

F. No. 43020/19/2020-CPIAM (e- 346190)

भारत सरकार/ Government of India

कोयला मंत्रालय/ Ministry of Coal

(CPIAM Section)

Room No. 622A, Shastri Bhawan,
New Delhi, dated: 16th February, 2022

MEETING NOTICE

Subject: Stakeholder consultation on revenue sharing model for discontinued/ closed/ abandoned mines in CIL on 24.02.2022 at 11.30 AM.

I am directed to inform that a meeting under the Chairmanship of Secretary (Coal) is scheduled to be held on **24th February, 2022 at 11.30 AM in the Scope Complex, New Delhi** with stakeholder on revenue sharing model for discontinued/ closed/ abandoned mines in CIL.

2. CMPDI will make detailed presentation on the above subject. The PPT may be shared in advance with this Ministry at hitlar.singh85@nic.in.
3. CIL, Delhi Office is requested to make all necessary arrangements of the meeting [including booking of the aforesaid venue and arranging appetizer for around 100 people].
4. Draft Consultation Note on Revenue Sharing Model through Private Sector participation in development of Discontinued/Closed/Abandoned Mines is enclosed for perusal.
5. It is requested to make it convenient to attend the meeting physically.

Encl.: As above.


(Hitlar Singh)

Under Secretary to the Government of India

Email id: hitlar.singh85@nic.in

Tel. no. 011-23382269

To,

1. CMD CIL/SCCL/ NLCIL/ CMPDI
2. Stakeholder List (As per list annexed)

Copy to:

1. PSO to Secretary, Coal
2. PPS to AS(VKT)/ AS(MN) & NA, MoC
3. PPS to JS(CPD)/JS(Estt.)/JS&FA/JS(P&S)/Project Advisor/EA/DDG, MoC
4. Shri Arvind Kumar, CM, MoC/Smt. Poonam Singhal, Manager, MoC

Distribution list:

i. List of Allocatee of Coal Block/Mine-

Company	Nodal Officer	Contact Number	Email.id
The Singareni Collieries Co Ltd	Neeraj Ojha	8125311404/ 9491145141	cgm_bd@scclmines.com / ppsccl@rediffmail.com / sccl@rediffmail.com
Odisha Coal & Power Limited	Saroj Kumar Kar/ Dr. Kshirod Brahma	8118052478	saroj.kar@ocpl.org.in / kshirod.brahma@ocpl.org.in / n/mines@ocpl.org.in ;
NTPC Ltd	Partha Majumdar	9650996364	partham@ntpc.co.in
NALCO	K K Panda	9437590053/9437021	dmanjit@nalcoindia.co.in / kalikinkar.panda@nalcoindia.co.in
NLC India Limited	Suresh Chandra Suman,GM	9753456276	cmd@nlcindia.in / gmtalabira.nlc@gmail.com
Karnataka Power Corporation Limited	Shri S. Sharma	9560798049	semineskpcl@gmail.com
Vedanta Limited	Himanshu Singh	9899473550	Himanshu.singh2@vedanta.co.in
EMIL	Satya Prakash	9810291643	Satya.prakash-c@adityabirla.com
Rajasthan Rajya Vidyut Utpadan Nigam Ltd	Devendra shiringi	9413385663	fuel.rvun@gmail.com
Chhattisgarh State Power Generation Co Ltd	B.S.Acharya	9691346929	cspgcl.coal@gmail.com
Gujarat State Electricity Corporation Limited	D.N. Gheewala	9925213029	eefuel3.gsecl@gebmail.com cefuel.gsecl@gebmail.com
Maharashtra State Power Generation Co Ltd	S.N. Chowdhary	9819295298	cefmc@mahagenco.in md@mahagenco.in
Andhra Pradesh Mineral Development Corporation	Mr. Laxman Rao	8008558567	apmdcltd@yahoo.com
Bharat Aluminium Company Limited	Himanshu Singh	9899473550	Himanshu.singh2@vedanta.co.in
Hindalco Industries Limited	Shouvik Majumdar	9702292671	shouvik.majumder@adityabirla.com
Ambuja Cement Limited	C.K. Bansal	9810617212	c.bansal@ambujacement.com
Jindal Power Limited	Shri Kapil Dhagat	8826328866	kapil.dhagat@jindalsteel.com
Sarda Energy & Mineral Limited	Shri P S Dutta Gupta	+91 9752090024	pduttagupta@seml.co.in

Prakash Industries Ltd	Ashok Kumar Chaturvedi	9811459718	akc@prakash.com
CG Natural Resources Pvt Ltd	Yatin Harshendu Acharya	9989600236	Yogesh.Chaturvedi@adani.com
West Bengal Power Development Corporation Limited	D. Gangopadhyaya	9434795336	d.gangopadhyay@wbpdcl.co.in wbpdclmine2015@gmail.com
Damodar Valley Corporation	SUDHIR MUKHERJEE	9433031736	sudhir.mukherjee@dvc.gov.in
CESC Limited	Shri Debpriyo Sen	9330160805	debapriyo.sen@rp-sg.in brata.talukdar@rpsg.in
The Durgapur Project Limited	Shri Sudarshon Ghanti	9434712936	sudarshonghanti@rediffmail.com
OCL IRON AND STEEL LTD	B.P. Misra	9689556666	bp.misra@bsilindia.com
Powerplus Traders Private Limited	Shri Uday Chand Kuniwar	7044475258	powerplustrade@gmail.com
PVUNL	Faiz Taiyab	9431215308 / 7759903977	faiztaiyab@ntpc.co.in
Adani Power (Mudra) Limited	Sanjay Kumar	9099900820	Sanjay.kumar@adani.com
ARAANYA MINES PRIVATE LIMITED	Dr. Arvind Kumar	7389745666	ampl.ramgarh@gmail.com
Trimula Industries Limited	Anand Mohan Prasad	9371033111	anand.prasad@trimula.com /ayush.goel@gulfpetrochem.com
JSW Steel Limited	Dhananjay Kumar Sinha	7766913790	dhanunjay.sinha@jsw.in
NMDC Limited	Swaminathan S	9652938385	nmdccoal@nmdc.co.in ;
PSPGCL	J S Bhatia	9646107111	sefuel.pspcl@gmail.com
Tenughat Vidut Bigam Limited	Rajesh Ranjan	9835346525	ranjantvnl@gmail.com
UP Rajya Vidyut Utpadan Nigam Ltd	H P Singh	9415900841	se.ncb@uprvunl.org
JSMDCL	Pravir Kumar	7979967096	contact@jsmdc.in
Adani Enterprises Limited	Alok Jain	8929247205	Alok.Jain2@adani.com
Fairmine Carbons Pvt. Ltd	Rajeev Singh	9771497300	fairminecarbons@gmail.com
Aurobindo realty and infrastructure private limited	Sanjay Vinod Mishra	9999660022	Satyanarayan.M@AuInf.Com
South West Pinnacle Exploration Limited	Manish Upadhyaya	8800496650	manish.upadhyay@southwestpinnacle.com
Shreesatya Mines private Limited	Mrigank Shekhar	8826856968	mines@shreesatyagroup.com

Sunflag Iron & steel Ltd	Pawan kumar S K Gupta	9818474584 9822224853	skgupta@sunflagsteel.com / naveen@sunflagsteel.com
B S Ispat Ltd	BP Mishra	9689556666	bp.misra@bsilindia.com
Topworth Urja & Metals Ltd	Sanjay Dak Anand Azami	9552556615 9423398144	anand.azami@topworthgroup.com / sanjay.dak@topworthgroup.com
Indrajit Power Private Ltd	Sandeep Naik	7767019573	sandeep.naik@uttamgalva.com / omahuja@uttamgalva.com
Yazdani International Private Limited	MERAJ YUSHA	9937091303	anjan@yazdaniinternational.com
Adani Power Maharashtra Limited	Sanjay Kumar	9099900820	sanjay.kumar@adani.com
Telengana state GENCO	Azeez Pasha	9493122131 7901092961	tdcm.dpl@gmail.com
THDC India limited	Sanjay Singhal	9411103560	sanjay.singhal@thdc.co.in
Jaiprakash Power Ventures Limited	M.N. Jha	9871995043	mn.jha@jalindia.co.in
UltraTech Cement Limited	Syed Khadri	7089906653	syed.khadry@adityabirla.com
RCCPL Private Limited	Sandeep Jain	7004806442/9871106642	sandeep.jain@birlacorp.com somdutt.bhardwaj@birlacorp.com
Birla Corporation Limited	Sandeep Jain	7004806442/9871106642	sandeep.jain@birlacorp.com somdutt.bhardwaj@birlacorp.com
Stratatech Mineral Resources Private Limited	SANJAY SHANKARLAL MISHRA	9989600236	pukhraj.sethiya@adani.com
JMS Mining Private Limited	KALYAN KUMAR HAJRA	9830117373	kalyan.hajra@jmsmining.com
Boulder Stone Mart Private Limited	JITENDRA SHARMA Raghv Sharma (General Manager)	9602259965 / 9315221342	stonemartboulder@gmail.com
Chowgule And Company Private Limited	SHIVNATH JHA	9664000677	shivnath.jha@chowgule.co.in
West Bengal Mineral Development & Trading Corporation Limited	Shri Gaurav Poddar	9830179965	wbmtdcltd@gmail.com
Odisha Mining corporation Ltd	Kailash Sarangi (Dy. GM)	9437425348	sarangikailash@gmail.com
Tata Steel Long Products Limited	Naveen Shrivastava	6287090160	naveen@tatasteellp.com

ii) LIST OF PROSPECTIVE BIDDERS

Name	Company	E-mail/Contact No.
Shri R. B. Mathur	Virginia Mining Resource	rb.mathur@virginia.com
Shri Ankur Anand	Sandvik	ankur.anand@sandvik.com 9051247821
Shri Avijit Bandyopadhyay	Sandvik	avijit.bandyopadhyay@sandvik.com 9073318484
Shri Satyanarayana Reddy	Sandvik	satyanarayana.reddy@sandvik.com
Shri Kanak Ghosh	Sainik Mining & Allied Services Ltd.	sainikranchi@gmail.com 9631459421
Shri Yatin Acharya	Adani Enterprises	yatin.acharya@adani.in 9426600491
Shri Pukhraj Sethia	Adani Enterprises	pukhraj.sethia@adani.in
Shri Maitrik Shah	Adani Enterprises	maitrik.shah@adani.in 9099005123
Shri Prabhat Kumar	BGR Mining & Infra.	prabhatkumar@bgrmining.com
Shri Satyam Singh	BGR Mining & Infra.	satyam@bgrmining.com 9754834133
Shri Sanjay Baid	Essel Mining, Aditya Birla	sanjay.baid@adityabirla.com
Shri U. Kumar	Essel Mining, Aditya Birla	upendra.kumar@adityabirla.com 9811073378
Shri Anurag Singal	Essel Mining, Aditya Birla	anurag.singal@adityabila.com 9088026252
Shri Sanjay Mishra	Aurobindo Realty & Infrastructure	sanjay.m@auinf.com 9573816060
Shri Satyanarayan Meena	Aurobindo Realty & Infrastructure	satyanarayan.m@auinf.com
Shri Manoj Kumar Agarwal	Manrom Consultant LLP	manoj@manrom.in 9650589444
Shri G.B. Shankar	Power Mech Projects Ltd.	sankarg@powermech.net
Shri Naganeeledra Ravi	Power Mech Projects Ltd.	niledra21@gmail.com
Shri Gaurav Singh	Power Mech Projects Ltd.	acezedgaurav@gmail.com
Shri Gora Koley	Ambey Mining Pvt. Ltd.	gora.koley@ampl.in
Shri Subrata Sinha	Ambey Mining Pvt. Ltd.	subrata.sinha@ampl.in 9831750490
Shri O.P. Pareek	Ambey Mining Pvt. Ltd.	Op.pareek@ampl.in 9934589192
Shri Kalyan Hazra	JMS Mining Services	kalyan.hazra@jmsmining.com 9830117373
Shri Amit Kumar Giri	JMS Mining Services	amit.giri@jmsmining.com 9830125012
Shri Jayram Kaushik	Maheswari Mining	
Shri M. Bhaduri	Maheswari Mining	m.bhaduri@maheshwaree.com
Shri M. Satyamurty	Matrix Mining Solution Pvt. Ltd	satyamurty.m@gmail.com
Shiri Atul Dwivedi	Technoblast Mining	technoblast.mining@gmail.com 9752523550

Shri Manas Kumar Mishra	Thriveni Earthmovers Pvt. Ltd.	mm@thriveni.com 8527744994
Shri K.K. Shukla	Thriveni Earthmovers Pvt. Ltd.	kks@thriveni.com 9958718999
Shri Janardhanan S.	Montecarlo Ltd.	janardhanan.s@mclindia.com 7574823832
Shri Jaydip Mukhopadhyay	Gainwell Commosales	jaydip.mukhopadhyay@gainwellindia.com 9564674823
Shri E. Krishna Reddy	VPR Mining	kr@vprmininginfra.com 7036666301
Shri Dhimant Chauhan	Mahalaxmi Infra Ltd.	Dkc.micpl@gmail.com 9727756912
Shri S.K. Saraswat	PC Patel IPL	Sk_saraswat@yahoo.co.in 9799413882
Shri T.K. Rao	BLA Infrastruct	tk.sahu@blagroup.net 7603010498
Shri Utkarsh Pandey	PSM Energy	utkarsh.pandey@psmenergy.com 8598946901

Ministry of Coal

Draft Consultation Note on Revenue Sharing Model through Private Sector participation in development of Discontinued/Closed/Abandoned Mines

Background:

1. Coal India Limited – “a Maharatna company” is single largest coal producer in the world and one of the largest corporate employer with manpower of 2,59,016 (as on 1st April’2021). CIL and its subsidiaries spread over 8 states of India and working in 85 mining areas. CIL has 345 mines of which 151 are underground, 172 open cast and 22 mixed mines. CIL produced ~596 MT in FY 2020-21 around 83% of India Overall coal production in India where approximately 57% of primary commercial energy is coal dependent. CIL alone meets to the tune of 40% of primary commercial energy requirement.
2. Even the High Level Committee (HLC) formed by NITI Aayog has in its recommendations at Para 10.2 recommended that CIL may consider outsourcing non-operational and loss making mines through bidding process on production/revenue sharing basis. Ministry of Petroleum is already successfully operationalizing such a Policy for outsourcing the oilfields of ONGC/OIL on revenue sharing basis by private operators.
3. Many mines after extraction of coal by CIL subsidiaries which are not in operation at present due to viability and other issues may be presently considered under the proposed revenue sharing mechanism. As a first step, CIL and its subsidiaries have identified 10 discontinued /closed/abandoned coal mines having reserve ~20 MT or more and which be re-operated on revenue sharing model whose mining leases were vested under Coal Mines Nationalization Act 1973/Coking Coal Mines Nationalization Act 1972 or CBA (A&D) Act 1957. Subsequently, more such mines will be identified by CIL to be added to the list.
4. There are numerous abandoned mines with sufficient mineable reserve at suitable depths, which were previously used to extract coal. However, these

mines were closed for different reasons and primarily due to unprofitable operations which posed challenging in providing for the wages of the employees. The mines had difficult geological mining conditions, questions around their economic viability and a lack of suitable technology to extract deeper reserves. Discontinued/closed/abandoned mines pose as a national loss because large amounts of reserves cannot be extracted. It is notable that with the recent steep hike in international price of coal, many non-power coal consumer dependent on imported coal may find it viable to mine and consume coal from these mines that were unviable for CIL in the past.

5. Re-operationalizing these mines will prevent illegal mining, frequent accidents and unauthorized encroachments of coal mine lands. This may also provide another opportunity to close the mine in sustainable manner. Moreover, they may already have FC, EC and other approvals, which may be revived without need for going through the entire process again. Such areas have already been broken down and tree cover removed. It will also bring revenue to CIL through a transparently discovered revenue share percentage.

Proposal:

6. To promote an optimum utilisation of coal resources in the national interest, the Government is eager to include the private sector in operating closed/abandoned/discontinued mines through a mechanism that would benefit both the government and the private sector. The Ministry of Coal is attempting to build a vision that includes private sector participation in order to bring these abandoned mines back into operation. The fundamental premise is that the private sector will bring in much needed efficiency through lower overhead expenses and state-of-the art technology, allowing coal to be produced at commercially viable rates. Also, sub-contracting mining operations to private players in these discontinued and abandoned mines is a more capital efficient way forward to increase coal production.
7. A simple and easy to administer contractual model in line with Government's efforts to promote 'Ease of Doing Business' requiring minimum regulatory

burden for monetizing these discontinued/abandoned mines and encourage private sector participation will be developed. The Coal Ministry already has a tried and tested contractual model and bid invitation methodology for commercial mining, which can be the template for inviting bids for these closed mines.

8. As part of an effort to enhance domestic output and reduce imports, CIL will start with identifying 20-25 abandoned/closed coal mines where it aims to revive production. These 20-25 abandoned/discontinued mines will be discovered and auctioned off in a competitive bidding process. It will also be ensured that the selected mines have sufficient reserves, a reasonable PRC, and no rehabilitation or resettlement concerns.
9. The bid parameter will be based on Revenue sharing model, with bidders being obliged to bid for a percentage share of revenue that will be paid to the CIL. The revenue sharing floor percentage will be set at 4%. The successful bidder will be the one that submits the highest percentage of revenue sharing in the bidding process. The auction will be conducted in an open and efficiently transparent manner.

The Process:

10. In this Revenue sharing mechanism, the concerned CIL subsidiary will select a mine operator to mine the coal through a transparent bidding process, and the bidder will have marketing freedom to sell the coal at market determined price. On the lines of commercial mining auction process, the sole criterion for award of mines will be revenue share quoted on per tonne basis after fulfilling the liability of paying all the statutory dues. The revenue generated from the coal produced will be shared with the concerned subsidiary at the bid percentage share of the value of coal on per tonne basis which the Bidder has already quoted in their Bid.

11. The bidder will mine the coal and deliver it to buyer. The CIL will be paid the revenue share amount by the bidder as the first charge, and the bidder would retain the remainder of the net proceeds, if any. The contractual arrangements will be structured in such a way as to protect the interest of subsidiary company, payment of taxes to the government and protection of investment by the private sector entity. There will be suitable provisions for discovering the price of the coal at ex-mine basis in a free and transparent basis so that the subsidiary of CIL gets the highest revenue on market determined basis.

12. Since Mining lease (deemed in the case of CBA lands/as per statute) will be in the name of CIL, all taxes/duties/charges for operating the mine will be the liability of the CIL subsidiary. As the bidder will have full right to the coal, these statutory liabilities will have to be discharged by the bidder only and CIL will not be responsible for paying any taxes/royalty/land rent etc. The revenue share payable by him to the CIL subsidiary will be bid and payable on the price discovered for coal on ex-royalty/statutory levies basis. Hence, the taxes/royalty etc. will not be a part of the coal price discovery but payable over and above the coal price.

13. The Discontinued Mine including existing facilities/infrastructure shall be handed over to the Mine Operator 'as is where is' basis. Any infrastructure that is installed in the coal mine will be deemed to be leased to the bidder and will be listed in the bidding documents. If any new infrastructure is to be installed for fulfillment of the contracts, they will be at the cost of the bidder and CIL shall not reimburse the same at any stage of the contract. The discovered revenue share is expected to represent the usage value of the CIL owned infra and no additional rent etc. will be payable by the bidder to the CIL subsidiary. If any additional facility is used by the bidder from an operating mine, the charge for such use will be independently discovered by CIL and be payable additionally.

14. The Mine Operator is responsible for reopening, developing, and operating the Mines, as well as excavating and extracting coal for delivery, for the

duration of the Mine's life or as specified in the contract. The Mine Operator shall have full liberty to choose the mining method, requisite technology, and deployment of mining machinery for the Mine's functional operation. He will have the right to remove any of the moveable infrastructure/machinery installed by him at the end of the contract.

15. The statutory permissions for opening of the mine such as EC, FC, CTE etc. will be in the name of the CIL subsidiary. Wherever it is required to obtain/renew the same to bring these closed mines into operation, it will be the responsibility of the subsidiary to do the needful. It will, however, be the responsibility of the bidder to carry out the compliances so as to keep CIL subsidiary absolved of any wrong-doing. The compliances of CCO will also be addressed by the bidder. However, the pre-existing liabilities of CIL subsidiary towards mine closure or any statutory dues will remain with the latter.

Proposed Way forward:

16. A stakeholders' consultation will be organized in the month of February 2022 by the Ministry to involve the private sector.
17. The initial draft tender document for revenue sharing model for development of discontinued/abandoned/closed mines shall be prepared by CMPDI and then submitted to the Ministry of Coal for review. The bidding process will be conducted by CIL and the contract will also be signed by them. As far as possible, the same will be drafted on the basis of existing documents of commercial mining/MDO as vetted/approved by MOC.
18. Mine Development and Revenue Sharing Agreement also will be prepared by the Transaction Advisor/CMPDI. It will be based on MOC's CBPDA and MDO Model Agreement as approved by NITI Aayog.
19. Appointment of a Transactional Adviser like SBI Caps, to oversee the process of tendering and auction can also be taken into consideration. The bidding

process as followed by MOC for commercial coal block auction may serve as a template. A third-party auction platform, mutually agreeable may be engaged to conduct auction on regular basis.

20. As the revenue payable to CIL would be on Rupee per tonne of coal sold by the successful bidder, it would be desirable to ensure that the sale price of coal is discovered in a transparent process. CIL will provide adequate safeguards in the contract and also provide for minimum price to be as per the NCI determined value and higher where the sale of coal is at a price higher than the NCI value..

21. Terms & Conditions of auction, sale, quantity, delivery including fixation of reserve price and right to choose third party sampling agency etc. shall be as per the Model contract to be finalized by CIL.

22. It may require amendment in the NCDP by the Ministry or a new policy on revenue sharing over riding the NCDP may be made to give marketing rights over the coal mined to the private sector entity.

23. CIL may also provide for suitable provision for measurement and audit of the sale/production volume to ensure the corrections of the sum payable to it from these contracts.