

# **AUCTION OF COAL MINES FOR SALE OF COAL**

(12<sup>TH</sup> TRANCHE OF AUCTION UNDER THE COAL MINES (SPECIAL PROVISIONS) ACT, 2015)

(2<sup>ND</sup> TRANCHE OF AUCTION UNDER THE MINES AND MINERAL (DEVELOPMENT AND REGULATIONS) ACT, 1957)

## **Queries & Responses**

**to**

**Standard Tender Document dated March 25, 2021**

**Part – II**

Nominated Authority

Ministry of Coal, Government of India

New Delhi

June 07, 2021

## A. Queries and Responses to Standard Tender Document dated March 25, 2021

The following clarifications are applicable to the Standard Tender Document dated December March 25, 2021 as well as to mine-specific Tender Documents dated March 25, 2021 pursuant to 12<sup>th</sup> Tranche of auction under the CMSP Act 2015 & 2<sup>nd</sup> Tranche of auction under the MMDR Act 1957.

Sl. No.	Query	Response
1.	<p><b>Payment of Upfront Amount, Fixed Amount, Monthly Payments, Performance Security</b> Kindly advise whether GST is applicable on these payments to be made by the Successful Bidder.</p>	<p>Section 9 of the Central Goods and Services Tax (CGST) Act 2017 provides for levy of CGST on all supplies of good and services. According to section 7 the expression “supply” includes all forms of supply of goods and services such as sale, transfer, barter, exchange, licence, rental, lease etc. made or agreed to be made for a consideration by a person in the course of or furtherance of business. According to section 2 (17) of the CGST Act, 2017 the term ‘business’ includes “ (h) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities”; Therefore, any activity undertaken by Government or a local authority against consideration constitutes a supply and the amount charged for performing such activity is liable to GST.</p> <p>In the service tax regime, in a comprehensive circular dated 13.04.2016 issued by Central Board of Indirect Taxes &amp; Customs (CBIC), it was clarified that Service Tax is leviable on any payment, in lieu of any permission or license granted by the Government or local authority and that monthly payments with respect to the coal extracted from the coal mine or royalty payable on extracted coal are taxable.</p> <p>All the payments required to be made by Successful Bidders namely, the Fixed Amount, royalty, Upfront Amount and Monthly Payments, contribution to NMET and DMF are payments required to be made by a Successful Bidder for grant of mining lease or permits by the State Governments. These payments constitute the consideration payable for the supply of services by the Government by way of grant of mining lease in respect of coal and are therefore liable for GST at the standard rate of 18% as prescribed in GST rate Notification No. 11/2017-Central Tax (R ) dated 28-06-2017.</p> <p>Performance Security or Bid Security given in the form of bank guarantee, is a payment in the nature of a deposit given in respect of the supply of services and shall not be considered as payment made for such supply unless the Government applies such deposit or security as consideration for the said supply.</p>

## B. Amendment to Part 1 of responses to Mine Specific Queries and Responses dated May 25, 2021

Sl. No.	Name of Mine	Query	Original Response	Amended Response
1.	Burapahar	<p>1. Proposed rail alignment of the rail corridor passes through the western part of the block as per CMPDI Map. Burapahar is proposed as an OC mine with 5MTPA capacity, passing of the railway line in center of the block to be clarified the details of the proposed rail alignment may be provided which shall include but not limited to present development status.</p> <p>2. A proposed rail line bisects the block as per the map available at CMPDI website. Please let us know the status of this rail line. Is the CMPDI diagram accurate or would the alignment of rail line be revised further?</p> <p>3. Capacity of the Mine as per Tender Document is 10 MTPA. Earlier presentation of CMPDI on coal blocks it is stated as 5 MTPA. As the block need exploration and the reserve constitute 44.71% indicated reserve, request to consider 5 MTPA as the PRC, until the detail exploration is done to prove the reserve.</p> <p>4. What is the additional information on the basis of which this has been revised 100% upwards? Assessed PRC of Burapahar should be restored back to 5 MTPA. 10 MTPA production has severe technical challenges. From the results of mining pit model, it is clear that with 10 MTPA capacity after the 8th year the amount of over-burden generated by the block, cannot be handled either through back-filling or dumping within the block. No additional area is present around the block to acquire for OB dumping since it is surrounded by other coal blocks. 10 MTPA production will require active working space (mine bench and waste dump) which will cover almost the complete lease area, leaving hardly any space for statutory infrastructure and coal stock. GR (Clause 9.2) states that the open pit operation of Burapahar should be limited to Lajkura seam which would essentially lead to a mineable reserve of 160 MT. A comprehensive mine plan of 10 MTPA capacity will not be technically feasible with respect to waste handling within the lease area.</p> <p>5. Mine summary Point#9. Decision Support System (DSS) Analysis "Wildlife info: The polygon touches Wildlife Habitat of Sloth Bear-Inviolate" Does this mean that the block lies in the inviolate zone? What are the implications of this statement?</p>	<p>1 &amp; 2. The proposed rail alignment is under study and is yet to be finalised. M/s IPRCL is entrusted with the job of preparation of pre-feasibility study of Railway line/ corridor from Sardega to Pelma by MCL and this is in conceptualisation stage. Different alternatives of rail routes with cost-benefit analysis considering the minimum effect on operationalisation of blocks is also under the scope of this study.</p> <p><b><u>3 &amp; 4. PRC has been tentatively assessed based on the available geological information and considering the optimum advance of the quarry. However, the same may need to be reviewed after finalisation of rail alignment.</u></b></p> <p>5. As per the advice from FSI, the Wildlife Parameter is not to be considered now for DSS analysis. So, the coal blocks found inviolate only on wildlife parameter would now be considered as 'not inviolate'. However, further clarifications/information may be obtained from MoEF&amp;CC &amp; other concerned agencies.</p>	<p>1 &amp; 2. The proposed rail alignment is under study and is yet to be finalised. M/s IPRCL is entrusted with the job of preparation of pre-feasibility study of Railway line/ corridor from Sardega to Pelma by MCL and this is in conceptualisation stage. Different alternatives of rail routes with cost-benefit analysis considering the minimum effect on operationalisation of blocks is also under the scope of this study.</p> <p><b><u>3 &amp; 4. The earlier tentatively assessed PRC of 10 MTPA has been revised to 6 MTPA. A corrigendum to the mine specific Tender Document has been issued in this regard.</u></b></p> <p>5. As per the advice from FSI, the Wildlife Parameter is not to be considered now for DSS analysis. So, the coal blocks found inviolate only on wildlife parameter would now be considered as 'not inviolate'. However, further clarifications/information may be obtained from MoEF&amp;CC &amp; other concerned agencies.</p>