

No.13016/26/2004-CA-I (Vol.VI)

Government of India

Ministry of Coal

Shastri Bhawan,
New Delhi, the 4th April, 2011

Notice Inviting Comments from Stakeholders

All the stakeholders/general public are hereby informed that the Mines and Minerals (Development and Regulation) Amendment Act providing for allocation of coal and lignite blocks through the competitive bidding route has been passed by the Parliament and the same has been notified vide Gazette Notification dated 09.09.2010. After the notification of said Act, it is proposed to finalize guidelines/modalities for allocation of coal and lignite blocks under the said route. The Ministry of Coal in consultation with Central Mine Planning and Design Institute Ltd. (CMPDIL) has prepared 4 (four) sets of options of draft guidelines for notice inviting offers for captive mining of coal for permitted end use in the blocks offered for the purpose. All the sets of options are attached herewith alongwith highlights of all the options in the beginning.

2. All interested stakeholders/general public, are requested to furnish their views to Shri A.K. Bhalla, Joint Secretary, Ministry of Coal, Room No. 319, A wing, Shastri Bhawan, New Delhi within 15 days. The same may also be sent by email at usca.moc@nic.in.



(V.S. Rana)

Under Secretary to the Government of India
Tel: 23073936

Director (NIC), M/o Coal for uploading the notice on Ministry' website.

NOTICE INVITING OFFERS FOR CAPTIVE MINING OF COAL FOR PERMITTED END USE IN BLOCKS OFFERED FOR THE PURPOSE

ANNOUNCEMENT

Ministry of Coal (MoC), Govt. of India (GOI) intends to offer coal blocks through bidding route for captive mining of coal for permitted end use i.e. for steel, power and cement sectors, notified by Govt. of India under Section (U/s) 3(3) of the Coal Mine (Nationalisation) Act, 1973.

Bid(s) are invited for development, operation & post operation activities of notified captive coal mining block(s).

MAIN FEATURES OF TERMS OFFERED

1. Notified coal blocks shall be offered with "RESERVE PRICE TAGS" fixed by MoC on the basis of assessed potentiality of the blocks (quality, quantity and category of coal resource, geo-mining complexities, status of exploration, available infrastructure, etc.). The bidder shall be required to submit EMD equal to 5% of the "RESERVE PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid(s) in the format given in the NIO.
2. Bidder's networth shall have to be at least equal to "Reserve Price Tag" + 15% of the cost of its end use plant.
3. Only qualifying bids of a block shall be ranked as H₁, H₂ and so on up to H_n on the basis of diminishing values of bid offered towards upfront payment. H₁ bidder shall qualify for award of the block. In case, the H₁ bidder backs out from accepting the block, the block shall be offered to H₂ Bidder but at F₁ price only (i.e. at highest offered Upfront Payment amongst all the bids). In case H₂ shall decline, the counter offer shall be given to H₃ and so on but at F₁ price only. However, the Bank Guarantee given by the H₁ Bidder only would stand forfeited.
4. An eligible bidder can bid for more than one block indicating its priority for allotment. However, successful H₁ bidder of two or more blocks shall be eligible for that block only, for which bidder has indicated higher priority for allotment.
5. The successful bidder shall be responsible for exploration, development, operation & post operation activities including mine closure activities of notified captive coal mining block for their captive end use abiding by all the relevant laws, rules, circulars, orders etc. issued there under by Govt. from time to time and subsequent amendment thereof and shall obtain all clearances and permission for opening and operating the mine from the statutory bodies.
6. The successful bidder in no case shall be allowed to transfer/sell the coal to any individual/company/plant other than the own captive plant for which block would be allotted.

ELIGIBLE BIDDER

Any company/consortium, singly or in association with other companies, through an unincorporated or incorporated venture can bid provided it meets following qualifying criteria:

- I. Company/companies participating in a consortium is/are registered under the Companies Act, 1956 and other acts relevant to its end use plant and principal field of operation.
- II. Company/consortium has an approved end use plant(s) either functioning or under construction, which is permitted for captive coal mining viz. Steel, Power or Cement sectors.
- III. Company/consortium has submitted EMD equal to 5% of the "RESERVE PRICE TAG" of the block by an irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
- IV. Company/consortium has purchased "Information Docket".
- V. Company/consortium has purchased "Data Package of the Block".

- vi. Company/consortium has the Net Worth at least equal to "RESERVE PRICE TAG" + 15% of the value of its end use plant. In case of a consortium, the Net Worth of each entity has to be equal to or in excess of its proportionate share in capacity of the end use plant(s).

BIDDABLE TERMS

Bidder would be required to agree for

- Mandatory Work Programme (as per Clause 8 of the Terms & Conditions)
- Submission of EMD equal to the 5% of the "RESERVE PRICE TAG" of the block by an irrevocable Bank Guarantee valid for 60 days beyond validity of the bid.

Bidder agreeing to above terms shall be required to bid for Upfront Payment (as per Clause 4 of the Terms & Conditions)

Note: Bid without Bank Guarantee equal to 5% of the "RESERVE PRICE TAG" shall be disqualified.

VALIDITY OF BID: Bid is required to be valid for 180 days from the date of opening of bid.

BID EVALUATION CRITERIA

A. QUALIFICATION CRITERIA

(a) Bidder is registered under the Indian Companies Act, 1956 and other acts relevant to its end use plant and principal field of operation.

(b) Bidder has an approved end use plant(s), which is permitted for captive coal mining viz. Steel, Power or Cement sectors.

(c) Bidder is agreeing to Mandatory Work Programme for the block.

(d) Bid is accompanied by:

- Proof of purchase of "Information Docket"*
- Proof of purchase of "Data Package of the Block"*
- Earnest Money Deposit (EMD) in the form of an irrevocable Bank Guarantee of an amount equal to 5% of the "RESERVE PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.*

(e) The Net Worth of the Bidder as established by the duly audited Balance Sheet of the Financial Year previous to one in which the bid is submitted is at least equal to "Reserve Price Tag" + 15% of the value of its end use plant(s). In case of a consortium, the Net Worth of each entity as established by the duly audited Balance Sheet of the Financial Year previous to one in which the bid is submitted has to be equal to or in excess of its proportionate share of Fixed Price Tag + 15% of the cost of its end use plant(s).

- *The annual report including the audited annual accounts for the latest completed year and a Certificate of networth from the statutory auditor(s) based on the latest audited annual accounts certifying the networth of the Bidder should be submitted. In case a Bidder does not furnish audited annual accounts, the bid shall be summarily rejected.*
- *The networth will be calculated in accordance with the method given below:*

PARTICULARS	AMOUNT* (in lakhs INR)
a) Paid up capital	
b) Reserve and surplus	
c) Misc. expenditure to the extent not written off	
d) Equity = (a) + (b) – (c)	
e) Contingent liability on revenue account (details to be annexed)	
(i)	
(ii)	
(iii)	
(iv)	
(v)	
(vi)	
(vii)	
Total contingent liability on revenue account	
f) Networth = (d)-(e)	

- An eligible bidder can bid for more than one block indicating its priority for allotment. However, successful H₁ bidder of two or more blocks shall be eligible for that block only, for which bidder has indicated higher priority for allotment.

B. EVALUATION OF BIDS

Qualifying bids only shall be evaluated as follows:

Step-I

Evaluation of Financial Bid: Evaluation of the Financial Bid shall take into account bid offered towards upfront payment (as per Clause 4 of the Terms & Conditions).

Step-II

Bid with highest offered Upfront Payment amongst all the bids shall be ranked H₁, and others as H₂, H₃ to H_n in diminishing order of bid offered towards upfront payment.

The highest offered bid towards upfront payment shall be rated as F₁ and will be the acceptable financial offer for award of the block.

REJECTION CRITERIA

Bids shall be rejected on any of the following criteria:

- Bids not confirming to carrying out the Mandatory Work Programme.
- Bids not submitted in "Format for Submission of Bids" covering all the information/details listed therein.
- Bids submitted without Earnest Money Deposit of full amount and period of validity.
- Bids with assumptions / deviations which are inconsistent or not complying with the contract terms listed in the brochure "Notice Inviting Bids for Allocation of Blocks for Captive Mining of Coal for permitted end use".
- Bids submitted without proof of purchase of Information Docket and Data Package of the block.

MoC at its sole discretion reserves the right to accept or reject any or all of the bids received without assigning any reason, whatsoever.

PREFERENCE IN ALLOTMENT OF COAL BLOCKS

Bidders whose end-use plants are in the same state as the coal block will be given preference in allotment of coal block provided their overall marks are lower than marks of H₁ bidder only up to 5 % and the bidders are agreeing to accept the block at F₁ rate. Only in case, all such bidders shall decline the offer, original H₁ bidder shall have the right for award of block.

Illustration 1: (Illustration considers two bidders; it can, however, be expanded to accommodate more eligible bidders from the same state)

<i>Evaluation Parameters</i>	<i>Bidder – X (With end use plant in state other than state in which the coal block is situated)</i>	<i>Bidder – Y (With end use plant in same state in which the coal block is situated)</i>	<i>Bidder – Z (With end use plant in same state in which the coal block is situated)</i>
<i>Upfront Payment</i>	<i>INR 100 Crore</i>	<i>INR98 Crore</i>	<i>INR96 Crore</i>
<i>Financial Rating</i>	<i>F₁</i>	<i>F₂</i>	<i>F₃</i>
<i>Valuation of Upfront Payment</i>	<i>100%</i>	<i>98%</i>	<i>96%</i>
<i>Overall Rating of Bids</i>	<i>H₁</i>	<i>H_{1S}</i>	<i>H_{2S}</i>

In above case Bidder – X is overall H₁. Bidder – Y and Bidder Z are H_{1S} and H_{2S} bidders having end use plant in the state where coal block is located. However, the difference in Upfront Payment offered by the H_{1S} and H_{2S} bidders is lower by less than 5% only. Since, the end use plant of H_{1S} and H_{2S} are in the same state in which coal block is situated, both shall get preference over H₁ for allotment of block. However, H_{1S} shall have the first right to accept the block at F₁ rate only. If H_{1S} refuses to accept the block at F₁ rate, the block will be allotted to H_{2S} at F₁ rate and so on. If all such bidders of that state shall refuse to accept block at F₁ rate, the block will be allotted to H₁ at its F₁ rate.

TERMS AND CONDITIONS

1. **Parties to the Contract:** The Parties to the contract shall be the GOI (MoC) and the successful Bidder.
2. **Type of Contract:** The contract shall provide upfront payment of the bid amount (refer table) to MoC by the bidder. Bidder is free to bid for any number of blocks.
3. **Obligation of Bidder:** Bidder would have to:
 - (a) Give its registration certificates under the Indian Companies Act, 1956 *other acts relevant to its end use plant and principal field of operation.*
 - (b) Give documentary evidence in support of its approved end use plant(s), which is permitted for captive coal mining viz. Steel, Power or Cement sectors.
 - (c) Agree to Mandatory Work Programme for the block.
 - (d) Give proof of purchase of "Information Docket"
 - (e) Proof of purchase of "Data Package of the Block"
 - (f) Give Earnest Money Deposit (EMD) in the form of an irrevocable Bank Guarantee of an amount equal to 5% of the "RESERVE PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
 - (g) Give audited financial statements and certificate of networth from its statutory auditors in accordance with the bid format to prove its financial capability.
4. **Upfront Payment:** Bidder shall make upfront payment as per following schedule:

First / Initial Instalment:	10% of the Bid of Upfront Payment within 30 days from date of receipt of advice from MoC.
Second Instalment:	10% of the Bid of Upfront Payment within 24 months from date of award of Block.
Third Instalment	20% of the Bid of Upfront Payment within 36 months from date of award of Block.
Fourth Instalment	25% of the Bid of Upfront Payment within 48 months from date of award of Block.
Fifth/Final Instalment	35% of the Bid of Upfront Payment within 60 months from date of award of Block.
5. **Award of Block:** Allotment letter shall be issued by MoC within 30 days from receipt of payment of first / initial instalment of upfront amount.
6. **Signing of Agreement:** Bidder will enter into an agreement with MoC as per model contract provided in the NIO within 30 days from receipt of allotment letter. All expenses related to documentation of agreement shall be borne by the allottee.
7. **Commencement of Mandatory Work Programme:** Bidder will commence Mandatory Work Programme immediately after signing the agreement with MoC.
8. **Mandatory Work Programme:** Mandatory Work Programme will include following work:
 - (i) **Exploration of the Block:** Bidder shall be under obligation to complete detailed coal exploration in the allocated block. There will be only one exploration phase of two years for all the blocks, which shall commence from the date of receipt of prospecting licence, for which the awardee company has to apply within three months.
 - (ii) **Development of Mine and production of Coal:** Bidder shall be under obligation to develop a mine and produce coal as per rated annual capacity.
 - (iii) **Development of end use project:** Bidder shall be under obligation to develop its end use project for captive utilization of the coal produced. The period required for development of end use plant will not exceed total period required for exploration of block, development of mine and production of coal. The Mandatory Work Programme in respect of end use plant shall stand excluded if the bid has been accepted against an already existing and operational end use plant.
9. **Commitment Bank Guarantee (CBG):** Submission of Bank Guarantee (BG) equal to the accepted bid of upfront payment valid for a period of 5 years. Amount and period of validity of BG can be revised to accommodate payment of each instalment of the accepted bid of upfront payment.

10. **De-allocation:** The block will be de-allocated if the Mandatory Work Programme will not be carried out by the Bidder in accordance with the schedule indicated therein. The decision in respect of de-allocation of a block shall be taken by MoC on the basis of annual appraisal of the Mandatory Work Programme carried out by the Bidder. Accepted bid towards upfront payment paid up to time of de-allocation and CBG given by the Bidder shall be forfeited in case of de-allocation.
11. **Relinquishment:** Offered blocks requiring further exploration can be relinquished after completing 50% exploration as per ISP. 80% of the accepted bid amount towards upfront payment made till time of relinquishment and balance CBG can be claimed after submission of interim geological report and basic exploration data.
12. **Domestic Supply:** Bidder shall be required to sell entire excess coal production i.e. beyond quota fixed for its declared end use plant to MOC or to agency indicated by GOI.
13. **Taxes & Duties:** Royalty for coal is payable at the applicable rates. All other taxes as applicable shall be payable by the Bidder.
14. **Bonuses:** There shall be no signature or production bonus.
15. **Data:** All data gathered during the course of exploration under this contract shall be provided by the Bidder to the Government of India (MoC) or to the agency designated by MoC.
16. **Employment:** The Company shall follow the extant applicable Indian Laws on employment..
17. **Applicability of Laws:** Contract shall be governed by the applicable Indian laws.
18. **Arbitration:** Arbitration procedures shall be as per the Indian law in this regard.
19. **Right to accept Bids:** Government of India reserves for itself the right to accept or reject any or all the bids at its sole discretion.
20. **Right to ask clarifications on the bids:** Government may ask any clarification(s) from the Bidder in order to evaluate the bids.
21. **Consequences of furnishing false/misleading information / data:** Later on, at any stage after evaluation of the bids, if any information or data is found to be false or misleading or the bidder has suppressed any material fact which formed part of bid evaluation, the bid shall be liable to be rejected, and in case of award of block or execution of the contract, the award shall be withdrawn or the contract shall be liable for cancellation including forfeiture of all dues including payments made towards Reserve Price Tag, CBG and banning/ de listing of bidder and all its partners.

NOTICE INVITING OFFERS FOR CAPTIVE MINING OF COAL FOR PERMITTED END USE IN BLOCKS OFFERED FOR THE PURPOSE

ANNOUNCEMENT

Ministry of Coal (MoC), Govt. of India (GOI) intends to offer coal blocks through bidding route for captive mining of coal for permitted end use i.e. for steel, power and cement sectors, notified by Govt. of India under Section (U/s) 3(3) of the Coal Mine (Nationalisation) Act, 1973.

Bid(s) are invited for development, operation & post operation activities of notified captive coal mining block(s).

MAIN FEATURES OF TERMS OFFERED

1. Notified coal blocks shall be offered with "FIXED PRICE TAG S" fixed by MoC on the basis of assessed potentiality of the blocks (quality, quantity and category of coal resource, geo-mining complexities, status of exploration, available infrastructure, etc.). The bidder shall be required to submit EMD equal to 20% of the "FIXED PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid(s) in the format given in the NIO.
2. Bidder's networth shall have to be at least equal to "FIXED PRICE TAG" + 15% of the cost of its end use plant.
3. Only qualifying bids of a block shall be ranked as H₁, H₂ and so on up to H_n on the basis of diminishing values of Extractable Reserve Linked Payment (ERLP) offered in Rs. per tonne. H₁ bidder shall qualify for award of the block. In case, the H₁ bidder backs out from accepting the block, the block shall be offered to H₂ Bidder but at ERLP of H₁ Bidder. In case H₂ shall decline, the counter offer shall be given to H₃ and so on but only at ERLP of H₁ Bidder. However, the Bank Guarantee given by the H₁ Bidder only would stand forfeited.
4. An eligible bidder can bid for more than one block indicating its priority for allotment. However, successful H₁ bidder of two or more blocks shall be eligible for that block only, for which bidder has indicated higher priority for allotment.
5. The successful bidder shall be responsible for exploration, development, operation & post operation activities including mine closure activities of notified captive coal mining block for their captive end use abiding by all the relevant laws, rules, circulars, orders etc. issued there under by Govt. from time to time and subsequent amendment thereof and shall obtain all clearances and permission for opening and operating the mine from the statutory bodies.
6. The successful bidder in no case shall be allowed to transfer/sell the coal to any individual/company/plant other than the own captive plant for which block would be allotted.

ELIGIBLE BIDDER

Any company/consortium, singly or in association with other companies, through an unincorporated or incorporated venture can bid provided it meets following qualifying criteria:

- I. Company/companies participating in a consortium is/are registered under the Companies Act, 1956 and other acts relevant to its end use plant and principal field of operation.
- II. Company/consortium has an approved end use plant(s) either functioning or under construction, which is permitted for captive coal mining viz. Steel, Power or Cement sectors.
- III. Company/consortium has covered "FIXED PRICE TAG" of the block by an irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
- IV. Company/consortium has purchased "Information Docket".
- V. Company/consortium has purchased "Data Package of the Block".

- VI. Company/consortium has the Net Worth at least equal to "FIXED PRICE TAG" + 15% of the value of its end use plant. In case of a consortium, the Net Worth of each entity has to be equal to or in excess of its proportionate share in capacity of the end use plant(s).

BIDDABLE TERMS

Bidder would be required to agree for

- Mandatory Work Programme (as per Clause 8 of the Terms & Conditions)
- Submission of EMD equal to the 20% of the "FIXED PRICE TAG" of the block by an irrevocable Bank Guarantee valid for 60 days beyond validity of the bid.
- Payment of the fixed price tag of the block in specified installments to MoC (as per Clause 4.1 of the Terms & Conditions)

Bidder agreeing to above terms shall be required to bid for Extractable Reserve Linked Payment (as per Clause 4 of the Terms & Conditions)

Note: Bid without Bank Guarantee equal to 20% of the "FIXED PRICE TAG" shall be disqualified.

VALIDITY OF BID: Bid is required to be valid for 180 days from the date of opening of bid

BID EVALUATION CRITERIA

A. QUALIFICATION CRITERIA

(a) Bidder is registered under the Indian Companies Act, 1956 and other acts relevant to its end use plant and principal field of operation.

(b) Bidder has an approved end use plant(s), which is permitted for captive coal mining viz. Steel, Power or Cement sectors.

(c) Bidder is agreeing to Mandatory Work Programme for the block.

(d) Bid is accompanied by:

- Proof of purchase of "Information Docket"*
- Proof of purchase of "Data Package of the Block"*
- Earnest Money Deposit (EMD) in the form of an irrevocable Bank Guarantee of an amount equal to 20% of the "FIXED PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.*

(e) The Net Worth of the Bidder as established by the duly audited Balance Sheet of the Financial Year previous to one in which the bid is submitted is at least equal to "FIXED PRICE TAG" + 15% of the cost of its end use plant(s). In case of a consortium, the Net Worth of each entity as established by the duly audited Balance Sheet of the Financial Year previous to one in which the bid is submitted has to be equal to or in excess of their respective share of Fixed Price Tag + 15% of the cost of its end use plant(s).

- *The annual report including the audited annual accounts for the latest completed year and a Certificate of networth from the statutory auditor(s) based on the latest audited annual accounts certifying the networth of the Bidder should be submitted. In case a Bidder does not furnish audited annual accounts, the bid shall be summarily rejected.*
- *The networth will be calculated in accordance with the method given below:*

PARTICULARS	AMOUNT* (in lakhs INR)
a) Paid up capital	
b) Reserve and surplus	
c) Misc. expenditure to the extent not written off	
d) Equity = (a) + (b) – (c)	
e) Contingent liability on revenue account (details to be annexed)	
(i)	
(ii)	
(iii)	
(iv)	
(v)	
(vi)	
Total contingent liability on revenue account	
f) Networth = (d)-(e)	

- An eligible bidder can bid for more than one block indicating its priority for allotment. However, successful H₁ bidder of two or more blocks shall be eligible for that block only, for which bidder has indicated higher priority for allotment.

B. EVALUATION OF BIDS

Qualifying bids only shall be evaluated as follows:

Step-I

Evaluation of Financial Bid: Evaluation of the Financial Bid shall take into account rate offered in Rs. per tonne towards Extractable Reserve Linked Payment (as per Clause 4 of the Terms & Conditions).

Step-II

Bid with highest rate in Rs. per tonne towards Extractable Reserve Linked Payment shall be ranked H₁, and others as H₂, H₃ to H_n in diminishing order of rates.

The highest rate in Rs. per tonne towards Extractable Reserve Linked Payment shall be rated as F₁ and will be the acceptable financial offer for award of the block.

REJECTION CRITERIA

Bids shall be rejected on any of the following criteria:

- Bids not confirming to carrying out the Mandatory Work Programme.
- Bids not submitted in "Format for Submission of Bids" covering all the information/details listed therein.
- Bids submitted without Earnest Money Deposit of full amount and period of validity.
- Bids with assumptions / deviations which are inconsistent or not complying with the contract terms listed in the brochure "Notice Inviting Bids for Allocation of Blocks for Captive Mining of Coal for permitted end use".
- Bids submitted without proof of purchase of Information Docket and Data Package of the block.

MoC at its sole discretion reserves the right to accept or reject any or all of the bids received without assigning any reason, whatsoever.

PREFERENCE IN ALLOTMENT OF COAL BLOCKS

Bidders whose end-use plants are in the same state as the coal block will be given preference in allotment of coal block provided their overall marks are lower than marks of H_1 bidder only up to 5 % and the bidders are agreeing to accept the block at F_1 rate. Only in case, all such bidders shall decline the offer, original H_1 bidder shall have the right for award of block.

Illustration: (Illustration considers two bidders; it can, however, be expanded to accommodate more eligible bidders from the same state)

Evaluation Parameters	Bidder – X (With end use plant in state other than state in which the coal block is situated)	Bidder – Y (With end use plant in same state in which the coal block is situated)	Bidder – Z (With end use plant in same state in which the coal block is situated)
Offered Rate in Rs. per tonne towards Extractable Reserve Linked Payment	INR100/tonne of coal	INR 98/tonne of coal	INR 96/tonne of coal
Financial Rating	F_1	F_2	F_3
Valuation of Extractable Reserve Linked Payment	100%	98%	96%
Overall Rating of Bids	H_1	H_{1S}	H_{2S}

In above case Bidder – X is overall H_1 . Bidder – Y and Bidder Z are H_{1S} and H_{2S} bidders having end use plant in the state where coal block is located. However, the difference in Extractable Reserve Linked Payment offered by the H_{1S} and H_{2S} bidders is lower by less than 5% only. Since, the end use plant of H_{1S} and H_{2S} are in the same state in which coal block is situated, both shall get preference over H_1 for allotment of block. However, H_{1S} shall have the first right to accept the block at F_1 rate only. If H_{1S} refuses to accept the block at F_1 rate, the block will be allotted to H_{2S} at F_1 rate and so on. If all such bidders of that state shall refuse to accept block at F_1 rate, the block will be allotted to H_1 at its F_1 rate.

TERMS AND CONDITIONS

1. **Parties to the Contract:** The Parties to the contract shall be the GOI (MoC) and the successful Bidder.
2. **Type of Contract:** The contract shall provide payment of the fixed price tag (refer table) to MoC by the bidder. Bidder is free to bid for any number of blocks.
3. **Obligation of Bidder:** Bidder would have to:
 - (a) Give its registration certificates under the Indian Companies Act, 1956 *other acts relevant to its end use plant and principal field of operation.*
 - (b) Give documentary evidence in support of its approved end use plant(s), which is permitted for captive coal mining viz. Steel, Power or Cement sectors.
 - (c) Agree to Mandatory Work Programme for the block.
 - (d) Give proof of purchase of "Information Docket"
 - (e) Proof of purchase of "Data Package of the Block"
 - (f) Give Earnest Money Deposit (EMD) in the form of an irrevocable Bank Guarantee of an amount equal to 20% of the "FIXED PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
 - (g) Give audited financial statements and certificate of networth from its statutory auditors in accordance with the bid format to prove its financial capability.

4. (i) **Payment of Fixed Price Tag:** Bidder shall pay fixed price tag as per following schedule:

First / Initial Instalment:	10% of the Fixed Price Tag within 30 days from date of receipt of advice from MoC.
Second Instalment:	10% of the Fixed Price Tag within 24 months from date of award of Block.
Third Instalment	20% of the Fixed Price Tag within 36 months from date of award of Block.
Fourth Instalment	25% of the Fixed Price Tag within 48 months from date of award of Block.
Fifth/Final Instalment	35% of the Fixed Price Tag within 60 months from date of award of Block.

- (ii) **Extractable Reserve Linked Payment:** This will be calculated on the basis of total envisaged extractable reserves in the life time of the mine as per the approved mine plan and shall be payable in 5 equal annual instalments as follows:

First / Initial Instalment:	20% of the ERLP within 96 months from date of award of Block
Second Instalment:	20% of the ERLP within 108 months from date of award of Block.
Third Instalment	20% of the ERLP within 120 months from date of award of Block.
Fourth Instalment	20% of the ERLP within 132 months from date of award of Block.
Fifth/Final Instalment	20% of the ERLP within 144 months from date of award of Block.

In case of non-submission of Mine Plan within 36 months from the date of award of the block, ad hoc ECRP shall be fixed by MoC for payment of the instalments of ERLP. In such case, the ERLP paid shall be adjusted in future against the ERLP calculated on the basis of actual approved mine plan.

5. **Award of Block:** Allotment letter shall be issued by MoC within 30 days from receipt of payment of first / initial instalment of Fixed Price Tag.
6. **Signing of Agreement:** Bidder will enter into an agreement with MoC as per model contract provided in the NIO within 30 days from receipt of allotment letter. All expenses related to documentation of agreement shall be borne by the allottee.
7. **Commencement of Mandatory Work Programme:** Bidder will commence Mandatory Work Programme immediately after signing the agreement with MoC.
8. **Mandatory Work Programme:** Mandatory Work Programme will include following work:

- (i) **Exploration of the Block:** Bidder shall be under obligation to complete detailed coal exploration in the allocated block. There will be only one exploration phase of two years for all the blocks, which shall commence from the date of receipt of prospecting licence, for which the awardee company has to apply within three months.
 - (ii) **Development of Mine and production of Coal:** Bidder shall be under obligation to develop a mine and produce coal as per rated annual capacity.
 - (iii) **Development of end use project:** Bidder shall be under obligation to develop its end use project for captive utilization of the coal produced. The period required for development of end use plant will not exceed total period required for exploration of block, development of mine and production of coal. The Mandatory Work Programme in respect of end use plant shall stand excluded if the bid has been accepted against an already existing and operational end use plant.
9. **Commitment Bank Guarantee (CBG):** Submission of Bank Guarantee (BG) equal to fixed price tag valid for a period of 5 years. Amount and period of validity of BG can be revised to accommodate payment of each instalment of the Fixed Price Tag.
 10. **De-allocation:** The block will be de-allocated if the Mandatory Work Programme is not carried out by the Bidder in accordance with the schedule indicated therein. The decision in respect of de-allocation of a block shall be taken by MoC on the basis of annual appraisal of the Mandatory Work Programme carried out by the Bidder. Fixed Price Tag amount paid up to time of de-allocation and CBG given by the Bidder shall be forfeited in case of de-allocation.
 11. **ERLP Linked Bank Guarantee:** The bidder will have to submit ERLP linked Bank Guarantee equal to the ERLP linked payment prior to expiry of CBG.
 12. **Relinquishment:** Offered blocks requiring further exploration can be relinquished after completing 50% exploration as per ISP. 50% of the Fixed Price Tag payment made till time of relinquishment and balance CBG can be claimed after submission of interim geological report and basic exploration data.
 13. **Domestic Supply:** Bidder shall be required to sell entire excess coal production i.e. beyond quota fixed for its declared end use plant to MOC or to agency indicated by GOI.
 14. **Taxes & Duties:** Royalty for coal is payable at the applicable rates. All other taxes as applicable shall be payable by the Bidder.
 15. **Bonuses:** There shall be no signature or production bonus.
 16. **Data:** All data gathered during the course of exploration under this contract shall be provided by the Bidder to the Government of India (MoC) or to the agency designated by MoC.
 17. **Employment:** The Company shall follow the extant applicable Indian Laws on employment..
 18. **Applicability of Laws:** Contract shall be governed by the applicable Indian laws.
 19. **Arbitration:** Arbitration procedures shall be as per the Indian law in this regard.
 20. **Right to accept Bids:** Government of India reserves for itself the right to accept or reject any or all the bids at its sole discretion.
 21. **Right to ask clarifications on the bids:** Government may ask any clarification(s) from the Bidder in order to evaluate the bids.
 22. **Consequences of furnishing false/misleading information / data:** Later on, at any stage after evaluation of the bids, if any information or data is found to be false or misleading or the bidder has suppressed any material fact which formed part of bid evaluation, the bid shall be liable to be rejected, and in case of award of block or execution of the contract, the award shall be withdrawn or the contract shall be liable for cancellation including forfeiture of all dues including payments made towards Fixed Price Tag, CBG and banning/ de listing of bidder and all its partners.

NOTICE INVITING OFFERS FOR CAPTIVE MINING OF COAL FOR PERMITTED END USE IN BLOCKS OFFERED FOR THE PURPOSE

ANNOUNCEMENT

Ministry of Coal (MoC), Govt. of India (GOI) intends to offer coal blocks through bidding route for captive mining of coal for permitted end use i.e. for steel, power and cement sectors, notified by Govt. of India under Section (U/s) 3(3) of the Coal Mine (Nationalisation) Act, 1973.

Bid(s) are invited for development, operation & post operation activities of notified captive coal mining block(s).

MAIN FEATURES OF TERMS OFFERED

1. Notified coal blocks shall be offered with "RESERVE PRICE TAGS" fixed by MoC on the basis of assessed potentiality of the blocks (quality, quantity and category of coal resource, geo-mining complexities, status of exploration, available infrastructure, etc.). The bidder shall be required to submit EMD equal to 5% of the "RESERVE PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid(s) in the format given in the NIO.
2. Bidder's networth shall have to be at least equal to "Reserve Price Tag" + 15% of the cost of its end use plant.
3. Only qualifying bids of a block shall be evaluated for technical (size and status of the end use plant) and financial (Upfront Payment offered by the bidders) scores. The bids of the block shall be ranked as H₁, H₂ and so on up to H_n on the basis of diminishing value of sum of technical and financial scores. H₁ bidder shall qualify for award of the block but at F₁ price only (i.e. at highest offered Upfront Payment amongst all the bids). In case, the H₁ bidder backs out from accepting the block, the block shall be offered to H₂ Bidder but at F₁ price only. In case H₂ shall decline, the counter offer shall be given to H₃ and so on but at F₁ price only. However, the Bank Guarantee given by the H₁ Bidder only would stand forfeited.
4. An eligible bidder can bid for more than one block indicating its priority for allotment. However, successful H₁ bidder of two or more blocks shall be eligible for that block only, for which bidder has indicated higher priority for allotment.
5. The successful bidder shall be responsible for exploration, development, operation & post operation activities including mine closure activities of notified captive coal mining block for their captive end use abiding by all the relevant laws, rules, circulars, orders etc. issued there under by Govt. from time to time and subsequent amendment thereof and shall obtain all clearances and permission for opening and operating the mine from the statutory bodies.
6. The successful bidder in no case shall be allowed to transfer/sell the coal to any individual/company/plant other than the own captive plant for which block would be allotted.

ELIGIBLE BIDDER

Any company/consortium, singly or in association with other companies, through an unincorporated or incorporated venture can bid provided it meets following qualifying criteria:

- I. Company/companies participating in a consortium is/are registered under the Companies Act, 1956 and other acts relevant to its end use plant and principal field of operation.
- II. Company/consortium has an approved end use plant(s) either functioning or under construction, which is permitted for captive coal mining viz. Steel, Power or Cement sectors.
- III. Company/consortium has submitted EMD equal to 5% of the "RESERVE PRICE TAG" of the block by an irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
- IV. Company/consortium has purchased "Information Docket".
- V. Company/consortium has purchased "Data Package of the Block".

- vi. Company/consortium has the Net Worth at least equal to "RESERVE PRICE TAG" + 15% of the value of its end use plant. In case of a consortium, the Net Worth of each entity has to be equal to or in excess of its proportionate share in capacity of the end use plant(s).

BIDDABLE TERMS

Bidder would be required to agree for

- Mandatory Work Programme (as per Clause 8 of the Terms & Conditions)
- Submission of EMD equal to the 5% of the "RESERVE PRICE TAG" of the block by an irrevocable Bank Guarantee valid for 60 days beyond validity of the bid.

Bidder agreeing to above terms shall be required to bid for Upfront Payment (as per Clause 4 of the Terms & Conditions)

Note: Bid without Bank Guarantee equal to 5% of the "RESERVE PRICE TAG" shall be disqualified.

VALIDITY OF BID: Bid is required to be valid for 180 days from the date of opening of bid.

BID EVALUATION CRITERIA

A. QUALIFICATION CRITERIA

(a) Bidder is registered under the Indian Companies Act, 1956 and other acts relevant to its end use plant and principal field of operation.

(b) Bidder has an approved end use plant(s), which is permitted for captive coal mining viz. Steel, Power or Cement sectors.

(c) Bidder is agreeing to Mandatory Work Programme for the block.

(d) Bid is accompanied by:

- i) Proof of purchase of "Information Docket"
- ii) Proof of purchase of "Data Package of the Block"
- iii) Earnest Money Deposit (EMD) in the form of an irrevocable Bank Guarantee of an amount equal to 5% of the "RESERVE PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.

(e) The Net Worth of the Bidder as established by the duly audited Balance Sheet of the Financial Year previous to one in which the bid is submitted is at least equal to "Reserve Price Tag" + 15% of the value of its end use plant(s). In case of a consortium, the Net Worth of each entity as established by the duly audited Balance Sheet of the Financial Year previous to one in which the bid is submitted has to be equal to or in excess of its proportionate share of Fixed Price Tag + 15% of the cost of its end use plant(s).

- The annual report including the audited annual accounts for the latest completed year and a Certificate of networth from the statutory auditor(s) based on the latest audited annual accounts certifying the networth of the Bidder should be submitted. In case a Bidder does not furnish audited annual accounts, the bid shall be summarily rejected.
- The networth will be calculated in accordance with the method given below:

PARTICULARS	AMOUNT* (in lakhs INR)
a) Paid up capital	
b) Reserve and surplus	
c) Misc. expenditure to the extent not written off	
d) Equity = (a) + (b) – (c)	
e) Contingent liability on revenue account (details to be annexed)	
(i)	
(ii)	
(iii)	
Total contingent liability on revenue account	
f) Networth = (d)-(e)	

- An eligible bidder can bid for more than one block indicating its priority for allotment. However, successful H₁ bidder of two or more blocks shall be eligible for that block only, for which bidder has indicated higher priority for allotment.

B. EVALUATION OF BIDS

Qualifying bids only shall be evaluated for following parameters:

a. Capacity of End Use Plant(s)	-	10 Marks		TECHNICAL SCORE
b. Status of the End Use Plant(s)	-	10 Marks		
c. Financial Bid	-	80 Marks		FINANCIAL SCORE

Step-1

(a) Evaluation of Capacity of End Use Plant - The capacity of the end use plant shall be evaluated against total 10 marks. The bid for a specific block with highest capacity of end use plant shall score full marks viz. 10 marks and the other bids shall score on pro-rata basis.

- Illustration:*
- (a) If 4000 MW Thermal Power Station (Highest rated annual capacity amongst all bids) scores 10 marks, the 2000 MW Thermal Power Station shall score 5 marks only.
- (b) If 5.00 MTY Steel Plant/Cement Plant (Highest rated annual capacity amongst all bids) scores 10 marks, the 2.00 MW Steel Plant/Cement Plant shall score 4 marks only.

(b) Evaluation of Status of End Use Plant - The status of the end use plant shall be evaluated against total 10 marks as follows:

Status of the End Use Plant	Marks scored out of 10
End Use Plant complete & functioning	10
End Use Plant under construction	5
Construction work of approved End Use Plant awarded	2
Land Acquisition completed for approved end use plant	1
No action taken up for approved end use plant	0

Note: Sum of scores against evaluation of Capacity of End Use Plant and Status of End Use Plant shall be the Technical Score of the Bid.

(c) Evaluation of Financial Bid: Evaluation of the Financial Bid shall take into account Upfront Payment offered by the Bidder to MoC (as per Clause 4 of the Terms & Conditions) and done against total 80 marks. The bid with highest Upfront Payment shall score full marks viz. 80 marks and the other bids shall score on pro-rata basis.

Illustration: If Upfront Payment of INR 100 crore (highest amongst all bids) scores 80 marks, the Upfront Payment of INR 50 crore shall score 40 marks only.

Step-II

The final score of a bid shall be arrived by summing up the technical and financial scores.

Step-III

Bids shall be rated on the basis of final scores. Bid with highest score shall be ranked H_1 , and others as H_2, H_3, \dots to H_n in diminishing order of scores.

The highest Financial Score shall be rated as F_1 and will be the acceptable financial offer for award of the block.

REJECTION CRITERIA

Bids shall be rejected on any of the following criteria:

- a) Bids not confirming to carrying out the Mandatory Work Programme.
- b) Bids not submitted in "Format for Submission of Bids" covering all the information/details listed therein.
- c) Bids submitted without Earnest Money Deposit of full amount and period of validity.
- d) Bids with assumptions / deviations which are inconsistent or not complying with the contract terms listed in the brochure "Notice Inviting Bids for Allocation of Blocks for Captive Mining of Coal for permitted end use".
- e) Bids submitted without proof of purchase of Information Docket and Data Package of the block.

MoC at its sole discretion reserves the right to accept or reject any or all of the bids received without assigning any reason, whatsoever.

PREFERENCE IN ALLOTMENT OF COAL BLOCKS

Bidders whose end-use plants are in the same state as the coal block will be given preference in allotment of coal block provided their overall marks are lower than marks of H_1 bidder only up to 5 % and the bidders are agreeing to accept the block at F_1 rate. Only in case, all such bidders shall decline the offer, original H_1 bidder shall have the right for award of block.

Illustration 1: (Illustration considers two bidders; it can, however, be expanded to accommodate more eligible bidders from the same state)

Evaluation Parameters	Bidder – X (With end use plant in state other than state in which the coal block is situated)	Bidder – Y (With end use plant in same state in which the coal block is situated)
Capacity of Plant	700 MW	1000 MW
Marks scored on Capacity of Plant	7	10
Status of End Use Plant	Completed	Under Construction
Marks scored on Status of Plant	10	5
Total Technical Score	17	15
Technical Rating	T_1	T_2
Upfront Payment	INR 98 Crore	INR 100 Crore
Marks on Upfront Payment	78.4	80
Financial Rating	F_2	F_1

NIO for Captive Mining of Coal: Option-3

Total Marks	95.4	95
Overall Rating of Bids	H ₁	H ₂

In above case Bidder – X is H₁ as it has secured total marks more than Bidder - Y. However, the difference in marks scored by the bidders is 0.42 % only i.e. less than 5%. Since, the end use plant of Bidder - Y is in the same state in which coal block is situated, Bidder - Y shall get preference over Bidder - X for allotment of block. However, Bidder – Y shall have to accept the block at F1 rate.

Illustration 2: (Illustration considers two bidders; it can, however, be expanded to accommodate more eligible bidders from the same state)

Evaluation Parameters	Bidder – X (With end use plant in state other than state in which the coal block is situated)	Bidder – Y (With end use plant in same state in which the coal block is situated)
Capacity of Plant	700 MW	1000 MW
Marks scored on Capacity of Plant	7	10
Status of End Use Plant	Completed	Under Construction
Marks scored on Status of Plant	10	5
Total Technical Score	17	15
Technical Rating	T ₁	T ₂
Upfront Payment	INR 100 Crore	INR98 Crore
Marks on Upfront Payment	80	78.4
Financial Rating	F ₁	F ₂
Total Marks	97	93.4
Overall Rating of Bids	H ₁	H ₂

In above case Bidder – X is H₁ as it has secured total marks more than Bidder - Y. However, the difference in marks scored by the bidders is 3.71% only i.e. less than 5%. Since, the end use plant of Bidder - Y is in the same state in which coal block is situated, Bidder - Y shall get preference over Bidder - X for allotment of block. However, Bidder – Y shall have to accept the block at F1 rate only.

TERMS AND CONDITIONS

1. **Parties to the Contract:** The Parties to the contract shall be the GOI (MoC) and the successful Bidder.
2. **Type of Contract:** The contract shall provide upfront payment of the bid amount (refer table) to MoC by the bidder. Bidder is free to bid for any number of blocks.
3. **Obligation of Bidder:** Bidder who wish to bid would have to:
 - (a) Give its registration certificates under the Indian Companies Act, 1956 *other acts relevant to its end use plant and principal field of operation.*
 - (b) Give documentary evidence in support of its approved end use plant(s), which is permitted for captive coal mining viz. Steel, Power or Cement sectors.
 - (c) Agree to Mandatory Work Programme for the block.
 - (d) Give proof of purchase of "Information Docket"
 - (e) Proof of purchase of "Data Package of the Block"
 - (f) Give Earnest Money Deposit (EMD) in the form of an irrevocable Bank Guarantee of an amount equal to 5% of the "RESERVE PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
 - (g) Give audited financial statements and certificate of networth from its statutory auditors in accordance with the bid format to prove its financial capability.
4. **Upfront Payment:** Bidder shall make upfront payment as per following schedule:

First / Initial Instalment:	10% of the Bid of Upfront Payment within 30 days from date of receipt of advice from MoC.
Second Instalment:	10% of the Bid of Upfront Payment within 24 months from date of award of Block.
Third Instalment	20% of the Bid of Upfront Payment within 36 months from date of award of Block.
Fourth Instalment	25% of the Bid of Upfront Payment within 48 months from date of award of Block.
Fifth/Final Instalment	35% of the Bid of Upfront Payment within 60 months from date of award of Block.
5. **Award of Block:** Allotment letter shall be issued by MoC within 30 days from receipt of payment of first / initial instalment of upfront amount.
6. **Signing of Agreement:** Bidder will enter into an agreement with MoC as per model contract provided in the NIO within 30 days from receipt of allotment letter. All expenses related to documentation of agreement shall be borne by the allottee.
7. **Commencement of Mandatory Work Programme:** Bidder will commence Mandatory Work Programme immediately after signing the agreement with MoC.
8. **Mandatory Work Programme:** Mandatory Work Programme will include following work:
 - (i) **Exploration of the Block:** Bidder shall be under obligation to complete detailed coal exploration in the allocated block. There will be only one exploration phase of two years for all the blocks, which shall commence from the date of receipt of prospecting licence, for which the awardee company has to apply within three months.
 - (ii) **Development of Mine and production of Coal:** Bidder shall be under obligation to develop a mine and produce coal as per rated annual capacity.
 - (iii) **Development of end use project:** Bidder shall be under obligation to develop its end use project for captive utilization of the coal produced. The period required for development of end use plant will not exceed total period required for exploration of block, development of mine and production of coal. The Mandatory Work Programme in respect of end use plant shall stand excluded if the bid has been accepted against an already existing and operational end use plant.
9. **Commitment Bank Guarantee (CBG):** Submission of Bank Guarantee (BG) equal to the accepted bid of upfront payment valid for a period of 5 years. Amount and period of validity of BG can be revised to accommodate payment of each instalment of the accepted bid of upfront payment.

10. **De-allocation:** The block will be de-allocated if the Mandatory Work Programme will not be carried out by the Bidder in accordance with the schedule indicated therein. The decision in respect of de-allocation of a block shall be taken by MoC on the basis of annual appraisal of the Mandatory Work Programme carried out by the Bidder. Accepted bid towards upfront payment paid up to time of de-allocation and CBG given by the Bidder shall be forfeited in case of de-allocation.
11. **Relinquishment:** Offered blocks requiring further exploration can be relinquished after completing 50% exploration as per ISP. 80% of the accepted bid amount towards upfront payment made till time of relinquishment and balance CBG can be claimed after submission of interim geological report and basic exploration data.
12. **Domestic Supply:** Bidder shall be required to sell entire excess coal production i.e. beyond quota fixed for its declared end use plant to MOC or to agency indicated by GOI.
13. **Taxes & Duties:** Royalty for coal is payable at the applicable rates. All other taxes as applicable shall be payable by the Bidder.
14. **Bonuses:** There shall be no signature or production bonus.
15. **Data:** All data gathered during the course of exploration under this contract shall be provided by the Bidder to the Government of India (MoC) or to the agency designated by MoC.
16. **Employment:** The Company shall follow the extant applicable Indian Laws on employment..
17. **Applicability of Laws:** Contract shall be governed by the applicable Indian laws.
18. **Arbitration:** Arbitration procedures shall be as per the Indian law in this regard.
19. **Right to accept Bids:** Government of India reserves for itself the right to accept or reject any or all the bids at its sole discretion.
20. **Right to ask clarifications on the bids:** Government may ask any clarification(s) from the Bidder in order to evaluate the bids.
21. **Consequences of furnishing false/misleading information / data:** Later on, at any stage after evaluation of the bids, if any information or data is found to be false or misleading or the bidder has suppressed any material fact which formed part of bid evaluation, the bid shall be liable to be rejected, and in case of award of block or execution of the contract, the award shall be withdrawn or the contract shall be liable for cancellation including forfeiture of all dues including payments made towards Reserve Price Tag, CBG and banning/ de listing of bidder and all its partners.

NOTICE INVITING OFFERS FOR CAPTIVE MINING OF COAL FOR PERMITTED END USE IN BLOCKS OFFERED FOR THE PURPOSE

ANNOUNCEMENT

Ministry of Coal (MoC), Govt. of India (GOI) intends to offer coal blocks through bidding route for captive mining of coal for permitted end use i.e. for steel, power and cement sectors, notified by Govt. of India under Section (U/s) 3(3) of the Coal Mine (Nationalisation) Act, 1973.

Bid(s) are invited for development, operation & post operation activities of notified captive coal mining block(s).

MAIN FEATURES OF TERMS OFFERED

1. Notified coal blocks shall be offered with "FIXED PRICE TAG S" fixed by MoC on the basis of assessed potentiality of the blocks (quality, quantity and category of coal resource, geo-mining complexities, status of exploration, available infrastructure, etc.). The bidder shall be required to submit EMD equal to 20% of the "FIXED PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid(s) in the format given in the NIO.
2. Bidder's networth shall have to be at least equal to "FIXED PRICE TAG" + 15% of the cost of its end use plant.
3. Only qualifying bids of a block shall be evaluated for technical (size and status of the end use plant) and financial (Extractable Reserve Linked Payment offered by the bidders) scores. The bids of the block shall be ranked as H₁, H₂ and so on up to H_n on the basis of diminishing value of sum of technical and financial scores. H₁ bidder shall qualify for award of the block but at F₁ price only (i.e. at highest offered Extractable Reserve Linked Payment amongst all the bids). In case, the H₁ bidder backs out from accepting the block, the block shall be offered to H₂ Bidder but at F₁ price only. In case H₂ shall decline, the counter offer shall be given to H₃ and so on but at F₁ price only. However, the Bank Guarantee given by the H₁ Bidder only would stand forfeited.
4. An eligible bidder can bid for more than one block indicating its priority for allotment. However, successful H₁ bidder of two or more blocks shall be eligible for that block only, for which bidder has indicated higher priority for allotment.
5. The successful bidder shall be responsible for exploration, development, operation & post operation activities including mine closure activities of notified captive coal mining block for their captive end use abiding by all the relevant laws, rules, circulars, orders etc. issued there under by Govt. from time to time and subsequent amendment thereof and shall obtain all clearances and permission for opening and operating the mine from the statutory bodies.
6. The successful bidder in no case shall be allowed to transfer/sell the coal to any individual/company/plant other than the own captive plant for which block would be allotted.

ELIGIBLE BIDDER

Any company/consortium, singly or in association with other companies, through an unincorporated or incorporated venture can bid provided it meets following qualifying criteria:

- I. Company/companies participating in a consortium is/are registered under the Companies Act, 1956 and other acts relevant to its end use plant and principal field of operation.
- II. Company/consortium has an approved end use plant(s) either functioning or under construction, which is permitted for captive coal mining viz. Steel, Power or Cement sectors.
- III. Company/consortium has submitted EMD equal to 20% of the "FIXED PRICE TAG" of the block by an irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
- IV. Company/consortium has purchased "Information Docket".
- V. Company/consortium has purchased "Data Package of the Block".

- VI. Company/consortium has the Net Worth at least equal to "FIXED PRICE TAG " + 15% of the value of its end use plant. In case of a consortium, the Net Worth of each entity has to be equal to or in excess of its proportionate share in capacity of the end use plant(s).

BIDDABLE TERMS

Bidder would be required to agree for

- Mandatory Work Programme (as per Clause 8 of the Terms & Conditions)
- Submission of EMD equal to the 20% of the "FIXED PRICE TAG " of the block by an irrevocable Bank Guarantee valid for 60 days beyond validity of the bid.
- Payment of the fixed price tag of the block in specified installments to MoC (as per Clause 4.1 of the Terms & Conditions)

Bidder agreeing to above terms shall be required to bid for Extractable Reserve Linked Payment (as per Clause 4 of the Terms & Conditions)

Note: Bid without Bank Guarantee equal to 20% of the "FIXED PRICE TAG" shall be disqualified.

VALIDITY OF BID: Bid is required to be valid for 180 days from the date of opening of bid.

BID EVALUATION CRITERIA

A. QUALIFICATION CRITERIA

(a) Bidder is registered under the Indian Companies Act, 1956 and other acts relevant to its end use plant and principal field of operation.

(b) Bidder has an approved end use plant(s), which is permitted for captive coal mining viz. Steel, Power or Cement sectors.

(c) Bidder is agreeing to Mandatory Work Programme for the block.

(d) Bid is accompanied by:

- i) Proof of purchase of "Information Docket"*
- ii) Proof of purchase of "Data Package of the Block"*
- iii) Earnest Money Deposit (EMD) in the form of an irrevocable Bank Guarantee of an amount equal to 20% of the "FIXED PRICE TAG " of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.*

(e) The Net Worth of the Bidder as established by the duly audited Balance Sheet of the Financial Year previous to one in which the bid is submitted is at least equal to "FIXED PRICE TAG " + 15% of the cost of its end use plant(s). In case of a consortium, the Net Worth of each entity as established by the duly audited Balance Sheet of the Financial Year previous to one in which the bid is submitted has to be equal to or in excess of their respective share of Fixed Price Tag + 15% of the cost of its end use plant(s).

- *The annual report including the audited annual accounts for the latest completed year and a Certificate of networth from the statutory auditor(s) based on the latest audited annual accounts certifying the networth of the Bidder should be submitted. In case a Bidder does not furnish audited annual accounts, the bid shall be summarily rejected.*
- *The networth will be calculated in accordance with the method given below:*

PARTICULARS	AMOUNT* (in lakhs INR)
a) Paid up capital	
b) Reserve and surplus	
c) Misc. expenditure to the extent not written off	
d) Equity = (a) + (b) – (c)	
e) Contingent liability on revenue account (details to be annexed)	
(i)	
(ii)	
(iii)	
Total contingent liability on revenue account	
f) Networth = (d)-(e)	

- An eligible bidder can bid for more than one block indicating its priority for allotment. However, successful H₁ bidder of two or more blocks shall be eligible for that block only, for which bidder has indicated higher priority for allotment.

B. EVALUATION OF BIDS

Qualifying bids only shall be evaluated for following parameters:

a. Capacity of End Use Plant(s)	-	10 Marks		TECHNICAL SCORE
b. Status of the End Use Plant(s)	-	10 Marks		
c. Financial Bid	-	80 Marks		FINANCIAL SCORE

Step-1

(a) **Evaluation of Capacity of End Use Plant** - The capacity of the end use plant shall be evaluated against total 10 marks. The bid for a specific block with highest capacity of end use plant shall score full marks viz. 10 marks and the other bids shall score on pro-rata basis.

Illustration: (a) If 4000 MW Thermal Power Station (Highest rated annual capacity amongst all bids) scores 10 marks, the 2000 MW Thermal Power Station shall score 5 marks only.
 (b) If 5.00 MTY Steel Plant/Cement Plant (Highest rated annual capacity amongst all bids) scores 10 marks, the 2.00 MTY Steel Plant/Cement Plant shall score 4 marks only.

(b) **Evaluation of Status of End Use Plant** - The status of the end use plant shall be evaluated against total 10 marks as follows:

Status of the End Use Plant	Marks scored out of 10
End Use Plant complete & functioning	10
End Use Plant under construction	5
Construction work of approved End Use Plant awarded	2
Land Acquisition completed for approved end use plant	1
No action taken up for approved end use plant	0

Note: Sum of scores against evaluation of Capacity of End Use Plant and Status of End Use Plant shall be the Technical Score of the Bid.

(c) **Evaluation of Financial Bid:** Evaluation of the Financial Bid shall take into account Extractable Reserve Linked Payment offered in Rs. per tonne to MoC (as per Clause 4 of the Terms & Conditions) and done against total 80 marks.

The bid with highest rate in Rs. per tonne towards Extractable Reserve Linked Payment shall score full marks viz. 80 marks and the other bids shall score on pro-rata basis.

Illustration: If Extractable Reserve Linked Payment of INR 40 per tonne of coal (Highest amongst all bids) scores 80 marks, the Extractable Reserve Linked Payment of INR 20 per tonne of coal shall score 40 marks only.

Step-II

The final score of a bid shall be arrived by summing up the technical and financial scores.

Step-III

Bids shall be rated on the basis of final scores. Bid with highest score shall be ranked H_1 , and others as H_2, H_3, \dots to H_n in diminishing order of scores.

The highest Financial Score shall be rated as F_1 and will be the acceptable financial offer for award of the block.

REJECTION CRITERIA

Bids shall be rejected on any of the following criteria:

- a) Bids not confirming to carrying out the Mandatory Work Programme.
- b) Bids not submitted in "Format for Submission of Bids" covering all the information/details listed therein.
- c) Bids submitted without Earnest Money Deposit of full amount and period of validity.
- d) Bids with assumptions / deviations which are inconsistent or not complying with the contract terms listed in the brochure "Notice Inviting Bids for Allocation of Blocks for Captive Mining of Coal for permitted end use".
- e) Bids submitted without proof of purchase of Information Docket and Data Package of the block.

MoC at its sole discretion reserves the right to accept or reject any or all of the bids received without assigning any reason, whatsoever.

PREFERENCE IN ALLOTMENT OF COAL BLOCKS

Bidders whose end-use plants are in the same state as the coal block will be given preference in allotment of coal block provided their overall marks are lower than marks of H_1 bidder only up to 5 % and the bidders are agreeing to accept the block at F_1 rate. Only in case, all such bidders shall decline the offer, original H_1 bidder shall have the right for award of block.

Illustration 1: (Illustration considers two bidders; it can, however, be expanded to accommodate more eligible bidders from the same state)

Evaluation Parameters	Bidder – X (With end use plant in state other than state in which the coal block is situated)	Bidder – Y (With end use plant in same state in which the coal block is situated)
Capacity of Plant	800 MW	1000 MW
Marks scored on Capacity of Plant	8	10
Status of End Use Plant	Completed	Under Construction
Marks scored on Status of Plant	10	5
Total Technical Score	18	15
Technical Rating	T_1	T_2
Offered Rate in Rs. per	INR 9.8/tonne of coal	INR 10/tonne of coal

tonne towards Extractable Reserve Linked Payment		
Marks on Extractable Reserve Linked Payment	78.4	80
Financial Rating	F_2	F_1
Total Marks	96.4	95
Overall Rating of Bids	H_1	H_2

In above case Bidder – X is H_1 as it has secured total marks more than Bidder - Y. However, the difference in marks scored by the bidders is 1.45% only i.e. less than 5%. Since, the end use plant of Bidder - Y is in the same state in which coal block is situated, Bidder - Y shall get preference over Bidder - X for allotment of block. However, Bidder – Y shall have to accept the block at F_1 rate.

Illustration 2: (Illustration considers two bidders; it can, however, be expanded to accommodate more eligible bidders from the same state)

Evaluation Parameters	Bidder – X (With end use plant in state other than state in which the coal block is situated)	Bidder – Y (With end use plant in same state in which the coal block is situated)
Capacity of Plant	800 MW	1000 MW
Marks scored on Capacity of Plant	8	10
Status of End Use Plant	Completed	Under Construction
Marks scored on Status of Plant	10	5
Total Technical Score	18	15
Technical Rating	T_1	T_2
Offered Rate in Rs. per tonne towards Extractable Reserve Linked Payment	INR100/tonne of coal	INR 98/tonne of coal
Marks on Extractable Reserve Linked Payment	80	78.4
Financial Rating	F_1	F_2
Total Marks	98	93.4
Overall Rating of Bids	H_1	H_2

In above case Bidder – X is H_1 as it has secured total marks more than Bidder - Y. However, the difference in marks scored by the bidders is less than 4.69% only i.e. less than 5%. Since, the end use plant of Bidder - Y is in the same state in which coal block is situated, Bidder - Y shall get preference over Bidder - X for allotment of block. However, Bidder – Y shall have to accept the block at F_1 rate only.

TERMS AND CONDITIONS

1. **Parties to the Contract:** The Parties to the contract shall be the GOI (MoC) and the successful Bidder.
2. **Type of Contract:** The contract shall provide payment of the fixed price tag (refer table) to MoC by the bidder. Bidder is free to bid for any number of blocks.
3. **Obligation of Bidder:** Bidder who wish to bid would have to:
 - (a) Give its registration certificates under the Indian Companies Act, 1956 *other acts relevant to its end use plant and principal field of operation.*
 - (b) Give documentary evidence in support of its approved end use plant(s), which is permitted for captive coal mining viz. Steel, Power or Cement sectors.
 - (c) Agree to Mandatory Work Programme for the block.
 - (d) Give proof of purchase of "Information Docket"
 - (e) Proof of purchase of "Data Package of the Block"
 - (f) Give Earnest Money Deposit (EMD) in the form of an irrevocable Bank Guarantee of an amount equal to 20% of the "FIXED PRICE TAG" of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
 - (g) Give audited financial statements and certificate of networth from its statutory auditors in accordance with the bid format to prove its financial capability.

4. (i) **Payment of Fixed Price Tag:** Bidder shall pay fixed price tag as per following schedule:

First / Initial Instalment: 10% of the Fixed Price Tag within 30 days from date of receipt of advice from MoC.

Second Instalment: 10% of the Fixed Price Tag within 24 months from date of award of Block.

Third Instalment 20% of the Fixed Price Tag within 36 months from date of award of Block.

Fourth Instalment 25% of the Fixed Price Tag within 48 months from date of award of Block.

Fifth/Final Instalment 35% of the Fixed Price Tag within 60 months from date of award of Block.

- (ii) **Extractable Reserve Linked Payment:** This will be calculated on the basis of total envisaged extractable reserves in the life time of the mine as per the approved mine plan and shall be payable in 5 equal annual instalments as follows:

First / Initial Instalment: 20% of the ERLP within 96 months from date of award of Block

Second Instalment: 20% of the ERLP within 108 months from date of award of Block.

Third Instalment 20% of the ERLP within 120 months from date of award of Block.

Fourth Instalment 20% of the ERLP within 132 months from date of award of Block.

Fifth/Final Instalment 20% of the ERLP within 144 months from date of award of Block.

In case of non-submission of Mine Plan within 36 months from the date of award of the block, ad hoc ECRP shall be fixed by MoC for payment of the instalments of ERLP. In such case, the ERLP paid shall be adjusted in future against the ERLP calculated on the basis of actual approved mine plan.

5. **Award of Block:** Allotment letter shall be issued by MoC within 30 days from receipt of payment of first / initial instalment of Fixed Price Tag.
6. **Signing of Agreement:** Bidder will enter into an agreement with MoC as per model contract provided in the NIO within 30 days from receipt of allotment letter. All expenses related to documentation of agreement shall be borne by the allottee.
7. **Commencement of Mandatory Work Programme:** Bidder will commence Mandatory Work Programme immediately after signing the agreement with MoC.
8. **Mandatory Work Programme:** Mandatory Work Programme will include following work:

- (i) **Exploration of the Block:** Bidder shall be under obligation to complete detailed coal exploration in the allocated block. There will be only one exploration phase of two years for all the blocks, which shall commence from the date of receipt of prospecting licence, for which the awardee company has to apply within three months.
 - (ii) **Development of Mine and production of Coal:** Bidder shall be under obligation to develop a mine and produce coal as per rated annual capacity.
 - (iii) **Development of end use project:** Bidder shall be under obligation to develop its end use project for captive utilization of the coal produced. The period required for development of end use plant will not exceed total period required for exploration of block, development of mine and production of coal. The Mandatory Work Programme in respect of end use plant shall stand excluded if the bid has been accepted against an already existing and operational end use plant.
9. **Commitment Bank Guarantee (CBG):** Submission of Bank Guarantee (BG) equal to fixed price tag valid for a period of 5 years. Amount and period of validity of BG can be revised to accommodate payment of each instalment of the Fixed Price Tag.
 10. **De-allocation:** The block would stand de-allocated if the Mandatory Work Programme is not carried out by the Bidder in accordance with the schedule indicated therein. The decision in respect of de-allocation of a block shall be taken by MoC on the basis of annual appraisal of the Mandatory Work Programme carried out by the Bidder. Fixed Price Tag amount paid up to time of de-allocation and CBG given by the Bidder shall be forfeited in case of de-allocation.
 11. **ERLP Linked Bank Guarantee:** The bidder will have to submit ERLP linked Bank Guarantee equal to the ERLP linked payment prior to expiry of CBG.
 12. **Relinquishment:** Offered blocks requiring further exploration can be relinquished after completing 50% exploration as per ISP. 50% of the Fixed Price Tag payment made till time of relinquishment and balance CBG can be claimed after submission of interim geological report and basic exploration data.
 13. **Domestic Supply:** Bidder shall be required to sell entire excess coal production i.e. beyond quota fixed for its declared end use plant to MOC or to agency indicated by GOI.
 14. **Taxes & Duties:** Royalty for coal is payable at the applicable rates. All other taxes as applicable shall be payable by the Bidder.
 15. **Bonuses:** There shall be no signature or production bonus.
 16. **Data:** All data gathered during the course of exploration under this contract shall be provided by the Bidder to the Government of India (MoC) or to the agency designated by MoC.
 17. **Employment:** The Company shall follow the extant applicable Indian Laws on employment..
 18. **Applicability of Laws:** Contract shall be governed by the applicable Indian laws.
 19. **Arbitration:** Arbitration procedures shall be as per the Indian law in this regard.
 20. **Right to accept Bids:** Government of India reserves for itself the right to accept or reject any or all the bids at its sole discretion.
 21. **Right to ask clarifications on the bids:** Government may ask any clarification(s) from the Bidder in order to evaluate the bids.
 22. **Consequences of furnishing false/misleading information / data:** Later on, at any stage after evaluation of the bids, if any information or data is found to be false or misleading or the bidder has suppressed any material fact which formed part of bid evaluation, the bid shall be liable to be rejected, and in case of award of block or execution of the contract, the award shall be withdrawn or the contract shall be liable for cancellation including forfeiture of all dues including payments made towards Fixed Price Tag, CBG and banning/ de listing of bidder and all its partners.

Highlights of Draft Notice Inviting Offers (NIO)

1. Draft NIO provides following four options of bidding:

Option-1	Option-2	Option-3	Option-4
Upfront payment is the sole criterion for bid evaluation	Extractable Reserve Linked Payment is the sole criterion for bid evaluation	Capacity(ies) & Status of the end use plant(s) and upfront payment shall be given weightage in the ratio of 20:80 and overall score shall be the basis of final ratings of the bids	Capacity(ies) & Status of the end use plant(s) and Extractable Reserve Linked Payment shall be given weightage in the ratio of 20:80 and overall score shall be the basis of final ratings of the bids.

These options are further elaborated as follows:

Option-1: Upfront payment of the bid amount in five installments (as specified). Under this option, all blocks offered for bidding shall carry "Reserve Price". If the Bid for upfront payment is lower than the reserve price, the Bid will be disqualified.

Under this option upfront payment is the sole criterion for bid evaluation.

Option-2: Upfront payment of the "Fixed Price Tag" fixed by MoC in five installments (as specified) + Extractable Reserve Linked Payment (ERLP) quoted by the bidder in INR/tonne. Under this option, ERLP is proposed to be calculated as follows:

$$\text{ERLP} = \text{total envisaged life time production (in tonnes) as per approved mine plan (to be drawn and submitted by the bidder to MoC for approval)} \times \text{per tonne rate (in INR) offered by the bidder at the time of bidding}$$

Under this option ERLP is the sole criterion for bid evaluation.

Option-3: Upfront payment of the bid amount in five installments (as specified). Under this option, all blocks offered for bidding shall carry "Reserve Price". If the Bid for upfront payment is lower than the reserve price, the Bid shall be disqualified.

Under this option the capacity(ies) and status of the end use plant(s) and upfront payment shall be given weightage in the ratio of 20:80 for final ratings of the bids.

Option-4: Upfront payment of the "Fixed Price Tag" fixed by MoC in five installments (as specified) + Extractable Reserve Linked Payment (ERLP) quoted by the bidder in INR/tonne. Under this option, ERLP is proposed to be calculated as follows:

$$\text{ERLP} = \text{total envisaged life time production (in tonnes) as per approved mine plan (to be drawn and submitted by the bidder to MoC for approval)} \times \text{per tonne rate (in INR) offered by the bidder at the time of bidding}$$

Under this option the capacity(ies) and status of the end use plant(s) and ERLPs shall be given weightage in the ratio of 20:80 for final ratings of the bids.

2. **Mode of Upfront Payment:** Under all the options, Upfront Payment is proposed to be paid in specified instalments (refer Clause 4 for Terms and Conditions).

3. **Payment of ERLP:** ERLP is proposed to be paid in 5 equal annual instalments (as specified). ERLP will be calculated on the basis of total envisaged extractable reserves in the life time of the mine as per the approved mine plan. **In case of non-submission of Mine Plan within 36 months from the date of award of the block,**

ad hoc ECRP shall be fixed by MoC for payment of the instalments of ERLP. In such case, the ERLP paid shall be adjusted in future against the ERLP calculated on the basis of actual approved mine plan.

4. **Earnest Money Deposit (EMD):** The bidder shall be required to submit EMD equal to 5% of the "RESERVE PRICE TAG" (under Option 1 & 3) or 20% of the "FIXED PRICE TAG" (under Option 2 & 4) of the block by irrevocable Bank Guarantee on any Nationalized / RBI approved Scheduled Indian Bank with validity of 60 days beyond the validity of the Bid in the format given in the NIO.
5. **Mandatory Work Programme:** Under both options commitment of the bidder for Mandatory Work Programme has been provided to ensure (i) Exploration of the Block, (ii) Development of Mine & Production of Coal and (iii) Development of End Use Project.
6. **Commitment Bank Guarantee (CBG):** Submission of Bank Guarantee (BG) equal to the accepted bid of upfront payment (under Option 1 & 3) or equal to fixed price tag (under Option 2 & 4) valid for a period of 5 years. Amount and period of validity of BG can be revised to accommodate payment of each instalment of the accepted bid of upfront payment.
7. **ERLP Linked Bank Guarantee:** The bidder will have to submit ERLP linked Bank Guarantee equal to the ERLP linked payment prior to expiry of CBG (under Option 2 & 4).
8. **De-allocation:** De-allocation clause has been provided under all options.
9. **Relinquishment:** In view of large variation in exploration status of different blocks "Relinquishment" clause has been provided under all options. Block can be relinquished after completing 50% exploration as per Indian Standard Practices (ISP). 80% of the instalments of accepted bid of upfront payment (under Option 1 & 3) or 50% of the instalments of accepted bid of upfront payment (under Option 2 & 4) of the block paid till time of relinquishment can be claimed after submission of interim geological report and basic exploration data.
10. **Domestic Supply:** Sale of excess coal production to MOC or to agency indicated by GOI has been provided.
11. **Tender Fee:** By way of purchase of (i) "Information Docket" and (ii) "Data Package" of the block(s).