCY PARAMETERS

10.1. The conduct of mining operations at the Coal Mine shall be subject to the milestones listed in SCHEDULE D (the “**Efficiency Parameters**”).

10.2. The Allottee would provide periodic information to the Nominated Authority and the Central Government regarding compliance with the Efficiency Parameters in the manner stipulated in Clause 7.

10.3. Any non-compliance with the Efficiency Parameters would result in appropriation of the Performance Security in the manner stipulated in Clause 6 and in case where such non-compliance exceeds for more than five instances, such non-compliance may also result in termination of this Agreement as provided in Clause 24.

11. GENERAL RIGHTS AND OBLIGATIONS

11.1. Limited Mining Rights

The Allottee shall be entitled to receive a Mining Lease or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be, for conduct of mining operations only in the Coal Mine and shall not be entitled to conduct the mining operations in any other area pursuant to this Agreement. The rights granted to the Allottee herein to conduct mining operations are exclusive within the Coal Mine. The Government undertakes not to grant any rights to mine coal in the Coal Mine to any Third Party during the Term.

11.2. Authorisations

The Allottee shall obtain and maintain all Governmental Approvals required for conducting the mining operations at the Coal Mine and performing its obligations under this Agreement. The Government undertakes, on a no-obligation basis, to expeditiously provide all necessary approvals and assistance for conducting mining operations and as otherwise may be reasonably required by the Allottee in relation to the rights granted to it under this Agreement.

11.3. Geological and Archaeological Finds

It is expressly agreed that other than rights to mine for coal (as may be granted under any Mining Lease or the notification under Section 11 (1) of the CBA Act, 1957, as the case

may be, pursuant hereto), geological or archaeological rights do not form part of the rights granted to the Allottee under this Agreement and the Allottee hereby acknowledges that except in relation to coal (as may be granted under any Mining Lease or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be, pursuant hereto), it shall not have any mining rights or interest in the underlying minerals, metals (including gold, silver etc.), gas, oil, fossils, antiquities, structures or other remnants or things either of particular geological or archeological interest and that such rights, interest and property on or under the Coal Mine shall vest in and belong to the relevant Central/ State Government or the concerned Governmental Authority. The Allottee shall take all reasonable precautions to prevent its workmen or any other person from removing or damaging such interest or property and shall inform the relevant Central/ State Government forthwith of the discovery thereof and comply with such instructions as the concerned Governmental Authority may reasonably give for the removal of such property.

11.4. Health, Safety, Welfare, Social Security and Minimum Wages

- 11.4.1. The Allottee shall comply with all Applicable Laws and observe Good Industry Practice for the protection of the general health, safety, welfare, social security and minimum wages of employees engaged at the Coal Mine, including employees of any contractor or sub-contractor and of all other persons having legal access to the area covered by this Agreement.
- 11.4.2. Without prejudice to the generality of the foregoing, the Allottee shall ensure payment of minimum wages to the employees engaged at the Coal Mine and in related activity including employees of any contractor or sub-contractor.
- 11.4.3. The Allottee shall install and utilize such recognized modern safety devices and observe such recognized modern safety precautions as are provided and observed under Good Industry Practice. The Allottee shall maintain in a safe and sound condition for the duration of this Agreement all infrastructure and equipment constructed or acquired in connection with mining operations and required for ongoing operations.
- 11.4.4. The Allottee shall train employees engaged at the Coal Mine, including employees of any contractor or sub-contractor and of all other persons having legal access to the area covered by this Agreement, in accordance with the Good Industry Practice.
- 11.4.5. The Allottee shall construct, maintain, and operate health programs and facilities to serve the employees engaged at the Coal Mine, including employees of any contractor or sub-contractor and of all other persons having legal access to the area covered by this Agreement, which programs and facilities shall install, maintain and use modern health devices and equipment and shall practice modern health procedures and precautions in accordance with Good Industry Practice.

11.4.6. Without prejudice to the generality of the foregoing, in the event the Allottee provides housing, the same shall be built to a standard that provides suitable living environments adequate for health and well-being, and which meet applicable sanitation standards in terms of Good Industry Practice.

12. CONTRACTORS AND SUB-CONTRACTORS

12.1. In the event the Allottee enters into any agreement with any contractor in relation to the mining operations at the Coal Mine, then a duly certified copy of such agreement shall also be submitted to the Nominated Authority within fifteen Business Days of its execution.

12.2. Any Agreement between the Allottee and its contractors shall contain appropriate terms by which the contractor shall acknowledge and comply with the terms of this Agreement and the contractor shall also cause its sub-contractors to acknowledge and comply with the same.

12.3. Nothing in this Agreement shall exempt the Allottee from any and all obligations under this Agreement despite the delegation of such obligations to a contractor or its subcontractors.

12.4. Terms and Conditions for appointment of contractor(s) in relation to coal mining operations may be formulated in line with the terms and conditions specified in the Coal Block Allocation Rules 2017 framed under Sec. 11A of the Mines and Minerals (Development and Regulation) Act, 1957. The terms and conditions may be as follows:

12.4.1. In case the Coal Mine is developed through contractor(s), the selection of the contractor(s) in relation to coal mining operation shall be through a competitive bidding process and the Allottee company shall inform the State Government concerned, the Central Government and the Nominated Authority about the engagement of such contractor(s) and the terms and conditions of such engagement, as soon as it is finalised.

12.4.2. The Allottee shall ensure that the criteria of bidding for engagement of the contractor(s) are not linked to CIL Notified Price.

12.4.3. The contractor(s) shall maintain all records as required to be maintained and shall provide such records for the inspection by the Allottee, the State Government concerned, the Central Government and the Nominated Authority.

13. CHANGE IN CONTROL AND TRANSFER

13.1. Change in Control of the Allottee

13.1.1. Change in Control of the Allottee or any transfer of the rights in relation to the Coal

Mine, shall be permissible with prior intimation to the Nominated Authority and the Central Government if:

(a) such change in Control does not result in the Allottee becoming non-compliant with any of the Eligibility Conditions or the transferee is also compliant with the applicable Eligibility Conditions, as the case may be. It is clarified that no company other than a Government company or corporation shall be permitted to hold more than twenty-six per cent of the paid up share capital in the Allottee, either directly or through any of its subsidiary company or associate company;

and

(b) such change in Control or transfer does not require any prior consent, approval, no-objection certificate or the like under any Applicable Law.

13.1.2. In the event that any change in Control of the Allottee or any proposed transfer of the rights in relation to the Coal Mine requires prior Governmental Approval under any Applicable Laws, then such Governmental Approval shall be granted (in addition to any other requirement under Applicable Law) only if:

(a) the transferee of such right, title or interest or the Allottee subsequent to change of Control, as the case may be, also meets all the applicable Eligibility Conditions; or

(b) the Allottee continues to meet all the applicable Eligibility Conditions, as the case may be.

13.2. Change in Control in case of a joint venture

13.2.1. In the cases where allotment has been made to a joint venture of any two or more Government companies or corporations, such companies shall be prohibited from alienating or transferring any interest, except for taking of loans or advances from a bank or financial institution, in the joint venture of whatsoever nature including ownership in favour of a Third Party.

13.3. Consequences of default

13.3.1. In the event of any change in Control or any transfer of right, title or interest in the Coal Mine which is not in conformity with this Agreement or any Applicable Law, then in addition to any rights, remedy or consequences as may be applicable under Applicable Laws, the Nominated Authority or the Central Government may, in its sole discretion, appropriate the Performance Security, disqualify the Allottee from participating in any further auction or allotment process conducted by the Nominated Authority; terminate this Agreement; and/or terminate and withdraw the Allotment Order as the case may be.

13.3.2. Any transfer of right, title or interest which is not in conformity with this Agreement or Applicable Laws shall be deemed to be void *ab-initio*.

14. MINE PLAN AND FLEXIBILITY IN COAL PRODUCTION SCHEDULE

14.1. Mine Plan

14.1.1. The Mine Plan approved in relation to the Prior Allottee, if any shall also be applicable to the Allottee.

14.1.2. Upon allocation of Coal Mine, the Allottee may revise the Mine Plan for extraction of more coal as compared to the Mine Plan being subject to revision in accordance with the provisions of Applicable Law and the Agreement.

14.1.3. The Allottee may increase mine production to the maximum possible extent and sell the coal in accordance with Clause 8.

14.2. Flexibility in Coal Production Schedule

14.2.1. The Allottee shall be allowed to manage its coal production quantity (subject to the cap as per the Mine Plan) in the event of any economic downturn or other such event. Further, the actual production of coal in any year should not be less than 50% of the coal production as per the Mine Plan. However, in any five year block, the Allottee is required to produce at least 80% of the coal as per the Mine Plan.

Provided that the flexibility in coal production schedule as permitted in above clause shall be applicable only from the financial year subsequent to the financial year in which the Mine will achieve the Peak Rated Capacity.

It is clarified that in such event, the MSME Share on annual basis shall remain the same.

14.2.2. In the event that State Pollution Control Board or any other statutory authority approves the mining operations with a downward revision in Peak Rated Capacity (“**PRC**”), then the minimum production criteria as explained above will be applicable on the basis of the resultant downward revised PRC.

15. MINE CLOSURE

15.1. Upon exhaustion of the extractable coal reserves at the Coal Mine, the Coal Mine shall be closed, in the manner provided in the mine closure plan and Applicable Laws.

16. COMPLIANCE AND RECORD KEEPING

16.1. The Allottee shall keep at its normal place of business detailed, accurate and up to date records and books of account showing all payments made by the Allottee in connection with this Agreement, the development of the Coal Mine, mining operations and matters

incidental thereto and the steps taken by the Allottee to comply with Applicable Laws. Such records and books of accounts shall be required to be maintained for a period of six years. The Allottee shall ensure that such records and books of accounts are sufficient to enable verification of the Allottee's compliance with its obligations under this Agreement.

- 16.2. The Allottee shall permit the Nominated Authority and its representatives, to access and take copies of the Allottee's records and any other information held at the Allottee's premises and to meet with the Allottee's personnel to audit the Allottee's compliance with its obligations under this Agreement. Such audit rights shall continue for three years after termination of this Agreement. The Allottee shall give all necessary assistance to the conduct of such audits during the Term of this Agreement and for a period of three years after termination of this Agreement.

17. REPRESENTATIONS AND WARRANTIES

- 17.1. The Allottee represents and warrants to the Nominated Authority (save as otherwise disclosed to the Nominated Authority in writing), as of the Agreement Date, in the manner as detailed in SCHEDULE F ("**Warranties**").
- 17.2. None of the representations, warranties and/ or statements contained in this Agreement shall be treated as qualified by any actual or constructive knowledge on the part of the Nominated Authority or the Central Government or any of its respective agents, representatives, officers, employees or advisers.
- 17.3. In the event that any of the representations or warranties made or given by the Allottee ceases to be true or stands changed, the Allottee shall promptly notify the Nominated Authority of the same. The Allottee hereby waives all its rights to invoke and shall not invoke the Nominated Authority's knowledge (actual, constructive or imputed) of a fact or circumstance that might make a statement untrue, inaccurate, incomplete or misleading as a defence to a claim for breach of Warranties or covenant or obligation of the Allottee.

18. INDEMNITIES

- 18.1. In this Clause, a reference to the Nominated Authority shall include the Nominated Authority; the Government of India; any of the departments or ministries of Government of India; and of the officers, employees, staff, advisors, representatives or agents of the Government of India (collectively the "**Indemnified Party**") and the provisions of this Clause shall be for the benefit of the Indemnified Party, and shall be enforceable by each such Indemnified Party.
- 18.2. The Allottee shall indemnify the Indemnified Party against all liabilities, costs, expenses, damages and losses (including but not limited to any interest, penalties and legal costs

(calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by the Indemnified Party arising out of or in connection with:

- (a) any breach of the Warranties
 - (b) Allottee's breach or negligent performance or non-performance of this Agreement;
 - (c) the enforcement of this Agreement;
 - (d) any claim made against the Indemnified Party for actual or alleged infringement of a Third Party's rights arising out of or in connection with mining operations at the Coal Mine or performance or non-performance of any of the obligations under this Agreement to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this Agreement by the Allottee, its employees, agents or contractors;
 - (e) any claim made against the Indemnified Party by a Third Party for death, personal injury or damage to property arising out of or in connection with mining operations at the Coal Mine or performance or non-performance of any of the obligations under this Agreement;
 - (f) any loss or damages caused on account of breach of any Applicable Law by the Allottee, including without limitation any costs incurred by the Nominated Authority in cleaning or rectifying of any environmental damages caused by the Allottee on account of, lack of Good Industry Practice; breach, negligent performance or failure or delay in performance of this Agreement; or non-compliance with Applicable Law.
 - (g) any claim made to or against the Indemnified Party hereinafter for any amount admissible as Fixed Amount in terms of the Allotment Document and the Act.
- 18.3. If any Third Party makes a claim, or notifies an intention to make a claim, against the Indemnified Party which may reasonably be considered likely to give rise to a liability under this indemnity (a “**Claim**”), the Indemnified Party shall as soon as reasonably practicable, give written notice of the Claim to the Allottee, specifying the nature of the Claim in reasonable detail.
- 18.4. Subject to the Allottee providing security to the Indemnified Party, to the Indemnified Party's sole and absolute satisfaction against any claim, liability, costs, expenses, damages or losses which may be incurred, the Allottee may take such action as it may reasonably deem fit to avoid, dispute, compromise or defend the Claim.
- 18.5. Payments of the amount of Claim shall become due and payable within thirty Business

Days of receipt of notice of Claim. If a payment due from the Allottee under this clause is subject to Tax (whether by way of direct assessment or withholding at its source), the Indemnified Party shall be entitled to receive from the Allottee such amounts as shall ensure that the net receipt, after Tax, to the Indemnified Party in respect of the payment is the same as it would have been were the payment not subject to Tax.

19. ASSIGNMENT, SECURITY FOR FINANCING

19.1. Prohibition on Assignment

19.1.1. Except as provided in this Clause 19, the Allottee shall not assign this Agreement, either directly or indirectly, save and except with the prior consent in writing of the Nominated Authority, which consent the Nominated Authority shall be entitled to decline without assigning any reason.

19.1.2. Subject to compliance with provisions of Clause 19.2, this Agreement may be assigned by the Allottee in the following events:

- (a) upon occurrence of a change in Control or transfer which is permissible in terms of Clause 13, to the transferee; or
- (b) upon occurrence of an enforcement event, to a transferee as may be determined by a bank or financial institution in terms of Clause 19.3.

19.2. Assignment Conditions

Assignment of this Agreement shall also be subject to the following conditions precedent:

- (a) the proposed assignee must meet the applicable Eligibility Conditions;
- (b) the proposed assignee must agree to unconditionally and irrevocably adhere to the provisions of this Agreement and must enter into a deed of adherence in the manner as prescribed by the Nominated Authority;
- (c) the proposed assignee must have furnished the Performance Security, to substitute any subsisting Performance Security provided by the Allottee;
- (d) the proposed assignee must have paid any other amount due from the Allottee and agree to indemnify and hold the Nominated Authority harmless in all respects against any claims from any Third Party or the Allottee with respect to such assignment.

19.3. Security for financing, enforcement Event

19.3.1. Subject to Applicable Laws, the Allottee shall be entitled to create security over the Coal Mine through mortgage for the purposes of availing financing from a bank or financial

institutions for the purposes of financing mining operations at the Coal Mine and such security creation shall not require prior approval by the Nominated Authority or the Central Government. It is clarified that the Allottee shall be permitted to enter into any agreement with bank or financial institutions with respect to assignment of this Agreement in terms of this Clause 19 and in such case the assignment conditions mentioned in Clause 19.2 shall not be applicable and the conditions specified in Clause 19.3 shall be applicable.

19.3.2. The Allottee shall keep the Nominated Authority promptly informed about: (i) any default in its obligation under any arrangement with any bank or financial institution; (ii) any security interest created over the Coal Mine; and (iii) any action initiated by the bank or financial institution regarding enforcement of security.

19.3.3. In the event of a default, the banks or financial institutions, as the case may be shall be entitled to enforce their security interest, provided that the conditions listed in Clause 19.2 are met, in the manner provided below:

- (a) the security interest shall be exercised in accordance with the provisions of Applicable Laws and any inter-se agreement between the secured creditors, if any.
- (b) the lead secured creditor (in case of consortium lending) or the secured creditor with the highest exposure (in case of multiple banking), shall be entitled to seek a substitution of the Allottee by providing a written notice (the “**Substitution Notice**”) to the Nominated Authority;
- (c) the Substitution Notice shall contain complete particulars of the proposed transferee (the “**Selectee**”), particulars of compliance of the Selectee with all the Eligibility Conditions, particulars of the debt due and such data and information as would be necessary and relevant for the Nominated Authority to decide as to the acceptability of the Selectee;
- (d) the Nominated Authority may require such other information as it may deem fit regarding the suitability of the Selectee to receive rights and obligations with respect to the Coal Mine;
- (e) the Substitution Notice must be accompanied by an unconditional undertaking of the Selectee to the effect that it shall upon acceptance by the Nominated Authority observe, comply with, perform and fulfil the residual terms, conditions and covenants of this Agreement as if the Selectee had been the Allottee under this Agreement and to assume, discharge and pay the debt due on the terms and conditions agreed to by the Selectee with the secured creditors. The Selectee shall also undertake to enter into such documents and agreements with Nominated

Authority as may be necessary or required to give effect to the substitution of the Allottee by the Selectee;

- (f) the Nominated Authority shall convey its acceptance or otherwise of the Selectee within sixty Business Days of (a) the date of receipt of the Substitution Notice; or (b) the date of receipt of the additional information and clarifications requested in respect of any data, particulars or information comprised in the Substitution Notice, whichever is later.
- (g) In the event that the Nominated Authority fails to communicate its acceptance or otherwise or the objections if any it has to the acceptance of the Substitution Notice, within the time specified in sub-clause (f) above, the Nominated Authority shall be deemed to have accepted the Substitution Notice and the Selectee.

19.3.4. Upon acceptance of the Selectee by the Nominated Authority or the Nominated Authority having been deemed to have accepted the Substitution Notice, this Agreement shall be deemed to be assigned in favour of the Selectee without any further act or deed of the Allottee.

20. INSURANCE

20.1. At all times during the Term hereof, the Allottee will maintain, and cause its contractors and sub-contractors to maintain, with financially sound and reputable insurers, insurance against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is consistent with Good Industry Practice.

21. ACCOUNTS AND AUDIT

21.1. Audited Accounts

The Allottee shall maintain books of accounts recording all its receipts, income, expenditure, payment, assets and liabilities in accordance with Good Industry Practice and Applicable Laws.

21.2. Appointment of Auditors

The Nominated Authority shall have the right, but not the obligation, to appoint at its cost, from time to time and at any time, an auditing firm or an auditor to audit and verify all those matters, expenses, costs, realizations and things with respect to the Coal Mine or which the statutory auditors are required to do, undertake or certify pursuant to this Agreement.

21.3. Certification of claims by Statutory Auditors

Any claim or document provided by the Allottee to the Nominated Authority in connection with or relating to receipts, income, payments, costs, expenses, accounts or audit, and any matter incidental thereto shall be valid and effective only if certified by its statutory auditors.

22. GOVERNMENT INSPECTION

22.1. The Nominated Authority, through its authorized representatives shall have the right to free ingress and egress within any part of the Coal Mine at any time to inspect works or activities being undertaken or implemented by the Allottee in order to monitor and verify compliance with the terms of this Agreement and all Applicable Laws.

22.2. The Nominated Authority, through its authorized representatives, shall have access to the Allottee's financial and other records and transactions (relatable to any period) at any time upon reasonable advance notice, the right to copy therefrom, for the purpose of assessing the performance and compliance of the Allottee with the terms of this Agreement and all Applicable Laws, rules and regulations or to aid in the enforcement of the same.

22.3. The Nominated Authority shall have the right to conduct, either directly or indirectly through any Third Party, a performance audit to verify compliance by the Allottee, of its obligations hereunder.

23. EVENT OF FORCE MAJEURE

23.1. Event of Force Majeure means any of the following events or circumstances or combination of the following events or circumstances which are beyond the reasonable control of the Allottee, which could not have been prevented by Good Industry Practice or by the exercise of reasonable skill and care and which or any consequences of which, have a material and adverse effect upon the performance by the Allottee of its obligations or enjoyment of its rights:

- (i) acts of God, flood, drought, earthquake or other natural disaster;
- (ii) epidemic or pandemic;
- (iii) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- (iv) nuclear, chemical or biological contamination or sonic boom;
- (v) collapse of buildings, fire, explosion or accident;

- (vi) any labour or trade dispute, strikes, industrial action or lockouts (other than those solely affecting Allottee claiming the same as an Event of Force Majeure and attributable to such Allottee's policies regarding labour, compensation or employment or labour related conditions).
- 23.2. Provided it has complied with Clause 23.3, if the Allottee is prevented, hindered or delayed in or from performing any of its obligations under this Agreement by an Event of Force Majeure, the Allottee shall not be in breach of this Agreement or otherwise liable for any such failure or delay in the performance of such obligations.
- 23.3. Upon occurrence of an Event of Force Majeure, the Allottee shall:
- (i) as soon as reasonably practicable after the start of the Event of Force Majeure but no later than thirty Business Days from its start, notify the Nominated Authority and the Central Government in writing of the Event of Force Majeure, the date on which it started, its likely or potential duration, and the effect of the Event of Force Majeure on its ability to perform any of its obligations under this Agreement; and
 - (ii) use all reasonable endeavours to mitigate the effect of the Event of Force Majeure on the performance of its obligations including following of Good Industry Practice.
- 23.4. If an obligation is suspended by reason of an Event of Force Majeure for more than one month continuously, the Parties shall enter into good faith negotiations to revise the terms of this Agreement to reflect the changed circumstances, provided that this Agreement shall remain in effect during the period during which the Parties are negotiating the terms of any such revision.
- 23.5. Notwithstanding Clause 23.4, in the event that performance of obligations under this Agreement remain suspended for a period of: (a) six months continuously; (b) or nine months over a period of one year, then the Nominated Authority may in its sole discretion terminate this Agreement in the manner provided in Clause 24 (EFFECTIVE DATE, TERM AND TERMINATION).

24. EFFECTIVE DATE, TERM AND TERMINATION

24.1. Effective Date

This Agreement shall come into effect on the Agreement Date. It is clarified that the provisions of this Agreement shall also be included in the Mining Lease or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be.

24.2. **Term**

This Agreement shall commence on the dates mentioned in Clause 24.1 and shall continue for the period of validity of the Mining Lease granted to the Allottee or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be, (“**Term**”), unless agreed otherwise by the Parties and unless this Agreement is terminated earlier in accordance with its terms prior to the expiry of the Term.

24.3. **Termination**

24.3.1. This Agreement may be terminated upon occurrence of any of the following events (each a “**Termination Event**”):

- (a) failure of the Allottee to make payment of the Upfront Amount in the manner provided in Clause 5.2;
- (b) failure of the Allottee to complete the Allotment Conditions within the time specified in Clause 3.2;
- (c) failure of the Allottee to make payment of additional levy within the time specified under Rule 18 of the Rules, if required to be paid;
- (d) occurrence of any Appropriation Event resulting in appropriation of the entire Performance Security or on account of one or more Appropriation Events, an amount equal to hundred per cent of the Performance Security being appropriated in aggregate (in one or more instances) as provided in Clause 6.3;
- (e) failure of the Allottee to replenish the Performance Security within a period of 15 Business Days, in the event that a part of the Performance Security has been appropriated;
- (f) non compliance of the Allottee with the Efficiency Parameters for more than five instances (in aggregate and not over a specified period) as provided in Clause 10.3;
- (g) suspension of obligations on account of an Event of Force Majeure for a period longer than as specified in Clause 23.5;
- (h) failure to make payment of the Monthly Payment for more than three instances (in aggregate and not over a specified period) in terms of Clause 9.4;
- (i) failure to provide any information requested by the Nominated Authority in terms of this Agreement;
- (j) failure of the Allottee to ensure continued compliance with the Eligibility

Conditions;

- (k) in case the Allottee is a joint venture company, alienation or transfer of any interest, except the taking of loans or advances from a bank or financial institution, in the joint venture of whatsoever nature including ownership in favour of a Third Party;
- (l) a company other than a Government company or corporation holding more than twenty-six per cent of the paid up share capital of the Allottee, either directly or through any of its subsidiary company or associate company (such expressions having meaning ascribed under the Companies Act, 2013);
- (m) the Allottee dissolves, liquidates, becomes insolvent, commits an act of bankruptcy, makes an assignment for the benefit of creditors, petitions or applies to any tribunal for the appointment of a trustee or receiver for itself, or commences any proceedings concerning itself under a law concerning bankruptcy, or insolvency other than for the purposes of corporate reorganization;
- (n) any other breach of any of the provisions of this Agreement (including in case of the Warranties being untrue or misleading or incorrect in any manner whatsoever), which is not cured by the Allottee within thirty Business Days of becoming aware of the same, on its own accord or upon receipt of a notice from the Nominated Authority;
- (o) surrender of the Coal Mine by the Allottee, except as provided in Clause 5.3.3;
- (p) cessation of coal mining operation exceeding a period of one year continuously, or 18 months over a period of two years without occurrence of any Event of Force Majeure;
- (q) termination of the Mining Lease granted to the Allottee or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be; or
- (r) failure of the Allottee to submit revised Performance Security in accordance with Clause 6.1.
- (s) in the opinion of the Central Government, it is expedient in public interest to terminate this Agreement.

24.3.2. Upon occurrence of a Termination Event, the Nominated Authority may elect to terminate this Agreement by providing a 15 Business Days written notice to the Allottee. The determination of the Nominated Authority regarding occurrence of a Termination Event shall be final and binding on the Allottee.

24.3.3. In case the Nominated Authority elects to terminate this Agreement, then the

Performance Security and all other payments made by the Allottee shall be forfeited and the Allottee shall not be entitled to any benefits under this Agreement but would continue to be liable towards any antecedent liability, all obligations accrued before the effective date of the surrender/ termination and also for the obligations that must be fulfilled after termination

24.4. Retention of Books and Records

24.4.1. Upon termination of this Agreement, the Allottee shall retain all documents, books and records related to the Coal Mine for a period of three years or such longer period as may specified under Applicable Law. It is clarified that the Allottee may also retain such books and records in electronic form if permitted under Applicable Laws.

25. GOVERNING LAW AND DISPUTE RESOLUTION

25.1. This Agreement and all questions of its interpretation shall be construed in accordance with the laws of India, without regard to its principles of conflicts of laws.

25.2. Any dispute, controversy or claim arising out of or relating to or in connection with the Agreement including a dispute as to the validity or existence of this Agreement, or any breach or alleged breach thereof, shall be settled through mutual discussions between the Parties. In this regard, the Allottee shall nominate an officer not below the rank of a director to participate in the discussions on its behalf.

25.3. In the event that the Allottee fails to nominate an officer in the manner required under Clause 25.2; or the Parties are unable to resolve any dispute in accordance with Clause 25.2 within a period of 30 Business Days starting from the date on which the first notice of dispute was provided by either Party, such dispute shall be resolved in accordance with Section 27 of the Act.

25.4. It is expressly agreed between the Parties, that any existence of a dispute shall not affect in any manner any of the rights of the Nominated Authority under this Agreement, including without limitation the right to appropriate Performance Security or terminate this Agreement, until a final determination in this regard is made.

25.5. The provisions contained in this Clause 25 shall survive the termination of this Agreement.

26. MISCELLANEOUS

26.1. Time of Essence

Each of the Parties hereby agrees that, with regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

26.2. Publicity

The Allottee shall not issue any information, document or article for publication in any news or communications media or make any public statement in relation to this Agreement without the prior written consent of the Nominated Authority unless required to do so by Applicable Law, provided that prior to any disclosure of any such information required by Applicable Law, the Allottee must first notify the Nominated Authority, who shall then have the opportunity to respond to and/or dispute such intended disclosure.

26.3. Severability

26.3.1. If any term, provision, covenant or restriction of this Agreement or the application thereof to any Person or circumstance shall be held invalid, void or unenforceable by a court of competent jurisdiction or other Governmental Authority to any extent, the remainder of the terms, provisions, covenants and restrictions of this Agreement and the application thereof to Persons or circumstances (other than those as to which any portion of this Agreement is held invalid, void or unenforceable) shall not be affected thereby and shall remain in full force and effect to the fullest extent permitted by law, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

26.3.2. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

26.4. Costs and Expenses

26.4.1. The Allottee shall bear its own costs in connection with the negotiation, preparation and execution of this Agreement.

26.4.2. The stamp duty payable for this Agreement shall be borne by the Allottee.

26.5. Further Assurance

The Allottee shall cooperate with the Nominated Authority and execute and deliver to the Nominated Authority such instruments and documents and take such other actions as may be requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of this Agreement.

26.6. Legal And Prior Rights

All rights and remedies of the Nominated Authority hereto shall be in addition to all other legal rights and remedies belonging to the Nominated Authority and the same shall be deemed to be cumulative and not alternative to such legal rights and remedies aforesaid

and it is hereby expressly agreed and declared by and between the Parties hereto, that the determination of this Agreement for any cause whatsoever shall be without prejudice to any and all rights and claims of the Nominated Authority, which shall or may have accrued prior thereto.

26.7. Waiver

26.7.1. The waiver of any default or breach under this Agreement by the Nominated Authority shall not constitute a waiver of the right to terminate this Agreement for any substantial default of a similar nature or under any other terms and conditions of this Agreement.

26.7.2. No failure or delay by the Nominated Authority in exercising any right or remedy provided by Applicable Law under or pursuant to this Agreement shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy. The rights and remedies of the Nominated Authority under or pursuant to this Agreement are cumulative, may be exercised as often as it considers appropriate and are in addition to its rights and remedies under Applicable Law.

26.7.3. Submission of any document, information, report or notice, which contains any information or reference to any default or breach under this Agreement or any Applicable Law, to the Nominated Authority shall not be construed to be a deemed approval of such breach or default and the Nominated Authority may exercise any rights or remedies with respect to such default at any time.

26.8. Amendments

No amendment of this Agreement (or of any of the documents referred to in this Agreement) shall be valid unless it is in writing and signed by or on behalf of each of the Parties to it. The expression “amendment” shall include any amendment, deviations, modification, variation, supplement, deletion or replacement however effected. Unless expressly agreed, no amendment shall constitute a general waiver of any provisions of this Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Agreement which have already accrued up to the date of amendment, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so amended.

26.9. Counterparts

This Agreement may be executed in two counterparts, each of which will be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, but all of which together will constitute one and the same instrument.

26.10. No Agency or partnership

The Parties agree that nothing in this Agreement shall be in any manner interpreted to constitute an agency for and on behalf of any other Party. None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and no Party shall have any authority to bind the other Party or shall be deemed to be the agent of the other Party in any way.

26.11. Notices

All notices, requests, demands or other communication (“**Notice**”) required or permitted to be given under this Agreement and the provisions contained herein shall be written in English and shall be deemed to be duly sent by registered post with acknowledgment due, or transmitted by facsimile transmission to the other Parties at the address indicated in SCHEDULE G here of or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified to the Party giving the same in the manner provided in this Clause, but no such change of address shall be deemed to have been given until it is actually received by the Party sought to be charged with the knowledge of its contents. Any notice, request, demand or other communication delivered to the Party to whom it is addressed as provided in this Clause 26.11 shall be deemed to have been given and received on the day of its receipt at such address.

A copy of the Notice sent by registered post with acknowledgment due, or transmitted by facsimile transmission may also be sent through email to the email addresses specified in SCHEDULE G solely for the information of the recipient and shall take effect only when the registered post is actually delivered or the fax is received by the recipient, as the case may be.

26.12. Entire Agreement

This Agreement (including all such deeds and documents issued or executed pursuant hereto or referred to herein) and the Allotment Document constitutes and represents the entire agreement between the Parties with regard to the rights and obligations of each of the Parties and cancels and supersedes all prior arrangements, agreements or understandings, if any, whether oral or in writing, between the Parties on the subject matter hereof or in respect of matters dealt with herein. In the event of a conflict between this Agreement and the Allotment Document, the provisions of this Agreement shall prevail to the extent of the conflict.

26.13. Specific Performance of Obligations

The Nominated Authority shall be entitled to an injunction or injunctions to prevent

breaches of this Agreement or to seek or enforce specific performance of this Agreement, in addition to any other legal rights and remedies, without the necessity of demonstrating the inadequacy of monetary damages.

26.14. Power of the Central Government

The Allottee acknowledges that for the purposes of this Agreement, the Central Government is acting through the Nominated Authority pursuant to the Act and the Rules. However, for the purposes of exercise of rights and obligations hereunder and any Applicable Law, the Central Government shall be entitled to act through any of its relevant departments, ministries or any Governmental Agencies and all such relevant departments, ministries or any Governmental Agencies shall be entitled to exercise rights and obligations under this Agreement as if such relevant departments, ministries or any Governmental Agencies were a Party hereto.

26.15. Change Notice

Notwithstanding anything contained herein, the Nominated Authority may issue a change notice (“**Change Notice**”) for change in particulars of:

- (a) the Designated Bank Account;
- (b) the number of days within which the Completion Notice is required to be provided in terms of Clauses 3.2.2 and 3.2.3 of the Agreement, by extending the time period provided in Clauses 3.2.2 and 3.2.3 of the Agreement, prior to the expiry of such periods; or
- (c) the e-mail address for submission of the Pre-Commencement Report, the Commencement Report, the Monthly Report and the Yearly Report, as specified in Clause 7.2 of the Agreement

The Change Notice shall be issued in writing by the Nominated Authority and shall be sent by registered post with acknowledgment due, or transmitted by facsimile as per information specified in Clause 26.11 for providing Notices. A copy of the Change Notice sent by registered post with acknowledgment due, or transmitted by facsimile transmission may also be sent through email to the email addresses specified pursuant to Clause 26.11 solely for the information of the Allottee and shall be deemed to be delivered when the registered post is actually delivered or the fax is received by the Allottee, as the case may be.

Within 5 Business Days of receipt of the Change Notice, the Allottee shall provide a written acknowledgment of its receipt to the Nominated Authority through email. The Change Notice shall take effect from: (a) the date specified in the Change Notice – if such date has been specified in the Change Notice; or (b) the date of its receipt – if no effective

date has been specified in the Change Notice.

[Remaining part of this page intentionally left blank, schedules follow.]

SCHEDULE A - PARTICULARS OF THE COAL MINE

[Particulars of be provided to identify the Coal Mine in detail, including name, mine area, etc.]

**SCHEDULE B - FORMAT OF INTIMATION TO THE NOMINATED
AUTHORITY**

To
The Nominated Authority
[address]

[date]

Sub: Intimation under Clause 3.1(f) of the Allotment Agreement (the “Agreement”).

Dear Sir,

We write with reference to Clause 3.1(f) of the Agreement read with the Act and the Rules, including Section 10 and Section 11 of the Act in terms of which we intend to own and utilise certain movable property of the Prior Allottee and also adopt certain contracts as detailed below:

- (a) particulars of movable property along with the details of the current owner, the terms of negotiations, related documentation and other details, which we intend to own and use in terms of Section 10(1) of the Act is enclosed as Annexure A;
- (b) particulars of movable property along with the details of the current owner, the terms of negotiations, related documentation and other details, which we do not intend to own and use and which we intend to move in terms of Section 10(4) of the Act is enclosed as Annexure B;
- (c) the list of contracts (including contracts with secured creditors¹) which we intend to adopt and continue, along with complete particulars of such contracts is enclosed as Annexure C;
- (d) the list of contracts (including contracts with secured creditors) which we do not intend to adopt and continue, along with complete particulars of such contracts is enclosed as Annexure D.

Apart from the particulars of the movable property and the contracts listed in this letter, we do not intend to own, use, continue or adopt any other movable property or contracts, as the case may be and do hereby relinquish our rights with respect to the same. We acknowledge that any information not provided in this letter may not be included by the Nominated Authority in the Allotment Order.

¹ Not applicable if the Allottee is the Prior Allottee in which case the secured creditors shall have an option to continue in terms of Section 12(1) of the Act.

Yours Sincerely,

.....

(Authorised Signatory)

Name:

Designation:

Enclosed: As Above

Annexure A

Annexure B

Annexure C

Annexure D

SCHEDULE C - FORMAT OF THE COMPLETION NOTICE

To
The Nominated Authority
[address]

[date]

Sub: Completion Notice under Clause 3.2.1 of the Allotment Agreement (the “Agreement”).

Dear Sir,

We write with reference to Clause 3.2.1 of the Agreement. We have completed each of the Allotment Conditions specified in Clause 3.1 of the Agreement and the particulars of the same are provided below:

- (a) We continue to be in compliance with all the Eligibility Conditions;
- (b) we have paid the first instalment of the Upfront Amount, in accordance with Clause 5.2.1 through [particulars of payment to be mentioned]; and have provided such undertaking as specified in SCHEDULE H, in case the approved Mine Plan is not available;
- (c) we have furnished the Performance Security through [particulars of performance security and its manner of delivery to be mentioned]; and have provided such undertaking as specified in SCHEDULE H, in case the approved Mine Plan is not available;
- (d) we have paid the Fixed Amount through [particulars of payment to be mentioned];
- (e) Additional Levy as was required to be paid has been paid through [particulars of payment to be mentioned]²; and
- (f) we have provided a written intimation as was required under Clause 3.1(f) of the Agreement through a letter dated [particulars to be mentioned].

Documentary evidence with respect to completion of each of the Allotment Conditions is enclosed.

Yours Sincerely,

.....

(Authorised Signatory)

Name:

² Not applicable if the Allottee is not the Prior Allottee.

Designation:

Enclosed: As Above

SCHEDULE D - EFFICIENCY PARAMETERS

S. No.	Milestone	Time Limit in Months (From the date of the Allotment Order i.e. zero date) / Parameter for compliance		Weightage for calculating deduction of Performance Security (in case of failure/ delay in achieving milestone)	
		Regionally Explored Mines	Explored Mines ³	Regionally Explored Mines	Explored Mines ⁴
1	Prospecting License or notification under Section 4 of the CBA Act, 1957, as applicable	4	0	5	5
2	Completion of Exploration and Preparation of Geological Report (GR)	22	0		
	Events after preparation of GR	Time Limit in Months (From the date of preparation of GR)			
3	Mining Lease Application or notification under Section 7 of the CBA Act, 1957, as applicable	3	3	7	7
4	Submission of Mining Plan	6	6	8	8
5	Mining Plan Approval	11	11	8	8
6	Previous Approval Application	12	12	6	6
7	Previous Approval	13	13	5	5
8	Forest Clearance Application	11	11	8	8
9	Forest Clearance	21	21	5	5
10	Environment Clearance Application	11	11	8	8
11	Environment Clearance	21	21	5	5
12	Grant of Mining Lease or notification under Section 11 of the CBA Act, 1957, as applicable	24	24	8	8
13	Land Acquisition (To reach rated capacity)	36/ 42(in case of forest land)	36/ 42(in case of forest land)	5	5

³ One of these two columns may be retained depending on status of the Coal Mine

⁴ One of these two columns may be retained depending on status of the Coal Mine

S. No.	Milestone	Time Limit in Months (From the date of the Allotment Order i.e. zero date) / Parameter for compliance		Weightage for calculating deduction of Performance Security (in case of failure/ delay in achieving milestone)	
		Regionally Explored Mines	Explored Mines ³	Regionally Explored Mines	Explored Mines ⁴
14	Opening of Escrow Account	37/ 43(in case of forest land)	37/ 43(in case of forest land)	8	8
15	Application for Opening Permission	37/ 43(in case of forest land)	37/ 43(in case of forest land)	2	2
16	Grant of Opening Permission	38/ 44(in case of forest land)	38/ 44(in case of forest land)	4	4
17 (A)	Schedule of production till reaching of Peak Rated Capacity	At least 90% of the annual scheduled production/ rated capacity as per approved mining plan in case of opencast mines and at least 80% of the annual scheduled production/ rated capacity as per approved mining plan for underground mines	At least 90% of the annual scheduled production/ rated capacity as per approved mining plan in case of opencast mines and at least 80% of the annual scheduled production/ rated capacity as per approved mining plan for underground mines	8	8
17 (B)	Schedule of production from the year subsequent to the year in which Peak Rated Capacity will be achieved	The actual production of coal in any year should not be less than 50% of the coal production as per the Mine Plan. However,	The actual production of coal in any year should not be less than 50% of the coal production as per the Mine Plan. However,		

S. No.	Milestone	Time Limit in Months (From the date of the Allotment Order i.e. zero date) / Parameter for compliance		Weightage for calculating deduction of Performance Security (in case of failure/ delay in achieving milestone)	
		Regionally Explored Mines	Explored Mines ³	Regionally Explored Mines	Explored Mines ⁴
		in any five year block, the Allottee is required to produce at least 80% of the coal as per the Mine Plan	in any five year block, the Allottee is required to produce at least 80% of the coal as per the Mine Plan		

- (a) *The percentage for appropriation of Performance Security shall be calculated in proportion to the failure/ delay in compliance with the timelines mentioned for achievement of Efficiency Parameters which shall be broadly based on the abovementioned weightages.*
- (b) *In case of non-compliance with the Efficiency Parameters mentioned above, the Allottee shall be required to rectify the same within such time as may be prescribed by the competent authority after examination on a case to case basis.*
- (c) *The provisions relating to Efficiency Parameters and Schedule of Production as mentioned in this Agreement may be changed before the signing of Allotment Agreement in line with the recommendations of the High Power Expert Committee constituted by Ministry of Coal.*

SCHEDULE E - FORMAT OF PERFORMANCE SECURITY

[Reference number of the bank]

[date]

To

The Nominated Authority

[address]

WHEREAS

- A. [Name of the Allottee] incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN of the Allottee], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] (the “Allottee”) is required to provide an unconditional and irrevocable bank guarantee for an amount equal to INR [figures] (Indian Rupees [words]) as a performance security for a period of [period of performance bank guarantee].
- B. The Performance Security is required to be provided to **The President of India**, acting through the Central Government represented by the Nominated Authority appointed under Section 6 of the Coal Mines (Special Provisions) Act, 2015 (the “Nominated Authority”) for discharge of certain obligations under the Allotment Agreement dated [date] (the “Agreement”).
- C. We, [name of the bank] (the “Bank”) at the request of the Allottee do hereby undertake to pay to the Central Government an amount not exceeding INR [figures] (Indian Rupees [words]) to secure the obligations of the Allottee under the Agreement on demand from the Nominated Authority on the terms and conditions herein contained herein.

NOW THEREFORE, the Bank hereby issues in favour of the Nominated Authority this irrevocable and unconditional payment bank guarantee (the “Guarantee”) on behalf of the Allottee in the amount INR [figures] (Indian Rupees [words]).

1. The Bank for the purpose hereof unconditionally and irrevocably undertakes to pay to the Nominated Authority without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the Nominated Authority, a sum or sums (by way of one or more claims) not exceeding in the aggregate the amount of INR [figures] (Indian Rupees [words]) without the Nominated Authority needing to prove or

to show to the Bank grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the Nominated Authority and Allottee on any matter whatsoever. The Bank undertakes to pay to the Nominated Authority any money so demanded notwithstanding any dispute or disputes raised by the Allottee in any suit or proceeding pending before any court or tribunal relating thereto the Bank's liability under this present being absolute and unequivocal.

2. The Bank acknowledges that any such demand by the Nominated Authority of the amounts payable by the Bank to the Nominated Authority shall be final, binding and conclusive evidence in respect of the amounts payable by Allottee to the Nominated Authority under the Agreement.
3. The Bank hereby waives the necessity for the Nominated Authority from demanding the aforesaid amount or any part thereof from the Allottee and also waives any right that the Bank may have of first requiring the Nominated Authority to pursue its legal remedies against the Allottee, before presenting any written demand to the Bank for payment under this Guarantee.
4. The Bank further unconditionally agrees with the Nominated Authority that the Nominated Authority shall be at liberty, without the Bank's consent and without affecting in any manner the Bank's obligation under this Guarantee, from time to time to:
 - (i) vary and/or modify and of the terms and conditions of the Agreement;
 - (ii) extend and / or postpone the time for performance of the obligations of the Allottee under the Agreement, or
 - (iii) forbear or enforce any of the rights exercisable by the Nominated Authority against the Allottee under the terms and conditions of the Agreement.

and the Bank shall not be relieved from its liability by reason of any such act or omission on the part of the Nominated Authority or any indulgence by the Nominated Authority to the Allottee or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Bank of its obligations under this Guarantee.

5. Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future Taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever and by whom ever imposed; and where any withholding on a payment is required by law, the Bank shall comply with such withholding obligations and shall pay such additional amount in respect of such payment such that the Nominated Authority receives the full amount due hereunder as if no such withholding had occurred. It is clarified that even in such case the obligation of the Bank shall not in any manner exceed in the aggregate the amount of INR [*figures*] (Indian Rupees [*words*]).

6. The Bank agrees that Nominated Authority at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Allottee.
7. The Bank further agree that the guarantee herein contained shall remain in full force and effect during the period that specified in the Agreement and that it shall continue to be enforceable till all the obligations of the Allottee under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or discharged or till the Nominated Authority certifies that the terms and conditions of the Agreement with respect to the Performance Security have been fully and properly carried out by the Allottee and accordingly discharges this guarantee. Notwithstanding anything contained herein, unless a demand or claim under this guarantee is made on the Bank in writing on or before the [date of expiry of bank guarantee] the Bank shall be discharged from all liability under this guarantee thereafter.
8. The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the Nominated Authority shall have no claim against the Bank for making such payment.
9. This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at Delhi.
10. The Bank has the power to issue this Guarantee in favour of the Nominated Authority. This guarantee will not be discharged due to the change in the constitution of the Bank.
11. The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the Nominated Authority in writing.
12. The Nominated Authority may, with prior intimation to the Bank, assign the right under this Guarantee to any other departments, ministries or any governmental agencies, which may act in the name of the President of India. The Nominated Authority may also assign this Guarantee in favour of the Governor of a State, with prior intimation to the Bank. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.

Dated the [day] day of [month] [year] for the Bank.

In witness whereof the Bank, through its authorized officer, has set its hand and stamp.

(Signature)

(Name and Designation)

(Bank Stamp)

SCHEDULE F – WARRANTIES

1. INFORMATION

- 1.1. The information, provided to the Nominated Authority during the allotment process and any time thereafter, including but not limited to the information contained in this Agreement, by the Allottee is true, accurate and not misleading in any manner whatsoever.
- 1.2. Neither this Agreement nor any of the information and documents provided during the allotment process exercise contains any untrue statement of fact, or omits to state a material fact necessary to make the statements herein or therein not misleading. The documents provided to the Nominated Authority and/or its advisors during the conduct of the allotment process, are true and complete copies of such documents and none of the information provided to the Nominated Authority and/or its advisors during the allotment process was incorrect, inaccurate or misleading in any manner whatsoever.

2. AUTHORITY

- 2.1. The Allottee has full legal capacity to enter into this Agreement and to perform its obligations under it and has taken all action necessary to authorise such execution and delivery and the performance of such obligations.
- 2.2. This Agreement has been duly executed and delivered by the Allottee, and (assuming due authorisation, execution and delivery and performance by the Parties), constitutes a legal, valid and binding obligation of the Allottee, enforceable against the Allottee in accordance with the terms of the Agreement.
- 2.3. The Allottee has obtained requisite corporate authorisation, including passing of all necessary resolutions to execute this Agreement and carry out all transactions and actions contemplated under this Agreement and do all necessary acts incidental to this Agreement.
- 2.4. The execution and delivery of this Agreement by the Allottee and the performance of the obligations under it do not and shall not:
 - (a) conflict with or violate any provision of the memorandum of association or articles of association of the Allottee;
 - (b) require on the part of the Allottee, any filing with, or permission, authorisation, consent or approval of, any Governmental Authority;
 - (c) conflict with, result in breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in favour of any party any right to terminate, modify or cancel, or require any

notice, consent or waiver under, any contract or instrument to which the Allottee is party or by which it is bound or to which its assets are subject;

- (d) violate, conflict with or constitute a default under any Applicable Law, lien, lease, judgement, award, ordinance, order, writ, injunction, decree, statute, rule or regulation or any other restriction of any kind or character applicable to the Allottee or its properties or assets;

2.5. No person is entitled to any brokerage, finder's, or other similar fee or commission in connection with the transactions contemplated by this Agreement.

3. **GENERAL**

The Allottee

- (a) is a Government company duly organised, validly existing and in good standing under the laws of India;
- (b) meets all the Eligibility Conditions prescribed under the Act read with the Rules and the Allotment Document;
- (c) has the financial standing and capacity to undertake mining operations at the Coal Mine in accordance with the Efficiency Parameters;
- (d) is subject to civil and commercial laws of India with respect to this Agreement and it hereby expressly and irrevocably waives any immunity in any jurisdiction in respect thereof;
- (e) there are no actions, suits, proceedings or investigations pending or to the Allottee's knowledge threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may constitute an event of default hereunder;
- (f) has neither violated or defaulted nor has knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any legally binding order of any Governmental Authority;
- (g) has complied with all Applicable Laws and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities;
- (h) except as set forth in any Mining Lease or the notification under Section 11 (1) of the CBA Act, 1957, as the case may be, all rights and interests of the Allottee in and to the Coal Mine shall pass to and vest in the relevant Governmental Authority on the date of termination or expiry hereof, free and clear of all Encumbrances without any further act or deed on the part of the Allottee or the

Central Government;

- (i) no bribe or illegal gratification or any other illegal amount has been paid or will be paid in cash or kind by or on behalf of the Allottee to any Person to procure the rights granted hereunder; and
- (j) Without prejudice to any express provision contained in this Agreement, the Allottee acknowledges that prior to the execution of this Agreement, the Allottee has after a complete and careful examination made an independent evaluation of the Coal Mine and the information provided by the Nominated Authority, and has determined to its satisfaction the nature and extent of risks and hazards as are likely to arise or may be faced by the Allottee in the course of performance of its obligations hereunder. The Allottee also acknowledges and hereby accepts the risk of inadequacy, mistake or error in or relating to any of the matters set forth above and hereby confirms that the Nominated Authority and any Governmental Authority shall not be liable for the same in any manner whatsoever to the Allottee.

SCHEDULE G - ADDRESS FOR PROVIDING NOTICES

A. Notice to the Nominated Authority

Address	
Telephone	
Fax	
E-mail (only for information)	

With CC to the Central Government

Address	
Telephone	
Fax	
E-mail (only for information)	

B. Notice to the Allottee

Address	
Telephone	
Fax	
E-mail (only for information)	

SCHEDULE H - FORMAT OF DEED OF UNDERTAKING

(Must be submitted by the Allottee pursuant to Clause 5.2.5 and 6.1.6)

(To be executed on non-judicial Stamp Paper of requisite value)

Ref. No.

Date: [insert date]

To

Nominated Authority

[Address]

Dear Sir,

We, [name of the allottee company] (the “**Allottee**”) have read and examined the Allotment Agreement dated [date] (the “Allotment Agreement”) relating to Allotment of [Name of Coal Mine] coal mine through the application process which commenced on [date of issuance of Allotment Document], and the Order of Ministry of Coal dated [insert date].

Capitalised expressions used in this undertaking but not defined herein have the same meaning as ascribed to them in the Allotment Agreement.

The Allottee hereby unconditionally and irrevocably undertakes to submit the revised Performance Security and the revised Upfront Amount (including pursuant to the installments payable pursuant to clause 5.2.1, 5.2.2 and 5.2.3, respectively) as required under the Allotment Agreement as and when the same is directed to be furnished and paid by Central Government or Nominated Authority, as the case may be.

We acknowledge that our failure to comply with the terms of this undertaking and the terms of the Allotment Agreement will be dealt with in accordance with the Allotment Agreement.

This undertaking has been issued pursuant to a [particulars of corporate authorisation of the Allottee e.g. date of board resolution etc, as applicable]

Signature along with seal of the Company

(Duly authorized to sign the Undertaking on behalf of the Allottee)

Name:

Designation:

Date:

Name of Company:

Address:

Witness:

Signature:

Name & Address:

Date:

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorised representatives on the date and year written below, at New Delhi:

Signatories

The Nominated Authority

[Name of the Allottee]

.....
Name:
Date:

.....
Name:
Designation:
Date:
Duly authorized to execute this Agreement pursuant to resolution passed by the board of directors of the [name of the Allottee].