

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

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

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

## **Queries & Responses**

**Pursuant to Standard Tender Document dated December 16, 2021**

**January 27, 2021**

**Nominated Authority**

**Ministry of Coal, Government of India**

## A. Queries and Responses to Standard Tender Document dated December 16, 2021

The following clarifications are applicable to the Standard Tender Document dated December 16, 2021 as well as to mine-specific Tender Documents dated December 16, 2021 pursuant to auction under 14<sup>th</sup> Tranche of auction under the CMSP Act 2015 & auction under 4<sup>th</sup> Tranche of auction under the MMDR Act 1957.

Sl. No.	Query	Response
1.	<p><b>Tender Document Clause 3.2 – Tender Document</b></p> <p>A. The coal blocks under MMDR Act where exploration has not been conducted or partial exploration has been conducted or only Regional Exploration has been conducted, the non-refundable fees charged for the Mine Dossier shall be kept at nominal or Rs. One Lakh only or the cost of printing the documents, etc. whichever is lower.</p> <p>Also, mine dossier fee should be charged only once per tranche from the Bidder who ever has purchased dossier even if that mine comes for auction under multiple attempts in the same tranche.</p> <p>There is no justification to charge the same amount for the Tender Document where there is no Geological Report or other Technical Reports like Mine Plan, etc. Both cannot be equated. With only scanty borehole data, it is not possible to assess the technical indices of the block. Internationally such data of partially explored or unexplored or regionally explored blocks are available either free or with nominal cost. There is no justification to repurchase tender document in same tranche if a mine comes for multiple attempts, for minute change of information.</p>	<p>As per Clause 3.2.1 of the Tender Document, each Bidder shall be required to make a non-refundable payment of INR 5,00,000 (Indian Rupees Five Lakh) with respect to each Bid in the tender process.</p>
2.	<p><b>Tender Document Clause 3.3.2(h) – Payments by the Successful Bidder</b></p> <p>A. Total fixed amount is not mentioned in the documents. Only partial amount is available in the notification published on 24<sup>th</sup> Dec’21.</p> <p>B. In the supplement document vide dated 24/12/2021 in MSTC site revelling upfront payment, fixed cost and other payments like cost incurred by CMPDIL and other Govt. agencies referring clause 3.3.2 (h) (ii) of tender document; the cost of CMPDIL for</p>	<p>A. The fixed amount details for the pending mines shall be provided shortly and will be uploaded on the MSTC portal.</p> <p>B. The payments required to be made by the Successful Bidder shall be payable as per Clause 3.3.2 (h)(ii) of the Tender Document. The Fixed Amount is based on the available information and the assessment made by the Competent Authority and is subject to final settlement.</p>

Sl. No.	Query	Response
	<p>deriving detailed geographical boundary coordinates etc seem quite heigh. Similarly, the estimated cost of exploration as provided under II page 2 is much higher than market rate and the bid security is estimated accordingly. So, all these estimated costs should reassess</p> <p><b>C.</b> There are 4 coal mines on offer in Telangana state in the current tranche</p> <ol style="list-style-type: none"> <li>1. sl 32 – Kalyani khani – block – 6</li> <li>2. sl58 – sattupalli block – III</li> <li>3. sl59 – sravanapalli</li> <li>4. sl60 – somavaran west</li> </ol> <p>(i) is land acquisition completed/notices issued to the land owners in above blocks?                      (ii) when do the successful bidder/allottee has to pay the fixed amount and how will it get adjusted against payments due to the local state govt/govt of india?                      (iii) how much is the performance security in each of the above mines? Is bank guarantee acceptable ? is it adjustable against the payments due to local state govt/govt of india.</p>	<p>Any upward revision in the Fixed Amount on a subsequent date by the Government or the Nominated Authority consequent upon any process or on the orders of any competent court of law, shall also be payable by the Successful Bidder. Additionally, in case of any downward revision in the Fixed Amount on a subsequent date by the Government or the Nominated Authority, the same would be refunded by the Nominated Authority to the Successful Bidder. Any dispute resolution shall be subject to the Act.</p> <p>The estimated exploration expenses have been estimated considering the MoC approved rate and are as provided at Annexure I in the mine specific tender documents.</p> <p>C. (i) These blocks are auctioned under MMDR Act. Land Acquisition has to be done by the successful bidder.</p> <p>(ii) &amp; (iii). Fixed amount shall be payable upon signing of the Agreement. Fixed amount shall not be adjusted against payments due to the local state Govt / Govt of India. Only upfront amount shall be adjusted as per the provisions of the Tender Document.</p> <p>Performance Security shall be payable in accordance with Clause 7 of the tender document and Clause 6 of the agreement and is not adjustable against future payments. It shall be in the form of an irrevocable and unconditional guarantee from an Acceptable Bank</p>
3.	<p><b>Tender Document Clause 3.8 – Schedule of the Tender Process</b></p> <p><b>A.</b> In the view of current pandemic and huge surge in COVID situation as most of the people are getting affected and physical movement of people currently highly restricted. It will be very difficult to carry out various activities such as site visit, physical verification, collation of physical official documents, submission of physical technical bid etc. Can the timeline for bid submission be postponed?</p>	<p>The schedule of the auction process has been uploaded on the MSTC Platform. In case of revision in the timelines, the updated schedule will be uploaded on the MSTC website.</p>

Sl. No.	Query	Response
4.	<p><b>Tender Document Clause 3.9 – Value of Estimated Geological Reserves and Upfront Amount</b></p> <p>A. In underground mines the possibilities of extractable of coal is around 30-35% and in opencast it is 80-85% as per geological setup, depth of seam and stripping ratio. So, the upfront payment and other payment should estimate on the basis of value of extractable reserve.</p> <p>B. “The Upfront Amount shall be estimated as follows: Equivalent to 0.25% (zero- point twenty five percent) of the Value of Estimated Geological Reserves of the Coal Mine, subject to following ceiling conditions.”</p> <p>The document &amp; clause mentions about the “Reserve” but considers the entire “Resource” while calculating the Upfront Amount. First, we must understand the difference between the “Reserves &amp; Resource”. When we use the terminology “Reserve”, that means, the economically exploitable reserves are being considered. This is a globally accepted principle.</p> <p>It is important to state that based on the current experience and as per recently prepared Mine Plans deploying latest technology, opencast mines have been planned upto 300m depth. Going deeper will result into higher stripping ratios which may not be economically viable and invite serious issues like slope stability, adverse working environment at lower benches, high lead-lift for dumpers, etc. Normally OC mining is done upto max 300m depth depending upon the geo-mining conditions. Also, a coal block may have huge geological resource but may have much lower “Reserves” which could be converted into a mine. A geological resource within a coal block could have included multiple unworkable horizons and coal seams occurring at greater depths i.e., Beyond 300m which shall never be mined by any method. Underground mining is viable only when favorable thickness of seams is available with better grades of coal to justify the investment and longer gestation period. <b>A differentiation between “Resource” and “Reserves” is important and this is as per the Internationally accepted practice to include only economically mineable reserves.</b> Hence, Upfront payment calculation should be considered for Reserves/mineable reserves up-to max of 300m depth.</p> <p>The Upfront Amount shall be estimated as follows: <b>Equivalent to 0.25% (zero- point</b></p>	<p>A &amp; B. Upfront Amount shall be payable as per Clause 3.9 of the Tender Document, based on the Value of Estimated Geological Reserves of the Coal Mine</p> <p>C. As per the provisions of the tender document clause 3.10.1 (c)(i)(B), the representative price shall be the latest available prices at the time of issuance of the Tender Document.</p>

Sl. No.	Query	Response																					
	<p><b>twenty five percent) of the Value of Estimated Geological Reserves of economic value from the Coal Mine</b>, subject to following ceiling conditions: CMPDI will furnish the Estimated Reserves for each coal block</p> <p><b>The bidder is not required to pay Upfront Payment for the Resource which will never be converted into a mine.</b> This will reduce the financial burden on the bidders. Also, the purpose of the Govt is to promote “Ease-of-doing-Business” and to attract Foreign Investors. Such investors will appreciate these changes as “Resource” has no meaning until &amp; unless these could be converted into a mine.</p> <p>C. It has also been found that Upfront Payment amounts uploaded by Ministry of Coal for Tranche-14 under CMSP Act/Tranche-4 under MMDR Act have been calculated based on the NCI &amp; related Representative Prices (RP) of corresponding grades of coal as applicable in October’2021 and the same is very high for few grades thereby showing a sharp increase in Upfront Amounts when compared with the same of April’2021. Even if we compare with 6 month’s averages of a particular Grade say ‘G-12’, there is an increase of Rs. 60-70 crore now. This puts a big burden on the prospective bidder.</p> <p>As regards the fixation of Representative Price for the calculation of Upfront Payment, Ministry may please consider 6 months average of NCI &amp; related RP to reduce burden on the bidders</p> <p><b>Illustration 1: Upfront Calculation wrt to change in RP</b></p> <table border="1"> <thead> <tr> <th>Mine</th> <th>GR</th> <th>Grade</th> <th>RP (Oct’21)</th> <th>Upfront Amount</th> <th>Bid Sec</th> </tr> </thead> <tbody> <tr> <td rowspan="4">MINE X</td> <td rowspan="4">347.08</td> <td rowspan="4">G12</td> <td>2481</td> <td>2,15,27,63,700.00</td> <td>43,05,52,7</td> </tr> <tr> <td><b>RP (6 Month Avg.)</b></td> <td><b>Upfront Amount</b></td> <td><b>Bid Sec</b></td> </tr> <tr> <td>1738</td> <td>1,50,80,62,600.00</td> <td>30,16,12,</td> </tr> <tr> <td><b>Difference in Rs.</b></td> <td><b>64,47,01,100.00</b></td> <td><b>12,89,40,2</b></td> </tr> </tbody> </table>	Mine	GR	Grade	RP (Oct’21)	Upfront Amount	Bid Sec	MINE X	347.08	G12	2481	2,15,27,63,700.00	43,05,52,7	<b>RP (6 Month Avg.)</b>	<b>Upfront Amount</b>	<b>Bid Sec</b>	1738	1,50,80,62,600.00	30,16,12,	<b>Difference in Rs.</b>	<b>64,47,01,100.00</b>	<b>12,89,40,2</b>	
Mine	GR	Grade	RP (Oct’21)	Upfront Amount	Bid Sec																		
MINE X	347.08	G12	2481	2,15,27,63,700.00	43,05,52,7																		
			<b>RP (6 Month Avg.)</b>	<b>Upfront Amount</b>	<b>Bid Sec</b>																		
			1738	1,50,80,62,600.00	30,16,12,																		
			<b>Difference in Rs.</b>	<b>64,47,01,100.00</b>	<b>12,89,40,2</b>																		

Sl. No.	Query	Response						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: center;"><b>Impact in Cr. Rs.</b></td> <td style="width: 20%; text-align: center;"><b>64.47</b></td> <td style="width: 20%;"></td> </tr> </table> <p>It is requested to kindly review the above provisions &amp; mechanisms which if modified by minimizing the financial impact on the bidders, there will be more participation in the coal block auctions.</p>				<b>Impact in Cr. Rs.</b>	<b>64.47</b>		<b>12.89</b>
			<b>Impact in Cr. Rs.</b>	<b>64.47</b>				
5.	<p><b>Tender Document Clause 3.9.3 - Value of Estimated Geological Reserves and Upfront Amount</b></p> <p>A. It is requested that the bidder may be allowed to adjust the full monthly payment against the Upfront Amount each month. The adjustment of upfront amount each month shall be allowed upto 100% of aggregate Monthly Payments.</p> <p>Such facilitation will allow the bidder to adjust the Upfront Amount early and lessen the financial burden on the bidder/investor.</p>	<p>As per Clause 3.9.3 of the tender document. Any adjustment of Upfront Amount against the Monthly Payments shall not exceed 50% of aggregate Monthly Payments for the year.</p>						
6.	<p><b>Tender Document Clause 3.10 – Periodic Payments by the Successful Bidder</b></p> <p>A. Notional Price derived for monthly payment will be used, based on NCI available on the date of issuance of Tender Document Representative price and NCI on which royalty becomes payable . But when actual Representative price is notified for the month on which monthly payment is due, then in that case new Representative price will be used or derived notion price to be considered, for reconciliation of monthly payment.</p> <p>B. If the NCI for the date on which royalty is payable is not available, then which NCI to be considered.</p> <p>C. In case of Pithead washery, <b>Coal is sold after beneficiation</b>, whose grade is different from the ROM grade. In such case, whether the monthly payment to be done on the quantity of the saleable washed Coal and corresponding grade or on equivalent ROM feed grade to the washery.</p>	<p>A, B &amp; C. As per the provisions of Clause 3.10 of the tender document, the Notional Price or Actual Price, whichever is higher shall be applicable, where,</p> <p>(i) Notional Price shall mean the price arrived at after adjusting the Representative Price with sub-index of National Coal Index of the relevant basket of coal grade(s) on the date on which royalty becomes payable.</p> <p>Representative Price shall be a product of:</p> <p>(A) weights (volume of coal in different components of notified price, auction price and imported price channel) of the Base year; and (B) prices of these components at the time of issuance of this Tender Document. It is clarified that this shall mean the latest available prices of these components at the time of issuance of this Tender Document .</p> <p>(ii) Actual Price shall mean the sale invoice value of coal, net of statutory dues including taxes, levies, royalty,</p>						

Sl. No.	Query	Response
		<p>contribution to NMET and DMF etc.</p> <p>It is clarified that in case of pithead washeries, Monthly Payment shall be made in the same manner as royalty is paid i.e. Monthly Payment shall be made on the quantity and grade of coal for which royalty is paid.</p>
7.	<p><b>Tender Document Clause 3.12 - Incentive for Coal Gasification or Coal Liquefaction</b></p> <p>1. The stage at which the successful bidder will have to seek this CCO's certification is not clear.</p> <p>2. The frequency in which the CCO's certification will be required, is also not mentioned.</p> <p><b>Suggestions:</b></p> <p>A. The Standard operating procedure (SOP) to be used by the Coal Controller's Organization (CCO) for the grant of such certification may be issued for providing clarity on incentive for Coal Gasification or Liquefaction. If such SOP is available that should be made available to the bidders as an addendum to the Tender Document and CMDPA.</p> <p>B. Information on when the CCO's certificate will have to be sought may be provided – for example, before OR after the referred quantity of coal is consumed OR sold OR both</p> <p>C. Information on frequency/ validity period of the CCO's certification may be provided</p> <p>D. SOP should also address the issues related with the use of Washed coal for Gasification as most of the Indian raw coal require washing before being utilized in Coal Gasification Plants.</p> <p>Methodology &amp; Modus operandi through a SOP will clarify the steps &amp; procedure.  <b>This should be declared as a format/Annexure with the Tender Document.</b></p>	<p>As per the guidelines uploaded on MSTC as well as CCO's website.</p>
8.	<p><b>Tender Document Clause 9.1 – Mandatory Work Program for Partially Explored Mines</b></p> <p>1. For Partially Explored blocks or where only Regional Exploration has been conducted, the bidder is required to undertake the exploration as per the Mandatory Work (Exploration) Programme. In case of technical constraints while undertaking exploration as per the above programme, the bidder may approach the Nominated Authority with an alternative/ modified Work Program. The bidder should be allowed, in such a case, to adopt application of better &amp; advanced technology to complete the Exploration which may involve lesser cost as compared to the Estimated Exploration Expenditure provided</p>	<p>1. As per Clause 9.1.1 of the Tender Document.</p>

Sl. No.	Query	Response
	<p>by CMPDI (as provided in Annexure-I). There should be no binding to equate the Exploration Expenditure equal to the Estimated Exploration Expense (prepared by CMPDI) if we are able to save the cost based on the application of latest Technology. Reduction in exploration cost is possible with the application of 2D &amp; 3D seismic technology &amp; other advanced techniques which will in turn reduce drilling meterage drastically. More drilling consumes more cost hence cost optimization can be achieved with the induction of modern techniques.</p>	
9.	<p><b>Tender Document Clause 9.5 – Relinquishment of Partially Explored Mine</b></p> <p>Relinquishment of part of partially explored mine is not allowed. Whereas, in MCR 2021 (Amendment 2<sup>nd</sup> Nov 2021) under rule -21, it has been further allowed.</p> <p>A. So, after completion of exploration of block if part or full area is not commercially viable in such case relinquish should allow for both types partly and or fully as the case may be.</p> <p>The cost incurred towards payment as fixed cost, exploration expenses, and all other cost apart from provision under clause 5.3 of agreement should return to Successful bidder within a short period.</p> <p>B. The bidder is also allowed to relinquish the area of coal block which is not appearing to be promising after exploration by the bidder as per the Mandatory Work Programme and this practice is adopted &amp; accepted internationally.</p> <p>The Tender Document should be suitably modified. This is an internationally accepted practice. In Australia, South Africa, USA &amp; many advanced countries, modern exploration techniques are adopted which are cheaper than drilling boreholes. Accordingly, drilling (both Core &amp; Non-Core) are optimized so as to curtail the exploration expenses. Results of the combination of both are much more encouraging and scientific.</p> <p>Also, with lesser drilling of boreholes, human errors are minimized, exploration becomes faster, lesser clearances are needed with lesser number of boreholes, etc.</p>	<p>A &amp; B. Relinquishment of Partially Explored Mine shall be in accordance with Clause 9.5 of the Tender Document.</p>
10.	<p><b>Tender Document Annexure IX – Coal Mine Development and Production Agreement/ Coal Block Development and Production Agreement</b></p>	<p>The Standard CMDPA for the ongoing tranche of auction has already been uploaded on the MSTC portal.</p>



Sl. No.	Query	Response
	<p>A. Coal Mine Development and Production Agreement/ Coal Block Development and Production Agreement to be <b>provided separately</b>. But it has not been uploaded on the MSTC website. We have mailed the MSTC for the same but, not got any response from their end</p>	
11.	<p><b>CMDPA SCHEDULE D – Efficiency Parameters</b></p> <p>If there is delay in Government Approval during statutory clearances, it should not be attributed to successful bidder, as it is not in our control for achieving the milestone.</p>	<p>In bona fide cases of delays not attributable to the Successful Bidder, the Nominated Authority will decide on case to case basis the extension of timeline in Efficiency Parameters. For the said purpose, the Nominated Authority may refer the matter to Scrutiny Committee which will consider the delay caused on case to case basis and furnish its recommendation to the Nominated Authority for taking a decision. Zero Date shall be the date of the Vesting Order.</p>
12.	<p><b>Coal Evacuation:</b></p> <p>A. For Talcher coal field the collective coal evacuation plan is needed. As in previous as well as in existing auction, many coal blocks of Talcher coalfield are affected by existing infrastructure (Gas Pipelines, TL, Roads, SH, Railway line &amp; siding) inside the block boundary.</p> <p>We suggest a common evacuation plan must be drawn in consensus with all the successful bidders of these earmarked blocks.</p> <p>Also, coal reserve sterilized under existing infrastructure, Gas pipelines, RoW which can not be shifted, must be reduced from the reserves from the purpose of calculating Upfront Payment. Also, it will be convenient for the bidder to ascertain the actual extractable reserves.</p>	<p>Upfront amount is dependent on the geological resource available within the coal block as per GR and is adjustable against the monthly payments as per the terms of tender document.</p>
13.	<p><b>GST :</b></p> <p>A. Clarity on Rs 400/- GST compensation cess and its applicability on the coal quantity to be earmarked for the use in Coal Gasification or Liquifaction or in other Green Technologies. To give boost to coal gasification Rs 400/T Green cess should be waved off for coal used in gasification.</p> <p>Recently in media circulation Rs 400/ GST (Green Cess) was in news. The Mission</p>	<p>Statutory dues including taxes, levies, royalty, contribution to NMET and DMF, etc. shall be payable as per Applicable Law.</p>

Sl. No.	Query	Response
	Document displayed on MOC Website also recommends elimination of GST Compensation Cess. Kindly give more clarity on this.	
14.	<p><b>Incentives :</b></p> <p>A. Bidders bringing in latest technology in developing Underground Coking Coal deposits or PCI deposits or bringing in updated technologies in Coal Beneficiation, degasification, etc shall also be covered under the Incentive Schemes.</p> <p>In case of Opencast mines, where any bidder deploys excavators &amp; dumpers beyond a certain capacity and adopts updated technologies like GPS related Truck Despatch Systems, simulator-based operator training, etc shall also be brought under Incentive Scheme</p> <p>This will encourage adoption of latest technologies in the Mining Industry which was one of the major factors while taking a decision to open up the coal sector &amp; launch Commercial Mining.</p>	<p>Incentives available to the bidders are as per the provisions of the tender document. In case of any new incentives available to the bidders, the same shall be informed as and when applicable.</p>
15.	<p><b>List of Coal Mines :</b></p> <p>A. The koyagudem block-iii Telangana is not mentioned in the list of mines to be auctioned under this tranche. That block was auctioned under 13<sup>th</sup> tranche of under CM(SP) Act 2015 and 3<sup>rd</sup> Tranche of under MMDR Act 1957, dt 12 oct 2021 and has received only one bid during the bids</p> <p>Request you to clarify if the koyagudem block – iii has been already allotted to the single bidder or is available for auction in current tranche 14 under CM(SP) Act and tranche 4 under MMDR Act.</p> <p>B. Block list and summary - Amalgamation of Dip side of Rampia &amp; Rampia block and Utkal B1 &amp; B2 Coal block in Odisha State: Pursuant to coal block auction dated Dec 23rd 2021 the blocks Dip side of Rampia and Rampia S.L no 8 and 28 were separate block. Similarly, Utkal B1 and Utkal B2 vide SL No. 34 and 35 were published as an individual block. But further all said four individual blocks merged in to 2 blocks as per the document notified on Dec 24, 2021, revelling different payments.</p>	<p>A. The coal mines where single bids were received during the 13<sup>th</sup> Tranche of CMSP and 3<sup>rd</sup> Tranche of MMDR, the evaluation of bids is under progress. Hence, it is not available in the ongoing 14<sup>th</sup> tranche of CMSP and 4<sup>th</sup> tranche of MMDR. It will be made available under second attempt of auction under 13<sup>th</sup> tranche CMSP and 3<sup>rd</sup> tranche of MMDR.</p> <p>B. The blocks Rampia and Dip side of Rampia and Utkal B1 and Utkal B2 are combined blocks and not individual blocks.</p>

Sl. No.	Query	Response
	<p><b>So, in such case now the blocks are much bigger and small and medium level investor can not participate and may further will depend upon imported coal. So, requesting to place all these blocks as an individual basic in auction portal. So that numbers of bidder can participate.</b></p>	
16.	<p><b>Mining Lease :</b></p> <p>A. MMDR Act provides for grant of minimum 20 years of ML &amp; maximum 30 years. State Govt may further extend it to another 20 years subject to proper justification like mineral conservation, etc. There should be relation between Extractable Reserve, ML period and PRC. So that execution of lease can be in line with Approved Mining Plan so that cost impact is justifiable.</p> <p>For Schedule - II mines or for low reserve mines where the reserves will exhaust before 30 years, it is requested that State Govts should be advised to grant ML for the lesser term, or the term shall be made co- terminus with the balance mine life. Alternately, the ML should be granted as per the application made by the allottee. In case of grant of 30years ML, there is a huge impact on the Stamp Duty cost.</p> <p>B. There should be relation between Extractable Reserve, ML period and PRC. So that executed mining lease can be in line with approved Mining Plan so that cost impact is justifiable.</p> <p>In schedule II mine: Where we have limited resource left period of ML is important as in term of amount it has a substantial impact. For Schedule - II mines or for low reserve mines where the reserves will exhaust before 30 years, it is requested that State Govts should be advised to grant ML for the lesser term, or the term shall be made co-terminus with the balance mine life. Alternately, the ML should be granted as per the application made by the allottee. In case of grant of 30 years ML, there is a huge impact on the Stamp Duty cost.</p>	<p>A &amp; B. As per applicable law.</p>
17.	<p><b>Nodal Officer :</b></p> <p>A. It is advised that Nodal Officers shall be declared by each State Govt where these coal blocks are earmarked and these Nodal Officers shall be trained upfront by Ministry of Coal and State Govt so that provisions under CMSP Act' 2015, MMDR Act' 1957 (with</p>	<p>MoC have held consultation with States before the launch of auction and the states have been apprised on the terms and conditions of auction. Nominated Authority will discuss the matter of appointment of Nodal Officers with the State</p>

Sl. No.	Query	Response
	<p>Amendments), CMDPA &amp; Tender Documents are clear to them. The lack of information among the State Govt Staff about these regulatory guidelines &amp; Act is the major cause of delay in the grant of ML &amp; other processes related with the Mine Development.</p> <p>Also, the calculation methodology for the <b>Stamp Duty</b> should be made uniform for all the Coal Bearing States. In last Tranche we had raised this query and as per response the state government will be appraised by MoC/ CIL regarding the appointment of Nodal officers.</p> <p>Kindly update Present status of the appointment of Nodal officer.</p>	<p>Government.</p> <p>The stamp duty shall be payable as per applicable laws.</p>
18.	<p><b>PRC :</b></p> <p>Two separate blocks having separate Mining Plans with different PRC (say 5.5 MTPA &amp; 2.2 MTPA) put in auction as a single merged block - What will be the PRC; 2.2 MTPA or 5.5 MTPA or 7.7 MTPA or Single Mining Plan will be prepared for the merged block with an assessed PRC as would be approved?</p>	<p>A single mining plan will have to be prepared by the Successful Bidder for the combined block on the basis of the assessed PRC.</p>
19.	<p><b>Royalty :</b></p> <p>A. Reduction of royalty on Underground mines to 5-6% as it is applicable in other countries. It will help miner to exploit coal block &amp; extract maximum reserve. It can be a path breaking step in CBA and many underground block which are repeated in many past auctions can become viable and economically potential block.</p>	<p>The royalty payable shall be as per extant gazette notification on royalty of coal.</p>
20.	<p><b>R&amp;R :</b></p> <p>There are many villages in the block and Rehabilitation and Resettlement is a big challenge in Jharkhand due to non-availability of Land. Will the state government help in settlement, so that production milestones can be achieved on time?</p>	<p>R&amp;R approval shall be the responsibility of Successful Bidder in the due course of development of the coal mine, as per Applicable Law.</p>
21.	<p><b>Stamp Duty :</b></p> <p>A. “The stamp duty payable for this Agreement shall be borne by the Successful Bidder” – AS per CMPDA document.</p> <p>The Stamp duty calculation depends on NCI rate, in last 4 to 5 month the RP has increased at tremendous rate and it is expected to cool off in upcoming few month. Typically, NCI follows a seasonal pattern and recent surge in price has huge impact on</p>	<p>Stamp duty shall be payable as per applicable laws. As per the provisions of the tender document clause 3.10.1 (c)(i)(B), the representative price shall be the latest available prices at the time of issuance of the Tender Document.</p>

Sl. No.	Query	Response																																																																																				
	<p>Stamp duty required to Execute Mining Lease.</p> <p><b>Illustration 2 &amp; 3 table showing Stamp duty calculations wrt NCI and its impact.</b></p> <p><b>Illustration 2:</b> Stamp Duty calculation considering latest available NCI rate</p> <table border="1"> <thead> <tr> <th colspan="4">Calculation of Stamp Duty</th> </tr> <tr> <th>S.No</th> <th>Particulars</th> <th>Rate (Rs)</th> <th>Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Average Production -6MTPA</td> <td></td> <td></td> </tr> <tr> <td></td> <td>NCI rate of G-12 coal in oct.21</td> <td><b>2481</b></td> <td></td> </tr> <tr> <td></td> <td>Royalty Rate avg Grade-G-12 @Rs.2481</td> <td><b>347.34</b></td> <td></td> </tr> <tr> <td>3</td> <td>Royalty of first 5 years Avg @6MTPA</td> <td></td> <td>2084040000</td> </tr> <tr> <td>4</td> <td>Payable Royalty amount for 30 yrs (S.No. 3 X5)</td> <td>5</td> <td>10420200000</td> </tr> <tr> <td>5</td> <td>Stamp Duty @5% OF S. No. 4</td> <td>0.05</td> <td>521010000</td> </tr> <tr> <td>6</td> <td>Upkar Tax @ 5% of S. No. 5</td> <td>0.05</td> <td>26050500</td> </tr> <tr> <td>7</td> <td><b>Total Stamp Duty (S.No. 5+6)</b></td> <td></td> <td><b>547060500</b></td> </tr> <tr> <td>8</td> <td>Registration Fee (3/4 of S.No. 7)</td> <td>0.75</td> <td>410295375</td> </tr> <tr> <td>9</td> <td><b>Total Initial Amount (S.No. 7+8)</b></td> <td></td> <td><b>95,73,55,875</b></td> </tr> <tr> <td>10</td> <td>Total Amount Incl. GST @18%</td> <td>18%</td> <td>1,12,96,79,932.50</td> </tr> </tbody> </table> <p><b>Illustration 3:</b> Stamp Duty calculation considering average of last 6 month NCI rate</p> <table border="1"> <thead> <tr> <th colspan="4">Calculation of Stamp Duty</th> </tr> <tr> <th>S.No</th> <th>Particulars</th> <th>Rate (Rs)</th> <th>Amount (Rs)</th> </tr> </thead> <tbody> <tr> <td></td> <td>Average Production -6MTPA</td> <td></td> <td></td> </tr> <tr> <td></td> <td>NCI rate of G-12 coal 6 Month Average</td> <td><b>1496</b></td> <td></td> </tr> <tr> <td></td> <td>Royalty Rate avg Grade-G-12 @Rs.1496</td> <td><b>209.44</b></td> <td></td> </tr> <tr> <td>3</td> <td>Royalty of first 5 years Avg @6MTPA</td> <td></td> <td>1256640000</td> </tr> <tr> <td>4</td> <td>Payable Royalty amount for 20 yrs (S.No. 3 X5)</td> <td>5</td> <td>6283200000</td> </tr> <tr> <td>5</td> <td>Stamp Duty @5% OF S. No. 4</td> <td>0.05</td> <td>314160000</td> </tr> </tbody> </table>	Calculation of Stamp Duty				S.No	Particulars	Rate (Rs)	Amount (Rs)		Average Production -6MTPA				NCI rate of G-12 coal in oct.21	<b>2481</b>			Royalty Rate avg Grade-G-12 @Rs.2481	<b>347.34</b>		3	Royalty of first 5 years Avg @6MTPA		2084040000	4	Payable Royalty amount for 30 yrs (S.No. 3 X5)	5	10420200000	5	Stamp Duty @5% OF S. No. 4	0.05	521010000	6	Upkar Tax @ 5% of S. No. 5	0.05	26050500	7	<b>Total Stamp Duty (S.No. 5+6)</b>		<b>547060500</b>	8	Registration Fee (3/4 of S.No. 7)	0.75	410295375	9	<b>Total Initial Amount (S.No. 7+8)</b>		<b>95,73,55,875</b>	10	Total Amount Incl. GST @18%	18%	1,12,96,79,932.50	Calculation of Stamp Duty				S.No	Particulars	Rate (Rs)	Amount (Rs)		Average Production -6MTPA				NCI rate of G-12 coal 6 Month Average	<b>1496</b>			Royalty Rate avg Grade-G-12 @Rs.1496	<b>209.44</b>		3	Royalty of first 5 years Avg @6MTPA		1256640000	4	Payable Royalty amount for 20 yrs (S.No. 3 X5)	5	6283200000	5	Stamp Duty @5% OF S. No. 4	0.05	314160000	
Calculation of Stamp Duty																																																																																						
S.No	Particulars	Rate (Rs)	Amount (Rs)																																																																																			
	Average Production -6MTPA																																																																																					
	NCI rate of G-12 coal in oct.21	<b>2481</b>																																																																																				
	Royalty Rate avg Grade-G-12 @Rs.2481	<b>347.34</b>																																																																																				
3	Royalty of first 5 years Avg @6MTPA		2084040000																																																																																			
4	Payable Royalty amount for 30 yrs (S.No. 3 X5)	5	10420200000																																																																																			
5	Stamp Duty @5% OF S. No. 4	0.05	521010000																																																																																			
6	Upkar Tax @ 5% of S. No. 5	0.05	26050500																																																																																			
7	<b>Total Stamp Duty (S.No. 5+6)</b>		<b>547060500</b>																																																																																			
8	Registration Fee (3/4 of S.No. 7)	0.75	410295375																																																																																			
9	<b>Total Initial Amount (S.No. 7+8)</b>		<b>95,73,55,875</b>																																																																																			
10	Total Amount Incl. GST @18%	18%	1,12,96,79,932.50																																																																																			
Calculation of Stamp Duty																																																																																						
S.No	Particulars	Rate (Rs)	Amount (Rs)																																																																																			
	Average Production -6MTPA																																																																																					
	NCI rate of G-12 coal 6 Month Average	<b>1496</b>																																																																																				
	Royalty Rate avg Grade-G-12 @Rs.1496	<b>209.44</b>																																																																																				
3	Royalty of first 5 years Avg @6MTPA		1256640000																																																																																			
4	Payable Royalty amount for 20 yrs (S.No. 3 X5)	5	6283200000																																																																																			
5	Stamp Duty @5% OF S. No. 4	0.05	314160000																																																																																			

Sl. No.	Query				Response
6	Upkar Tax @ 5% of S. No. 5	0.05		15708000	
7	Total Stamp Duty (S.No. 5+6)			329868000	
8	Registration Fee (3/4 of S.No. 7)	0.75		247401000	
9	Total Initial Amount (S.No. 7+8)			57,72,69,000	
10	Total Amount Incl. GST @18%	18%		68,11,77,420.00	
<p><b>Impact of NCI on Stamp duty ( the difference wrt to current and 6 month avg of RP) – Rs 44,85,02,513.</b></p> <p>With the increased NCI &amp; related Representative Price of particular grades of coal, there is a huge impact on the Stamp Duty required to Execute Mining Lease. Hence, it is suggested that an average value of minimum 6 month shall be considered for the calculation of Stamp Duty and the same shall be communicated to all coal bearing State Govts.</p>					

## A. Mine Specific Queries and Responses

Sl. No.	Name of Mine	Query	Response
1.	Chinora Coal Mine	<p><b>1. Tender Document Clause 3.3.2 (h)(ii) – Payments by the Successful Bidder</b></p> <p>A. Value of Land, Value of Infrastructure, Cost of obtaining all statutory licenses, permits, permissions, approvals, clearances or consents have not yet been provided. Kindly share it.</p> <p><b>2. Mining Lease:</b></p> <p>A. Please provide the details of the Previous lease owner (Annexure). Data is not available, kindly share it</p>	<p>1A. The fixed amount details for the pending mines shall be provided shortly and will be uploaded on the MSTC portal</p> <p>2A. Available information in respect of the coal block has been provided in the mine dossier.</p>
2.	Kartala Coal Mine	<p><b>1. Additional Information:</b></p> <p>A. Please share the tentative seam wise reserve of Kartala block based on Regional Exploration data. Also, the fault location &amp; interpolated alignments of the probable faults may please be added so as to enrich Block Summary.</p> <p>B. Northern boundary of block touches the boundary of buffer zone of unnotified Lemru Elephant Reserve. MOC may clarify whether necessary 'in-principle' clearance from State Govt and MoEF is available.</p> <p>C. Distance from the proposed Railway line from Urga to Dharamjaigarh has not been shown.</p>	<p>1. Additional Information:</p> <p>A. For larger regionally explored block the data is already given in the RGR which is part of mine dossier.</p> <p>B &amp; C. Information not available.</p>
3.	Arjuni Coal Mine	<p><b>1. Geological Reserves:</b></p> <p>Part - A; Cl. 6 : Coal Seams &amp; Reserve</p> <p>Geological Reserve in "Arjuni Coal Block Summary" : 242.0048 MT. As per CMPDI website (OCBIS- dashboard), Geological Resource is</p>	<p>The resources provided in the Coal block summary are updated as per the Draft GR on Arjuni East and Geological Note on Arjuni West blocks combined and these are 242.0048 MT.</p> <p>The resources as per OCBIS dashboard were taken from the Regional GR on Arjuni block which may not be considered now.</p>

Sl. No.	Name of Mine	Query	Response
		164.7226 MT. Please clarify.	
4.	<b>Nigwani Bakeli A Coal Mine</b>	<p><b>1. Geological Reserves:</b> Part - A; Cl. 6 : Coal Seams &amp; Reserve  Geological Reserve in "Nigwani-Bakeli-A Coal Block Summary" : 300 MT. As per CMPDI website (OCBIS- dashboard), Geological Resource is 1200 MT.</p> <p><b>2. Block Area:</b>  Part - A; Cl. 3 : Geological Block Area  Geological Block Area in "Nigwani-Bakeli-A Coal Block Summary" : 28.3 km<sup>2</sup>. As per CMPDI website (OCBIS- dashboard), Geological Block Area is 48.64 km<sup>2</sup>.</p> <p><b>3. Coal Seams:</b>  Part - A; Cl. 5 : General Dip of Seams  We understand the block is under regional exploration and structure is not finalized yet. However, with the 25 boreholes already drilled, the tendency of dip of coal seams can be projected. Please provide such technical information if possible.  Please clarify.</p>	<p>1. Geological Reserves: Geological resources of the Nigwani Bakeli-A block are revised to 300 MT due to revision of the block boundary in the north and north western part to reduce the forest overlap.</p> <p>2. Block Area: As mentioned above, the difference in area in the block summary &amp; OCBIS is due to revision in the boundary of the block.</p> <p>3. Coal Seams: General dip of the seams; The dip of seams in this block is yet to be finalized. However, the coal seams exhibit gentle dip varying from 2° to 5° towards north in the adjacent Arjuni Block situated in the South-West part. Accordingly, the dip of the seams in this block is expected to be within the same range provided there is no major structural disturbance is observed after detailed exploration.</p>
5.	<b>Chainpa Coal Mine</b>	<p><b>1. Geological Reserves:</b>  <b>Part - A; Cl. 6 : Coal Seams &amp; Reserve</b></p>	The geological resources provided in the Coal Block Summary are updated as per the Draft GR of Chainpa block now available. The geological resources given in the coal block summary should therefore be considered.



Sl. No.	Name of Mine	Query	Response
		<p>Geological Reserve in "Chainpa Coal Block Summary" : 227.8 MT. As per CMPDI website (OCBIS- dashboard), Geological Resource is 99.29 MT.</p> <p>Please clarify.</p>	
6.	<b>North West of Madheri Coal Mine</b>	<p><b>1. Additional Information:</b></p> <p>Please provide:</p> <ol style="list-style-type: none"> <li>1. Geological Report (GR)/ Geological Note</li> <li>2. Mining Plan</li> <li>3. Borehole Collar Data</li> <li>4. Topographic Contour data</li> <li>5. Fault traces and description, if any</li> <li>6. Surface features data</li> <li>7. Borehole Seam intersection data</li> <li>8. Borehole Seam Overall quality data</li> <li>9. Formation data</li> </ol> <p>Kindly provide the Data for above mentioned points</p>	<p>GR for the block not prepared. GR by DGM Maharashtra also not available with CMPDI. The data available is already provided. As the block is regionally explored, GR and mining plan for the block is not available. However, available data/information has already been provided in the mine dossier.</p>
7.	<b>Rabodih OCP Coal Mine</b>	<p><b>1. Mining Plan:</b></p> <p><b>Summarized Data</b> - As per Clause-E (d) of available Mining Plan (not yet approved) summarized data, Geological Block area is 585 ha, however, as per Clause-E(h), required mining lease area is only 458 ha.</p> <ol style="list-style-type: none"> <li>A. Please clarify whether mining lease area will be restricted to 458 ha out of the total 585 Ha Block area</li> <li>B. Is there any reason for excluding 127 Ha area out of total 585 Ha block area?</li> <li>C. Is GMJJ ( Gairmajura Jungle Jhade) land included in Govt. land of 82 Ha?</li> </ol> <p>(Ref: Chap-IX, Point No-9.1 Sl.No.2) of Mining Plan</p>	<p>A. Mining lease area would be as per the proposal in the Mining Plan and as per the provisions made under MMDR Act and MCR. B &amp; C. Refer the mining plan in the dossier for the details.</p>
8.	<b>Gare Palma IV/6 Coal</b>	<p><b>1. Tender Document Clause 3.3.2 (h)(ii) – Payments by the Successful Bidder</b></p>	<p>1A. The fixed amount details for the pending mines shall be provided shortly and will be uploaded on the MSTC portal</p>

Sl. No.	Name of Mine	Query	Response
	<b>Mine</b>	A. Value of Land, Value of Infrastructure, Cost of obtaining all statutory licenses, permits, permissions, approvals, clearances or consents have not yet been provided. Kindly share it.	
9.	<b>Utkal B1 &amp; B2 Coal Mine</b>	<p><b>1. Tender Document Clause 3.3.2 (h)(ii) – Payments by the Successful Bidder</b></p> <p>A. Value of Land, Value of Infrastructure, Cost of obtaining all statutory licenses, permits, permissions, approvals, clearances or consents have not yet been provided. Kindly share it.</p> <p><b>2. Efficiency Parameter:</b></p> <p>In this auction Utkal B1 &amp; Utkal B2 has come as combined block. Initially it was two separate blocks and both these blocks had earlier advanced on the Mine Development Scale with the acquisition of major clearances like Mine Plan &amp; Mine Closure Plan, EC, FC, ML Grant for Utkal B1, land acquisition, part R&amp;R, etc</p> <p><b>Kindly clarify how efficiency parameter, coal production schedule and regulatory clearances will be applicable in this combined block</b></p> <p>This is important to conceptualize and strategize the Mine Development of combined Utkal B1 &amp; B2 blocks.</p> <p><b>3. Additional Information:</b></p> <p>Please provide:</p> <ol style="list-style-type: none"> <li>1. Borehole Seam intersection data</li> <li>2. Formation data</li> </ol> <p>Kindly provide the Data for above mentioned points</p>	<p>1A. The fixed amount details for the pending mines shall be provided shortly and will be uploaded on the MSTC portal</p> <p>2. In the ongoing tranche of auctions, Utkal B1 and B2 blocks are being put up for auction as combined block. Hence, the production schedule, efficiency parameters will be applicable for the combined block.</p> <p>The Successful Bidder shall be responsible for obtaining clearance/ approvals etc. in accordance with Applicable Law, at its own costs.</p> <p>3. The data required is part of GR, already provided in mine dossier.</p>
10.	<b>Donger Tal II</b>	<b>1. Clearances:</b>	1A. Upon issuance of Vesting Order for Coal Mines being auctioned

Sl. No.	Name of Mine	Query	Response
	<b>Coal Block Summary</b>	<p>A. We understand that the approvals and clearances (Approved Mining Plan, EC etc.) in place will suffice and can be used by the new coal block allocate without any modifications. In order to commence mining operations immediately, no separate EC and FC will be required.</p> <p><b>2. Forest Land:</b></p> <p><b>Part- A; Forest Area</b> <b>Part- B; Forest Clearance</b></p> <p>Approx. 19% (as per FSI) Not required (No forest land in Phase-I)</p> <p>There is forest area, yet no forest clearance is required. Please clarify.</p>	<p>under the CM(SP) Act, 2015, the statutory licences, permits, permissions, approvals or consents obtained by the Prior Allottee for the Coal Mine, shall vest in the Successful Bidder. The Successful Bidder shall be required to follow due procedure for transfer of the same. The Successful Bidder shall be responsible for obtaining clearance/ approvals etc. in accordance with Applicable Law.</p> <p>2. The mining plan prepared by the prior allottee is for Phase-I only in which there is no forest and the same has also been mentioned in the Environmental Clearance.</p>
11.	<b>Rampia and Dipside of Rampia Coal Mine</b>	<p><b>1. Existing Infrastructure:</b></p> <p>Rampia along with dipside is not a viable option due to many challenges like surface constraints more prevalent over Rampia Dipside. There are many existing infrastructures on the dipside of Rampia block such as a DRI Plant of a Private Company, Existing &amp; proposed Coal evacuation routes of MCL towards Raigarh, Petrol pumps, Automobile shops, other ancillary works, etc. The presence of such assets over the block will hamper the mine development.</p> <p>Necessary guidance may be given to State Govt to shift these assets.</p> <p>It is important to provide the status of shifting and re-alignment of the railway routes to make mining in Rampia and Dip side of Rampia unhindered in future. A detailed Master Plan may be provided by MoC/CMPDI to relocate/re-align these infrastructures.</p>	<p>The available information has already been provided in the mine dossier. Bidders are encouraged to make site visit and take decision accordingly.</p>

<b>Sl. No.</b>	<b>Name of Mine</b>	<b>Query</b>	<b>Response</b>
		To attract more participation, Rampia& Dipside of Rampia should come as separate blocks as both have differentset of challenges.	