



सत्यमेव जयते



**SECOND ATTEMPT OF [14<sup>TH</sup> / 4<sup>TH</sup>] TRANCHE OF AUCTION  
UNDER THE [COAL MINES (SPECIAL PROVISIONS) ACT, 2015 / MINES AND  
MINERAL (DEVELOPMENT AND REGULATIONS) ACT, 1957]**

**STANDARD TENDER DOCUMENT  
AUCTION OF COAL MINES FOR SALE OF COAL**

**[Insert Name] COAL MINE**

**Nominated Authority, Ministry of Coal  
Government of India  
New Delhi  
April 11, 2022**

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**Important Notice:**

*The information contained in this tender document (“**Tender Document**”), or any information subsequently provided to Bidder(s), by or on behalf of the Nominated Authority and/or any of its employees or advisors, shall be provided to prospective Bidder(s) on the terms and conditions set out in this Tender Document.*

*This Tender Document is neither an agreement nor an offer by the Nominated Authority to the prospective Bidders or any other Person. The purpose of this Tender Document is to provide prospective Bidders with information that may be relevant in making and submitting Bids pursuant to this Tender Document. This Tender Document is based on various assumptions arrived at and/or assessments made by the Nominated Authority in relation to the [coal mine / coal block] (“**Coal Mine**”). The statements contained in this Tender Document do not purport to cover and does not cover all such assumptions, assessments or information that each Bidder may require. This Tender Document may not be suitable for all Persons, and it is not possible for the Nominated Authority, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or refers to this Tender Document. The assumptions, assessments, statements and information contained in this Tender Document, including specifically the Mine Dossier, may not be complete, accurate, adequate or correct and shall not be referred to by any Bidder as an exhaustive reference of such assessments, statements or information. Each prospective Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this Tender Document and obtain independent advice from appropriate sources before submitting a Bid.*

*The information provided in this Tender Document has been collated from several sources some of which may depend upon interpretation of Applicable Law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as comprehensive advice on such matter. The Nominated Authority accepts no responsibility for the accuracy or otherwise for any statement contained in this Tender Document.*

*The Nominated Authority, its employees and advisors make no representation or warranty and shall have no liability to any Person, including any Bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this Tender Document or otherwise, including on account of the accuracy, adequacy, correctness, completeness or reliability of this Tender Document and any assessment, assumption, statement or information contained therein or deemed to form part of this Tender Document or arising in any way from participation in this tender process.*

*The Nominated Authority shall not accept any liability of any nature whatsoever, whether resulting from negligence or otherwise howsoever caused arising from reliance of any Bidder upon the statements contained in this Tender Document.*

*Notwithstanding anything contained in this Tender Document, the Nominated Authority may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this Tender Document.*

*The issue of this Tender Document does not imply that the Nominated Authority is bound to select or shortlist a Bidder as the Preferred Bidder or to appoint the Preferred Bidder as Successful Bidder for the Coal Mine and the Nominated Authority reserves the right (without incurring any liability*

*whatsoever) to reject all or any of the Bidders or Bids without assigning any reason whatsoever.*

*Each Bidder shall bear all its costs associated with or relating to the preparation and submission of its Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Nominated Authority or any other costs incurred in connection with or relating to its Bid. This Tender Document is not transferable. Nothing contained in this Tender Document shall be binding on the Nominated Authority or confer any rights on the prospective Bidders. The examples set out in this Tender Document are for illustrative purposes only.*

*The Mine Dossier of the Coal Mine is being provided only as a preliminary reference document to the prospective Bidders, who are expected to carry out their own surveys, investigations and other detailed examination of the Coal Mine before submitting their Bids. Nothing contained in the Mine Dossier shall be binding on the Nominated Authority nor confer any right on the Bidders, and the Nominated Authority shall have no liability whatsoever in relation to or arising out of any or all contents of the Mine Dossier.*

## 1 Definitions

- 1.1 Unless the context otherwise requires, capitalised terms and expressions used in this Tender Document and not defined in this Tender Document, but defined in the Act or the Rules shall have the meaning assigned to it in the Act or in the Rules, as the case may be.
- 1.1.1 **“Acceptable Bank”** shall mean a Scheduled Bank as listed in the Second Schedule of the Reserve Bank of India Act, 1934 excluding Gramin Banks, Urban Co-operative Banks and State Co-operative Banks.
- 1.1.2 **“Act”** shall mean the [CM(SP) Act, 2015/ MMDR Act, 1957.]<sup>1</sup>
- 1.1.3 **“Affiliates”** with respect to a Bidder shall mean a person who, directly or indirectly: (1) Controls such Bidder; (2) is Controlled by such Bidder; (3) is Controlled by the same person, who directly or indirectly, controls such Bidder; or (4) is an Associate Company of such Bidder.
- 1.1.4 **“Agreement”** shall mean the [Coal Mine Development and Production Agreement to be executed by Nominated Authority with the Successful Bidder pursuant to Rule 13(5) of the Rules / Coal Block Development and Production Agreement to be executed by Nominated Authority with the Successful Bidder pursuant to Rule 8(1) of the Rules]<sup>2</sup> in the form and substance as provided in **Annexure IX**.
- 1.1.5 [“**Allocation Order**” shall have the meaning ascribed to it in the Rules.]<sup>3</sup>
- 1.1.6 **“Applicable Floor Price”** shall have the meaning ascribed thereto in Clause 3.3.2(c).
- 1.1.7 **“Applicable Law”** shall mean all applicable statutes, laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directive of any governmental authority or court or other law, rule or regulation approval from the relevant governmental authority, government resolution, directive, or other government restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law in India. It is hereby clarified that Applicable Law includes the consolidated Foreign Direct Investment Policy 2017 issued by the Department of Industrial Policy and Promotion, as amended from time to time including as amended by Press Note 3 of 2020 issued by the Department for Promotion of Industry and Internal Trade.
- 1.1.8 **“Associate Company”** shall have the meaning ascribed thereto in clause (6) of section 2 of the Companies Act, 2013.
- 1.1.9 **“Authorised Signatory”** shall mean the individual representing a Bidder who has been duly authorised on behalf of such Bidder to execute and submit the Bid in accordance with the terms hereof.
- 1.1.10 **“Base Year”** shall mean the financial year 2017-18.
- 1.1.11 **“Bid”** shall mean the binding Technical Bid, the Initial Offer and the Final Offer, as applicable, submitted by the Bidders in accordance with this Tender Document pursuant to a unique MSTC

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<sup>1</sup> To be retained as applicable.

<sup>2</sup> To be retained as applicable.

<sup>3</sup> To be retained as applicable.

Registration Number.

- 1.1.12 **“Bidder”** with respect to a Bid shall mean a Company or corporation which participates in such Bid.
- 1.1.13 **“Bid Due Date”** shall mean the date and time on which the Technical Bid and the Initial Offer are required to be submitted in accordance with Clause 3.8.
- 1.1.14 **“Bid Security”** shall have the meaning ascribed thereto in Clause 6.1.1.
- 1.1.15 **“CBA Act”** shall mean the Coal Bearing Areas (Acquisition and Development) Act, 1957.
- 1.1.16 **“CBM”** shall mean Natural Gas (mainly Methane) contained in coal or bituminous lignite beds.
- 1.1.17 **“CMPDIL”** shall mean the Central Mine Planning and Design Institute Limited (a Government of India undertaking).
- 1.1.18 **“CM(SP) Act, 2015”** shall mean Coal Mines (Special Provisions) Act, 2015, as amended from time to time.
- 1.1.19 **“Coal Gasification”** shall mean the technological process wherein partial oxidation / combustion of coal in an atmosphere of air/oxygen and steam, generates a mixture of flammable gasses (Syngas, Synthesis, Producer gas) comprising mainly of CO and H<sub>2</sub> with small quantities of CO<sub>2</sub>, CH<sub>4</sub>, H<sub>2</sub>O, etc.) and slag/ash (mineral residue).
- 1.1.20 **“Coal Liquefaction”** shall mean the process of converting coal into liquid hydrocarbons i.e. liquid fuels and petrochemicals.
- 1.1.21 **“Coal Mine”** means [insert name] coal mine(s) located in [insert name of state] listed at Sl. No. [\*] of Schedule [I/II/III] of the Act/ [insert name] coal block(s) located in [insert name of state]<sup>4</sup>, which is a [Fully Explored/ Partially Explored] Mine being placed for auction by this Tender Document.
- 1.1.22 **“Company”** shall have the meaning ascribed thereto in clause (20) of section 2 of the Companies Act, 2013.
- 1.1.23 **“Control”** shall have the meaning ascribed thereto in clause (27) of section 2 of the Companies Act, 2013.
- 1.1.24 **“Eligibility Conditions”** shall mean the eligibility conditions specified in the Act and the Rules including all the eligibility conditions listed in Clause 4.
- 1.1.25 **“FDI”** shall mean Foreign Direct Investment, i.e. investment by non-resident entity or person resident outside India in the capital of an Indian company in accordance with Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.
- 1.1.26 **“Final Offer”** shall mean the percentage share of revenue quoted by the Bidder in the second round of the Financial Bid as payable to the Government per Tonne of coal.
- 1.1.27 **“Financial Bid”** shall have the meaning ascribed therein in Clause 3.3.1(b).

- 1.1.28 “**Fixed Amount**” shall have the meaning ascribed thereto in Clause 3.3.2(h)(ii).
- 1.1.29 “**Floor Price**” means the percentage share of revenue prescribed under this Tender Document in Clause 3.3.2.
- 1.1.30 “**Fully Explored Mine**” means a coal mine/ block categorised in G-1 exploration stage as per the modified Indian Standard Procedure for Coal Resource Estimation, 2017 issued by the Central Geological Programming Board of Geological Survey of India.
- 1.1.31 “**Geological Report**” shall have the meaning ascribed in Rule 2(1)(iv) of the Mineral Concession Rules, 1960.
- 1.1.32 “**Geological Reserves**” shall mean [i) for Schedule II Coal Mines, the gross reserves mentioned in the Geological Report under the Act less the coal reserves extracted from the Coal Mine till March 31, 2020 and ii) for mines other than Schedule II Coal Mines, the gross reserves mentioned in the Geological Report]<sup>5</sup> [gross reserves mentioned in the Geological Report]<sup>6</sup>.
- 1.1.33 “**Initial Offer**” shall mean the percentage share of revenue quoted by the Bidder in the Financial Bid as payable to the Government per Tonne of coal, and which must be above the Floor Price in accordance with Clause 3.3.2(a).
- 1.1.34 “**Lock-in Period**” shall have the meaning ascribed thereto in Clause 5.2.1.3.
- 1.1.35 “**Mandatory Work Program**” shall mean the work program as provided in **Annexure I** and shall be monitored and reviewed by the Nominated Authority or the Central Government or any agency appointed by the Nominated Authority in this regard.
- 1.1.36 “**Mine Dossier**” shall have the meaning ascribed [to it in the Rules/ to Block Dossier in the Rules].
- 1.1.37 “**Mining Lease**” shall mean the lease to be granted by the State Government in accordance with [Section 8(4)(b) read with Section 8(8) of the Act / Section 11A of the Act].
- 1.1.38 “**Mining Plan**” shall mean a plan which has been approved in accordance with the Applicable Laws in relation to the Coal Mine.
- 1.1.39 “**Minor Minerals**” shall have the meaning ascribed to it in the [Act / MMDR Act, 1957].
- 1.1.40 “**MMDR Act, 1957**” shall mean Mines and Minerals (Development and Regulation) Act, 1957, as amended from time to time.
- 1.1.41 “**Monthly Payment**” shall have the meaning ascribed thereto in Clause 3.10.1.
- 1.1.42 “**MoPNG**” shall mean the Ministry of Petroleum and Natural Gas, Government of India.
- 1.1.43 “**MSTC**” shall mean MSTC Limited (a Government of India undertaking).
- 1.1.44 “**National Coal Index**” shall mean the coal index determined in accordance with the Office Memorandum ‘Roll-out of National Coal Index (Base Year 2017-18)’ dated June 04, 2020 and Operational Guidelines of National Coal Index and Representative Prices dated June 17, 2020

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<sup>5</sup> To be retained as applicable.

<sup>6</sup> To be retained as applicable.



issued by the Ministry of Coal, as may be amended, and published by the Government of India on a bi-monthly basis and includes sub-indices notified for various coal grades.

- 1.1.45 “**Nominated Authority**” shall mean the Nominated Authority [appointed under [section 6 (1) of the Act and Rule 3 of the Rules made thereunder] / [appointed under Section 6 (1) of the CM(SP) Act, 2015 and Rule 3 of the Coal Mines (Special Provisions) Rules, 2014 made thereunder and authorised under Section 26 of the Act]].<sup>7</sup>
- 1.1.46 “**Notional Price**” shall have the meaning ascribed thereto in Clause 3.10.1(c)(i).
- 1.1.47 “**Partially Explored Mine**” means a coal mine/ block categorised in G-2 or G-3 exploration stage as per the modified Indian Standard Procedure for Coal Resource Estimation, 2017 issued by the Central Geological Programming Board of Geological Survey of India.
- 1.1.48 “**Performance Security**” shall have the meaning ascribed thereto in Clause 7.
- 1.1.49 “**Person**” shall include any Company or association or body of individuals, whether incorporated or not.
- 1.1.50 “**Preferred Bidder**” shall have the meaning ascribed to it in Clause 3.3.2(c).
- 1.1.51 “**Prior Allottee**” shall have the meaning ascribed thereto in the [Act and for the purposes of this Tender Document, the Prior Allottee shall be]<sup>8</sup>[name and particulars of the prior allottee]/[CM(SP) Act, 2015].<sup>9</sup>
- 1.1.52 “**Production Schedule**” shall have the meaning ascribed thereto in Clause 9.2.1.
- 1.1.53 “**Qualified Bidder(s)**” shall have the meaning ascribed to it in Clause 3.3.2(b).
- 1.1.54 “**Representative Price**” shall mean the grade-wise price calculated in accordance with Clause 3.10.1 and further detailed in **Annexure II**.
- 1.1.55 “**Rules**” shall mean the [Coal Mines (Special Provisions) Rules, 2014 / Coal Blocks Allocation Rules, 2017] or any other rules framed pursuant to the Act.
- 1.1.56 “[**Rule 8(2) Order / Rule 3(1) Order**]<sup>10</sup>” shall mean an order issued by the Central Government under [Rule 8(2) / Rule 3(1)]<sup>11</sup> of the Rules.
- 1.1.57 “**Scheduled Date of Production**” shall have the meaning ascribed thereto in Clause 3.11.1.
- 1.1.58 “**State Government**” shall mean the Government of the state where the Coal Mine is located.
- 1.1.59 “**Subsidiary Company**” shall have the meaning thereto in clause (87) of section 2 of the Companies Act, 2013.
- 1.1.60 “**Successful Bidder**” shall have the meaning ascribed thereto in Clause 3.3.2(d).
- 1.1.61 “[**Supreme Court Judgment**” shall have the meaning ascribed thereto in Clause 2.1.1.]<sup>12</sup>

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<sup>7</sup> To be retained as applicable.

<sup>8</sup> To be retained as applicable.

<sup>9</sup> To be retained as applicable.

<sup>10</sup> To be retained as applicable.

<sup>11</sup> To be retained as applicable.

<sup>12</sup> To be retained as applicable.

- 1.1.62 “**Technical Bid**” shall mean a confirmation of compliance with the Eligibility Conditions along with necessary supporting documents and information.
- 1.1.63 “**Technically Qualified Bidder**” shall have the meaning ascribed thereto in Clause 3.3.2(b).
- 1.1.64 “**Tender Document**” shall mean this document including its Annexures including specifically the Agreement, the Mine Dossier, order F. No. 13011/2/2020-CBA2-Part(2) dated May 28, 2020 of Ministry of Coal, any addenda to this Tender Document and any other document issued pursuant hereto.
- 1.1.65 “**Upfront Amount**” shall mean an amount [of INR [●]]<sup>13</sup>, which has been calculated in accordance with Clause 3.9.1 and payable in accordance with Clause 3.9.2.
- 1.1.66 “**Value of Estimated Geological Reserves**” shall mean an amount which is a product of the estimated quantity of Geological Reserves in the Coal Mine and the Representative Price of the relevant grade of coal. It is clarified that relevant grade of coal shall mean weighted average grade of non-coking coal and/or weighted average grade of coking coal, as the case may be, for the Coal Mine, as per Geological Report.
- 1.1.67 [“**Vesting Order**” shall have the meaning ascribed thereto in the Act.]<sup>14</sup>

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<sup>13</sup> Applicable for Fully Explored Mines

<sup>14</sup> To be retained as applicable.

## 2 Introduction

### 2.1 Background<sup>15</sup>

2.1.1 [The Supreme Court of India, *vide* its judgment dated August 25, 2014, read with its order dated September 24, 2014 (collectively the “**Supreme Court Judgment**”), had cancelled allotment of 204 coal blocks. The Coal Mine was one of the 204 cancelled coal blocks and accordingly, its allotment to the Prior Allottee was cancelled pursuant to the Supreme Court Judgment, with effect from the ‘appointed date’ (*as defined in the Act*).

2.1.2 Subsequent to the Supreme Court Judgment, the Coal Mines (Special Provisions) Ordinance, 2014; the Coal Mines (Special Provisions) Second Ordinance, 2014 were promulgated, the Rules were notified; and the Act was passed and notified for auction and allotment of all coal blocks, the earlier allotment of which were cancelled pursuant to the Supreme Court Judgment.]

[The Act, was promulgated for development and regulation of mines and minerals. In 2010, Section 11A was introduced *vide* the Mines and Mineral (Development and Regulation) (Amendment) Act, 2010 and was subsequently amended *vide* Section 30 read with Schedule IV of the Coal Mines (Special Provisions) Act, 2015, which provides for the mechanism to auction and/or allot coal and lignite mines under the provisions of the Act. ]<sup>16</sup>

2.1.3 The Press Note 4 of 2019, issued by the Central Government, amended FDI Policy 2017, to permit 100% FDI under automatic route in coal mining activities, including associated processing infrastructure subject to the Act and other Applicable Laws, for sale of coal. The Press Note 3 of 2020, issued by the Central Government, further amended the FDI Policy to prescribe a requirement to seek prior Government approval if such foreign direct investment is by an entity from a country which shares land borders with India or where the beneficial owner of such foreign direct investment into India is situated in or is a citizen of any such country.

2.1.4 Subsequently, the Mineral Laws (Amendment) Act, 2020 has been notified on March 13, 2020, with effect from January 10, 2020 to amend the Act so as to permit auction of Coal Mines for own consumption, sale or for any other purpose as may be determined by the Government.

2.1.5 Pursuant to [Rule 8(2) / Rule 3(1)]<sup>17</sup> of the Rules, the Central Government has issued a ‘[Rule 8(2) Order’ / Rule 3(1) Order]<sup>18</sup> dated [Relevant Order date to be placed]<sup>19</sup>/ [Relevant Order date to be placed]<sup>20</sup>, to the Nominated Authority for auction of the Coal Mine pursuant to [Section 4(1) and 4(2) / Section 11A] of the Act. A copy of such [Rule 8(2) Order / Rule 3(1) Order]<sup>21</sup> is available at <http://coal.nic.in>.

2.1.6 Accordingly, the tender process for the Coal Mine was conducted by the Nominated Authority *vide* tender document dated December 16, 2021. However, since the number of Technically Qualified Bidders pursuant to this tender process were less than 2, the tender process for the Coal Mine was annulled *vide* notice dated March 03, 2022.

<sup>15</sup> To be retained as applicable.

<sup>16</sup> To be retained as applicable.

<sup>17</sup> To be retained as applicable.

<sup>18</sup> To be retained as applicable.

<sup>24</sup> To be retained as applicable

<sup>25</sup> To be retained as applicable

<sup>21</sup> To be retained as applicable.

- 2.1.7 Pursuant to Para 2.2.(b) of the Office Memorandum No. CBA2-13011/2/2020-CBA2 dated June 01, 2020 issued by Ministry of Coal, the Nominated Authority is initiating the second attempt of auction of the Coal Mine with the same terms and conditions as in the first annulled attempt of auction i.e. vide tender document dated December 16, 2021, and with the highest Initial Offer of Technically Qualified Bidder, if any, in the first annulled attempt of auction as the Floor Price for the second attempt of auction. A copy of such Office Memorandum is available at <http://coal.nic.in>
- 2.1.8 Accordingly, this Tender Document is being issued by the Central Government, through the Nominated Authority, for auction of the Coal Mine. The auction would be conducted in accordance with the Act, the Rules, any other order issued by the Central Government and this Tender Document.
- 2.1.9 [Pursuant to Section 6 of the Act, the Central Government has appointed the Nominated Authority to conduct the tender process./ Pursuant to Section 26 of the Act, the Central Government has authorised the Nominated Authority to conduct the tender process.]<sup>22</sup> Subsequently, the Nominated Authority shall execute the Agreement with the Successful Bidder in accordance with [Rule 13(5)/ Rule 8(1)] of the Rules<sup>23</sup>.

## **2.2 The Act and the Rules**

- 2.2.1 This tender and auction process is subject to and in accordance with the Act, the Rules and this Tender Document, and the rights and obligations of all the Bidders is subject to the Act and the Rules. All Bidders are encouraged to familiarise themselves with the Act and the Rules. As of the date of this Tender Document, the Act and the Rules are available at <http://coal.nic.in>.

## **2.3 The Coal Mine**

- 2.3.1 The Coal Mine is being auctioned strictly for the purpose of sale of coal as mentioned in the [Rule 8(2) Order/ Rule 3(1) Order]<sup>24</sup>. The mining operations are required to be conducted strictly in accordance with all Applicable Law, including without limitation the Act, the Rules, the [Vesting Order / Allocation Order]<sup>25</sup> and this Tender Document and any document referred herein, including the Agreement.

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<sup>22</sup> To be retained as applicable.

<sup>23</sup> To be retained as applicable.

<sup>24</sup> To be retained as applicable.

<sup>25</sup> To be retained as applicable.

### 3 Tender Process

#### 3.1 Electronic Auction

3.1.1 The auction of the Coal Mine shall be conducted on electronic platform created by MSTC and no physical bids shall be accepted or considered.

3.1.2 The technical details with respect to access to such electronic platform are provided in **Annexure III** (*Technical Details with respect to electronic auction*).

3.1.3 In case of any technical clarification regarding access to the electronic auction platform or conduct of the auction process, the Bidders may contact MSTC directly at the address provided in **Annexure III**.

#### 3.2 Tender Document

3.2.1 In order to participate in the tender process, 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. Please refer to **Annexure III** for technical details regarding the aforementioned payment.

3.2.2 Upon payment of the abovementioned fee, the Bidder shall be eligible to download the specific Tender Document from website of the MSTC.

#### 3.3 Description of the Tender Process

3.3.1 Pursuant to [Rule 10(4)(a) / Rule 5(5)] of the Rules<sup>26</sup>, the auction would be conducted through a two stage process comprising of:

- a) Technical Bid in which the Bidders would be required to provide details regarding compliance with the Eligibility Conditions; and
- b) Financial Bid comprising of: (i) the Initial Offer; and (ii) the Final Offer. The Initial Offer is required to be submitted along with the Technical Bid. It is hereby clarified that the Financial Bid will comprise of two rounds. In the first round the Initial Offer of the Technically Qualified Bidders would be opened and ranked on the basis of descending order for determination of the Qualified Bidders as provided in Clause 3.3.2(b) below. The Qualified Bidders shall be eligible to participate in the electronic auction and submit their Final Offer.

3.3.2 The two stage tender process would be conducted in the following sequence:

(a) **Technical Qualification:**

In the first stage, the Bidders would be required to submit: (i) the Bid Security; (ii) the Technical Bid in the form and substance specified in **Annexure IV**; and (iii) the Financial Bid to the extent of specifying the Initial Offer, which should be higher than the Floor Price in multiples of 0.5% of revenue share till Initial Offer reaches 10% and thereafter in multiples of 0.25% revenue share. The Floor Price for the Coal Mine is [\*]% of revenue share.

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<sup>26</sup> To be retained as applicable.

The Technical Bid of each Bidder, which is duly submitted in accordance with this Tender Document along with the Bid Security shall be opened by the Nominated Authority on the date mentioned in Clause 3.8.1, at such time and place as notified subsequently and in presence of the Bidders who choose to attend. The Nominated Authority reserves the right to ask for any details, clarifications or any other information, in writing based on information submitted by Bidders for the purpose of evaluation of Technical Bids or otherwise.

The Technical Bid shall be evaluated against the Eligibility Conditions and against the test of responsiveness (in accordance with Clause 3.4). The Nominated Authority may appoint an evaluation committee for evaluation of the Technical Bids.

(b) **Ranking and Qualification:**

The Bidders who meet all the Eligibility Conditions (the “**Technically Qualified Bidders**”) shall be ranked, and thereafter a determination shall be made in the following manner to identify the qualified bidders, who shall be qualified for participating in the electronic auction and shall be eligible to submit a Final Offer (the “**Qualified Bidders**”):

- I. **Ranking:** The Technically Qualified Bidders shall be ranked in a descending order on the basis of the respective Initial Offer. The Technically Qualified Bidders who have submitted the same Initial Offer, shall be assigned the same rank.
- II. **Determination of Qualified Bidders:**
  - (i) If there are only 2 or 3 Technically Qualified Bidders, all the Technically Qualified Bidders shall be considered as Qualified Bidders.
  - (ii) If there are 4 to 6 Technically Qualified Bidders, the lowest ranked Technically Qualified Bidder(s) shall be eliminated and the remaining Technically Qualified Bidders shall be considered as Qualified Bidders.
  - (iii) If there are 7 or more Technically Qualified Bidders, 1/3<sup>rd</sup> of the Technically Qualified Bidders (taking from the lowest rank(s) holding Technically Qualified Bidders) and subject to a maximum of 3, shall be eliminated. In the event the number of Technically Qualified Bidders at the lowest ranks, as per this Clause, is more than 3, then all such Technically Qualified Bidders holding the lowest ranks shall be eliminated notwithstanding the cap of 3 Technically Qualified Bidders to be eliminated. The remaining Technically Qualified Bidders shall be considered as Qualified Bidders. While calculating the one third, fractions will be ignored.

Provided however, no Technically Qualified Bidder shall be eliminated in the event the number of Qualified Bidders after elimination pursuant to this Clause is less than 3.

Provided however that in the event that there is only one Technically Qualified Bidder, then the Technically Qualified Bidder shall be considered as the Qualified Bidder. Provided further, that in the event there is no Technically Qualified Bidder, then the tender process for the Coal Mine shall stand annulled.

**Illustration 1:**

Solely for the purposes of reference of the Bidders, the methodology of determination of Qualified Bidders is illustrated below:

(i) In case 10 Bids are received which are referred to as bid *A* to *J* and no two Initial Offers are identical.

Then,

**Step 1 – Ranking:** Upon ranking them in descending order of Initial Offers, the Technically Qualified Bidders would be ranked in the following manner: *I, D, B, A, C, F, E, G, J*, and *H* [i.e. *I* being the highest Initial Offer and *H* being the lowest]. The number of Technically Qualified Bidders shall be 10.

**Step 2 – Determination of Qualified Bidders:** Eliminating the bottom 3 Technically Qualified Bidders ( $1/3^{\text{rd}}$  of 10 being 3.33 and ignoring 0.33), the Qualified Bidders shall be *I, D, B, A, C, F, and E*.

(ii) In the aforementioned illustration no. (i), if Initial Offer against Bids *F, E, G and J* is equal;

Then,

**Step 1 – Ranking:** Upon ranking them in descending order of Initial Offers, the Technically Qualified Bidders would be ranked in the following manner:

Rank 1: I

Rank 2: D

Rank 3: B

Rank 4: A

Rank 5: C

Rank 6: F, E, G and J

Rank 7: H

**Step 2 – Determination of Qualified Bidders:** Eliminating the Technically Qualified Bidders at lowest ranks:

- $1/3^{\text{rd}}$  of 10 Technically Qualified Bidders being 3.33 and ignoring 0.33, 3 Technically Qualified Bidders who ranked last should be eliminated.
- However, the total number of the Technically Qualified Bidders at the lowest ranks is 5. After elimination of 5 these last ranked 5 Technically Qualified Bidders, the number of Qualified Bidders would be 5. Accordingly, the Qualified Bidders shall be *I, D, B, A, and C*.

(iii) In the aforementioned illustration no. (i), if Initial Offer against Bids *B, A, C, F,*

**E, G, J and H** is equal;

Then,

**Step 1 – Ranking:** Upon ranking them in descending order of Initial Offers, the Technically Qualified Bidders would be ranked in the following manner:

Rank 1: I

Rank 2: D

Rank 3: B, A, C, F, E, G, J and H

**Step 2 – Determination of Qualified Bidders:** Eliminating the Technically Qualified Bidders at lowest ranks:

- 1/3<sup>rd</sup> of 10 Technically Qualified Bidders being 3.33 and ignoring 0.33, 3 Technically Qualified Bidders who ranked last should be eliminated.
- However, the total number of the Technically Qualified Bidders at the lowest ranks is 8. After elimination of these last ranked 8 Technically Qualified Bidders, the number of Qualified Bidders would be 2. Since the remaining number of Qualified Bidders is less than 3, no elimination of Technically Qualified Bidders shall take place.

The Qualified Bidders shall be **I, D, B, A, C, F, E, G, J, and H.** (iii) In case that instead of 10 Bids only 2 Bids are received, then both the Technically Qualified Bidders shall be Qualified Bidders. This would be the case even if the Initial Offer of two or more of such Technically Qualified Bidders is identical.

*Note: The above mentioned illustrations are merely for reference purpose and in case of inconsistency, the provision of Clause 3.3.2(b) shall prevail.*

(c) **Final Offer:**

The “**Applicable Floor Price**” for electronic auction shall be the highest Initial Offer received from the Qualified Bidders. The Qualified Bidders shall be permitted to place their Final Offer on the electronic auction platform, which is higher than the Applicable Floor Price. The Final Offer shall be accepted in multiple of 0.5% of revenue share till the Final Offer reaches 10% and thereafter in multiple of 0.25% of revenue share.

The Qualified Bidder that submits the highest Final Offer during the electronic auction process shall be declared as the “**Preferred Bidder**”.

In the event that the Qualified Bidder that submitted the highest Initial Offer i.e. the “**Applicable Floor Price**”, becomes ineligible to participate in the electronic auction, the next highest Initial Offer shall become the Applicable Floor Price.

In case the auction process is annulled due to non-submission of at least one Final Offer on the electronic auction platform, the Bid Security of the Qualified Bidder(s) who has submitted the highest Initial Offer i.e. the Applicable Floor Price, shall be forfeited in accordance with Clause 6.1.5.



*Provided however*, in the event there is only one Qualified Bidder pursuant to Clause 3.3.2(b) above, then the Initial Offer submitted by the Qualified Bidder shall be considered as the Final Offer submitted by the Qualified Bidder and the matter will be referred to Empowered Committee of Secretaries (ECoS) for appropriate decision with respect to allocation of the Coal Mine. In the event the ECoS decides that the Coal Mine shall be allocated to the Qualified Bidder, the Qualified Bidder shall be declared as the Preferred Bidder. However, in the event the ECoS decides that the Coal Mine shall not be allocated to the Qualified Bidder, the tender process for the Coal Mine shall stand annulled.

(d) **Recommendation to Central Government:**

Pursuant to [Rule 10(9)/ Rule 5(7)] of the Rules, the Nominated Authority shall recommend the name of the Preferred Bidder to the Central Government. Upon receipt of a direction from the Central Government that a [Vesting Order/ Allocation Order] should be issued to the Preferred Bidder, the Preferred Bidder shall be declared as the “Successful Bidder”.

(e) **Preferred Bidder not to become Successful Bidder in certain cases:**

Notwithstanding the above, in the event that the Nominated Authority or the Central Government determines that a Preferred Bidder should not be declared as the Successful Bidder on account of any reason whatsoever, including without limitation, the withdrawal of the Preferred Bidder from the auction process for the Coal Mine or ceasing to comply with the Eligibility Conditions, the tender process shall stand terminated and the Nominated Authority shall have the power to re-initiate the tender process in accordance with [Rule 17 / Rule 9] of the Rules, provided the Nominated Authority has not received any [Rule 8(2) Order / Rule 3(1) Order] from the Central Government afresh.

(f) **Issue of order providing exception to Section 6(1)(b) of the [Act/ MMDR Act, 1957]**

In the interest of the development of the coal mining sector, the Central Government shall increase the maximum area limits in respect of prospecting license or mining lease in accordance with Section 6(1)(b) of the [Act/MMDR Act,1957].

(g) **Signing of the Agreement:**

Upon receipt of the necessary direction from Central Government under [Rule 10(10) / Rule 5(7) of the Rules]<sup>27</sup>, the Nominated Authority shall inform the Successful Bidder and execute the Agreement in accordance with [Rule 13(5)/ Rule 8(1) of the Rules]<sup>28</sup>. The Successful Bidder shall not be entitled to seek any deviation, modification or amendment in the Agreement, except with the prior approval of the Central Government.

(h) **Payments by the Successful Bidder:**

On signing the Agreement, the Successful Bidder, within such period as prescribed in Clause 3.8, shall, to the Nominated Authority:

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<sup>27</sup> To be retained as applicable.

<sup>28</sup> To be retained as applicable.

- (i) furnish the Performance Security as specified in Clause 7;
- (ii) [pay a fixed amount for the compensation for land and mine infrastructure; cost borne by the Prior Allottee for the preparation of geological report; cost borne by the Prior Allottee for obtaining all statutory licenses, permits, permissions, approvals, clearances or consents relevant to the mining operations; cost incurred by CMPDIL for preparation of the mine dossier including block boundary and financial valuation along with applicable taxes; (collectively the “**Fixed Amount**”). If the Successful Bidder is a Prior Allottee, then, the compensation payable to such Successful Bidder shall be set off or adjusted against the Fixed Amount payable by such Successful Bidder. The Fixed Amount is required to be deposited by the Successful Bidder in accordance with the relevant provisions of the Act and the Rules and as provided in the Agreement. The Fixed Amount payable is based on the available information and the assessment made by the competent authority and will be uploaded as a part of this Tender Document. Any upward revision in the Fixed Amount on a subsequent date by the Government or the Nominated Authority consequent to any process or on the orders of any competent court of law, shall also be payable by the 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.]<sup>29</sup>

[cost incurred by CMPDIL and other Government agencies, if any, in deriving detailed geographical boundary coordinates and in preparing geological report, if any; cost incurred by CMPDIL for preparation of the mine dossier including block boundary and financial valuation along with applicable taxes; (collectively the “**Fixed Amount**”). The Fixed Amount is required to be deposited by the Successful Bidder as provided in the Agreement. The Fixed Amount payable is based on the available information and the assessment made by the competent authority and will be uploaded as a part of this Tender Document. Any upward revision in the Fixed Amount on a subsequent date by the Government or the Nominated Authority consequent to any process or on the orders of any competent court of law, shall also be payable by the 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.]<sup>30</sup>

- (iii) For Fully Explored Mines, pay an amount equal to INR [●] (Indian Rupees ([●]) as the first instalment of the Upfront Amount.
- (i) **Issuance of the [Vesting Order / Allocation Order]**<sup>31</sup>:
- Upon receipt of Performance Security and other payments mentioned in sub-clause (h) above, the [Vesting Order / Allocation Order] shall be issued, in duplicate, by the Nominated Authority to the Successful Bidder and the Successful Bidder shall, within 7 (seven) days of the receipt of the [Vesting Order / Allocation Order], sign and return

<sup>29</sup> This is to be retained only for Coal Mines being auctioned under the CMSP Act.

<sup>30</sup> This is to be retained only for Coal Mines being auctioned under the MMDR Act.

<sup>31</sup> To be retained as applicable.

the duplicate copy of the [Vesting Order / Allocation Order] in acknowledgement thereof. In the event that the duplicate copy of the [Vesting Order / Allocation Order] duly signed by the Successful Bidder is not received within the stipulated date, the Nominated Authority may, unless it consents to extension of time for submission thereof, appropriate the Performance Security and other payments made by the Successful Bidder as damages and also terminate the Agreement.

### 3.4 Tests of Responsiveness

Prior to evaluation of the Technical Bid, the Nominated Authority shall determine whether each Technical Bid is responsive to the requirements of this Tender Document. The Nominated Authority reserves the right to reject any Technical Bid which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be considered or permitted by the Nominated Authority in respect of such Technical Bid. While making any determination with respect to responsiveness of a Technical Bid, the Nominated Authority may consider such parameters as it may deem relevant, including considerations that the Technical Bid:

- a) is received as per the prescribed formats along with documentary evidence required to support its ability to meet the Eligibility Conditions and other conditions prescribed elsewhere in this Tender Document;
- b) is received by the Bid Due Date including any extension thereof;
- c) is submitted in the manner prescribed in this Tender Document;
- d) is accompanied by the Bid Security as specified in Clause 6;
- e) is accompanied by a Power of Attorney as specified in **Annexure V** and an Affidavit as specified in **Annexure VI**;
- f) contains all the information (complete in all respects) including the Initial Offer as requested in this Tender Document;
- g) does not contain any condition or qualification;
- h) only 1 (one) Technical Bid has been made for the Coal Mine by the Bidder and/or its Affiliate; and
- i) is generally not considered to be non-responsive in terms of any other parameters as may be considered relevant by the Nominated Authority.

### 3.5 Pre-Bid Conference

3.5.1 Pre-Bid conference(s) of the Bidders shall be convened at the designated date as mentioned in Clause 3.8 at a time and place specified by the Nominated Authority. Only those persons who have purchased the Tender Document shall be allowed to participate in the pre-bid conferences.

3.5.2 A maximum of 3 (three) representatives of each Bidder shall be allowed to participate on production of duly issued authority letter from the Bidder and identity documents. During the course of Pre-Bid conference(s), the Bidders will be free to seek clarifications and make suggestions for consideration of the Nominated Authority.

3.5.3 The Nominated Authority shall endeavour to provide clarifications and such further information

as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive tender process.

### 3.6 Site visits and Information

3.6.1 Prior to submission of Technical Bid, the Bidders are encouraged to undertake the site visit to Coal Mine, at their own cost and risk and ascertain for themselves the site conditions, location, communication, climate, availability of power, Applicable Laws and regulations, and any other matter considered relevant by them in the manner provided herein. This Tender Document does not however give the unconditional or unrestricted right to access the Coal Mine or the right to the Bidders to prospect for coal in the Coal Mine or carry out any drilling in the Coal Mine.

3.6.2 The Bidders which have made payment of INR 5,00,000 (Indian Rupees Five lakhs) for this Tender Document in accordance with Clause 3.2 shall be eligible to make request for visit to the Coal Mine until the Bid Due Date. The site visit to the Coal Mine shall be coordinated through the following e-mail address [na.moc@nic.in](mailto:na.moc@nic.in). The email should clearly bear the following subject line: “*Site Visit for [insert name of the coal mine]*”.

3.6.3 In the event a Bidder undertakes a site visit, then such Bidder shall be liable for any loss or damage caused to the site [and/or the Prior Allottee], on account of any act or omission of such Bidder or its employees, authorised representatives, agents, advisors etc.

3.6.4 Bidders are advised to email their request for site visit in the manner specified in Clause 3.6.2 on or before 1600 hours on the date specified in Clause 3.8 for receiving request for site visit and any request received thereafter shall not be considered.

3.6.5 The documents pertaining to land, as submitted by the Prior Allottee, are available on the website of MSTC. It is clarified that the Nominated Authority shall have no responsibility for any non-availability of documents pertaining to land or the contents of the documents pertaining to land. Irrespective of the availability/non-availability or contents of documents related to land, the Bidders are required to have satisfied themselves on all matters related to the Coal Mine, before submitting a Bid.

### 3.7 Tender Document Queries and Clarifications

3.7.1 Any queries or request for additional information concerning this Tender Document may be sent by e-mail to the Nominated Authority at [nomauthority.moc@nic.in](mailto:nomauthority.moc@nic.in) in the format specified in **Annexure VII** (*Format for seeking clarifications regarding the Tender Document*). The email should clearly bear the following subject line: “*Queries/Request for Additional Information: Tender Document for [insert name of the coal mine]*”.

3.7.2 Each query should contain complete details of facts, information and Applicable Law germane to the query and also the particulars of the person posing the query. The Nominated Authority reserves the right to not answer any query, including any query which is incomplete or anonymous.

3.7.3 The queries should be emailed in .doc, .docx, .xls, .xlsx format, on or before 1600 hours on the date specified in Clause 3.8 for receiving queries.

3.7.4 The Nominated Authority shall endeavour to respond to the queries within the period specified in Clause 3.8. However, the Nominated Authority reserves the right not to respond to any

question or provide any clarification, in its sole discretion, and nothing in this Clause 3.7 shall be taken or read as compelling or requiring the Nominated Authority to respond to any question or to provide any clarification. The Nominated Authority may publish the queries and its responses thereto on the website of Ministry of Coal, without identifying the source of queries.

- 3.7.5 The Nominated Authority may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by the Nominated Authority shall be deemed to be part of this Tender Document. Provided however that, any non-written clarifications and information provided by the Nominated Authority, its employees or representatives in any manner whatsoever shall not in any way or manner be binding on the Nominated Authority.
- 3.7.6 The Nominated Authority shall not entertain any query or clarification from Bidders who fail to meet the Eligibility Conditions.
- 3.7.7 Bids shall be deemed to be under consideration immediately after the Technical Bids are opened and until such time the Nominated Authority makes official intimation of award/ rejection to the Bidders. While the Bids are under consideration, Bidders and/ or their representatives or other interested parties are advised to refrain, save and except as required under this Tender Document, from contacting by any means, the Nominated Authority and/ or their employees/ representatives on matters related to the Bids under consideration.
- 3.7.8 Save and except as provided in this Tender Document, the Nominated Authority shall not entertain any correspondence with any Bidder in relation to acceptance or rejection of any Bid.

### 3.8 **Schedule of the Tender Process**

3.8.1 The schedule of the Tender Process shall be as per the tentative timelines specified below:

| <b>Sl. No.</b> | <b>Event Description</b>  | <b>Estimated Date</b> |  |
|----------------|---|-----------------------|--|
| 1              | <i>(i) Publication of notice inviting tender (NIT) in one English and one Hindi national newspaper, (ii) Publication of NIT on the website of MoC, (iii) Publication of NIT and Tender Documents on website of MSTC Ltd, (iv) Commencement of sale of Tender Document at the website of MSTC.<br/>The date of completion of the last sub-event among the above sub-events shall be considered T<sub>0</sub></i> | T <sub>0</sub>        | Wednesday, March 30, 2022                |
| 2              | <i>Pre-bid meeting</i>  | T <sub>0</sub> + 14   | Wednesday, April 13, 2022                |
| 3              | <i>Last date of receiving written queries from Bidders</i>  | T <sub>0</sub> + 26   | 1600 hours IST on Monday, April 25, 2022 |
| 4              | <i>Last date for written responses to queries by the Nominated Authority</i>  | T <sub>0</sub> + 41   | Tuesday, May 10, 2022                    |
| 5              | <i>Last date of receiving written requests for Site Visit</i>   | T <sub>0</sub> + 44   | 1600 hours IST on Friday, May 13, 2022   |
| 6              | <i>Last date for registration of bidder at the website of MSTC</i>  | T <sub>0</sub> + 51   | Friday, May 20, 2022                     |

| <b>Sl. No.</b>  | <b>Event Description</b>   | <b>Estimated Date</b>                     |  |
|---|--|---|--|
| 7   | <i>Last date for sale of Tender Document at the website of MSTC</i>  | T <sub>0</sub> + 54                       | Monday, May 23, 2022   |
| 8   | <i>Bid Due Date</i>  | T <sub>0</sub> + 58                       | Online Submission on MSTC Platform in accordance with Clause 3.A.(i) of Annexure III: 1200 hours IST on Friday, May 27, 2022<br><br>Offline submission at Office of Nominated Authority in accordance with Clause 3.A.(ii) of Annexure III: 1600 hours IST on Friday, May 27, 2022 |
| 9   | <i>Opening of the Technical Bid (s)</i>  | T <sub>0</sub> + 61                       | Monday, May 30, 2022   |
| 10  | <i>Start date of examination of the Technical Bid (s)</i>  | T <sub>0</sub> + 62                       | Tuesday, May 31, 2022  |
| 11  | <i>End date of examination of the Technical Bid (s)</i>  | T <sub>0</sub> + 82                       | Monday, June 20, 2022  |
| 12  | <i>Conduct of electronic auction (Financial Bid – Final Offer) for the Qualified Bidders</i>                             | T <sub>0</sub> + 83 - T <sub>0</sub> + 96 | Tuesday, June 21, 2022 - Monday, July 04, 2022   |
| 13  | <i>Recommendation by the Nominated Authority to the Central Government for selection of Successful Bidder</i>            | T <sub>0</sub> + 100                      | Friday, July 08, 2022  |
| 14  | <i>Approval of Successful Bidder by the Central Government</i>   | T <sub>1</sub>                            |  |
| 15  | <i>Intimation to the Successful Bidder (subject to receipt of instruction from the Central Government)</i>               | T <sub>1</sub> + 2                        |  |
| 16  | <i>Execution of the Agreement between the Successful Bidder and Nominated Authority</i>                                  | T <sub>1</sub> + 7                        |  |
| 17  | <i>Last date for furnishing of Performance Security and payment of Fixed and Upfront Amount by the Successful Bidder</i> | T <sub>1</sub> + 47                       |  |
| 18  | <i>Issuance of Vesting/Allocation Order by Nominated Authority</i>   | T <sub>1</sub> + 50                       |  |
| <p><i>Note: *Registration on the website of MSTC Ltd. will commence immediately after publication of the NIT on the website of MSTC Ltd.</i></p> <p><i>*Above schedule is on assumption that electronic auction round for each mine will be completed in 1 day. In the event electronic auction round of any mine continues beyond 1 day, time schedule for the remaining events shall be extended.</i></p> <p><i>*Any change in the timeline will be communicated through an addendum/ corrigendum to the Tender Document.</i></p> |  |   |  |

### 3.9 Value of Estimated Geological Reserves and Upfront Amount

3.9.1 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:

- a) For Coal Mines with Geological Reserves up to 200 MT, Upfront Amount shall be lower of i) 0.25% (zero point twenty five percent) of the Value of Estimated Geological Reserves of the Coal Mine and ii) Rs. 100 Crore.
- b) For Coal Mines with Geological Reserves above 200 MT, Upfront Amount shall be lower of i) 0.25% (zero point twenty five percent) of the Value of Estimated Geological Reserves of the Coal Mine and ii) Rs. 500 Crore.

[Where the Value of Estimated Geological Reserves of the Coal Mine shall be an amount of INR [●] (Indian Rupees [●]), which is a product of the Geological Reserves in the Coal Mine (MT) and Representative Price of relevant grade(s) of coal, where the relevant grade of coal is [●]:

|   |     |
|---|-----|
| Geological Reserves in the Coal Mine (MT)                     | [●] |
| Representative Price of relevant grade(s) of coal (Rs./tonne) | [●] |

]<sup>32</sup>

- 3.9.2 The Upfront Amount shall be payable by the Successful Bidder in four equal instalments (of 25% (twenty five per cent.) each) as follows:

| <b>Instalment</b> | <b>Schedule II of the Coal Mines (Special Provisions) Act, 2015</b>                   | <b>Fully Explored Mines under Mines and Mineral (Development and Regulation) Act, 1957 and under Coal Mines (Special Provisions) Act, 2015 (other than Schedule II)</b> | <b>Partially Explored Mines under Mines and Mineral (Development and Regulation) Act, 1957 and under Coal Mines (Special Provisions) Act, 2015</b>                  | <b>Payable to</b>   |
|-------------------|---|---|---|---------------------|
| First             | Within 40 (forty) business days of execution of the Agreement                         | Within 40 (forty) business days of execution of the Agreement   | Within 40 (forty) business days of in-principle approval of the Mining Plan   | Nominated Authority |
| Second            | Within 6 (six) months from the date of issuance of [Vesting Order/ Allocation Order]  | Within 15 (fifteen) business days of execution of the Mining Lease or order by the Central Government under Section 11 (1) of the CBA Act, 1957, as the case may be     | Within 15 (fifteen) business days of execution of the Mining Lease or order by the Central Government under Section 11 (1) of the CBA Act, 1957, as the case may be | State Government    |
| Third             | Within 9 (nine) months from the date of issuance of [Vesting Order/ Allocation Order] | Within 15 (fifteen) business days of grant of the Coal Mine opening permission  | Within 15 (fifteen) business days of grant of the Coal Mine opening permission  | State Government    |

<sup>32</sup> To be retained for Fully Explored Mines

| <b>Instalment</b> | <b>Schedule II of the Coal Mines (Special Provisions) Act, 2015</b>                      | <b>Fully Explored Mines under Mines and Mineral (Development and Regulation) Act, 1957 and under Coal Mines (Special Provisions) Act, 2015 (other than Schedule II)</b> | <b>Partially Explored Mines under Mines and Mineral (Development and Regulation) Act, 1957 and under Coal Mines (Special Provisions) Act, 2015</b> | <b>Payable to</b> |
|-------------------|--|---|--|-------------------|
| Fourth            | Within 12 (twelve) months from the date of issuance of [Vesting Order/ Allocation Order] | Within 15 (fifteen) business days of date of commencement of coal production  | Within 15 (fifteen) business days of date of commencement of coal production   | State Government  |

3.9.3 The Upfront Amount shall be adjusted in full, against the Monthly Payments to be made to the State Government. Provided however, such adjustment of Upfront Amount shall not exceed 50% of aggregate Monthly Payments for the year. Adjustment of Upfront Amount towards Monthly Payments shall be on a monthly basis i.e. maximum 50% of the Monthly Payment for the month to be paid by the Successful Bidder shall be adjusted against Upfront Amount and would be reconciled at the end of the year. It is clarified that Upfront Amount shall not be adjusted against other statutory dues including taxes, levies, royalty, contribution to NMET and DMF, etc. and these shall be payable as per Applicable Law.

3.9.4 The Upfront Amount, including the first instalment, provided in the Tender Document may undergo revision pursuant to the finalisation of the provisional Representative Price. On account of this finalisation of Representative Price, any upward or downward revision in the first instalment of the Upfront Amount shall be adjusted in the second instalment payable by the Successful Bidder to the State Government, along with revision in all the subsequent instalments.

**3.10 Periodic Payments by the Successful Bidder**

3.10.1 In addition to the payments specified in Clause 3.3.2(h), the Successful Bidder will be required to pay revenue on monthly basis to the State Government (the “**Monthly Payment**”) which shall be determined as product of

- a) Final Offer;
- b) Total quantity of coal on which the statutory royalty is payable during the month; and
- c) Notional Price or Actual Price, whichever is higher, where
  - (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.

Representative Price shall be a product of:



- (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 .

- (ii) Actual Price shall mean the sale invoice value of coal, net of statutory dues including taxes, levies, royalty, contribution to NMET and DMF etc.

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 by washeries as per rules, during the month.

**Illustration 2:** Solely for the purposes of reference of the Bidders, the methodology of determination of Monthly Payment for a Successful Bidder who has quoted Final Offer of 10% is illustrated below:

Assuming that the Representative Price and National Coal Index of relevant basket of Coal Grade on the date of Representative Price are as follows:

| Particulars   | G11  | G12  | G13  |
|---|------|------|------|
| Representative Price (Rs./tonne) (A)  | 1640 | 1420 | 1380 |
| National Coal Index of the relevant basket of Coal Grade – latest available as on the date of issuance of Tender Document (B) | 105  | 105  | 105  |
| National Coal Index of the relevant basket of Coal Grade on the date on which royalty becomes payable (C)                     | 115  | 115  | 115  |

| Grade of Coal | Quantity of coal on which the statutory royalty is payable during the month (MT) (D) | Notional Price (Rs./tonne) (A*C/B) | Actual Price (Rs./tonne) | Max of Notional Price & Actual Price (Rs./tonne) (E) | Revenue Share (Rs. Crore) (D*E*Final Offer/10) |
|---------------|--|------------------------------------|--------------------------|--|--|
| G11           | 0.50   | 1796                               | 1800                     | 1800   | 9.00   |
| G12           | 0.70   | 1555                               | 1550                     | 1555   | 10.89  |
| G13           | 0.60   | 1511                               | 1500                     | 1511   | 9.07   |
| <b>Total</b>  | <b>1.80</b>  |                                    |                          |  | <b>28.96</b>                                   |

*Note: The above mentioned illustration is merely for reference purpose and in case of inconsistency, the provision of Clause 3.10.1 shall prevail.*

3.10.2 Such payment is required to be made to the State Government on the date on which the statutory royalty is payable in the manner as may be prescribed by the State Government. Further, the Monthly Payments may be subject to such adjustments as may be prescribed by the Nominated Authority, annually basis the audited financial statements of the Successful Bidder or at such other periodic intervals as may be prescribed. Such adjustments may be on account of the National Coal Index as may be notified for and applicable to the Monthly Payment dates as well as higher of Actual Price and Notional Price.

3.10.3 It may be clarified that in addition to the Monthly Payment, other statutory dues including taxes, levies, royalty, contribution to NMET and DMF, etc. shall be payable as per Applicable Law.

**3.11 Incentive for Early Commencement of Coal Production**

3.11.1 A rebate of 50% on the Final Offer would be allowed till the Scheduled Date of Production, for the quantity of coal produced earlier than the Scheduled Date of Production prescribed in this Tender Document. The scheduled date of production shall be determined in the following manner (“**Scheduled Date of Production**”):

- (a) In case of Fully Explored Mines, the scheduled date of production shall be the date of production as per the Production Schedule i.e. [insert date]. *Provided however*, in case of Schedule II Coal Mines of the CM(SP) Act, 2015, in the event any statutory permission is required to be obtained afresh by the Successful Bidder, then the Scheduled Date of Production shall stand modified to the aggregate of the scheduled time granted for obtaining fresh permission and the scheduled time granted for completion of transfer of statutory permissions obtained by the Prior Allottee as per Clause 10 of the Agreement.
- (b) In case of Partially Explored Mines, the scheduled date of production shall be the scheduled date of production given in the approved Mining Plan.

**Illustration 3:** Solely for the purposes of reference of the Bidders, the methodology of determination of incentive for early commencement of coal production for a Successful Bidder who has quoted Final Offer of 10% and where Scheduled Date of Production is June 1, 2024 is illustrated below:

| Particulars   | G11  | G12  | G13  |
|---|------|------|------|
| Representative Price (Rs./tonne) (A)  | 1640 | 1420 | 1380 |
| National Coal Index of the relevant basket of Coal Grade – latest available as on the date of issuance of Tender Document (B) | 105  | 105  | 105  |
| National Coal Index of the relevant basket of Coal Grade on the date on which royalty became payable (C)                      | 115  | 115  | 115  |

It is assumed that the Successful Bidder commenced coal production on May 1, 2024 i.e. earlier than the Scheduled Date of Production. Accordingly, incentive for early commencement of coal production and Monthly Payment shall be determined as provided below:

| Grade of Coal | Quantity of coal on which the statutory royalty is payable during the month (MT) (D) | Notional Price (Rs./tonne) (A*C/B) | Actual Price (Rs./tonne) | Max of Notional Price & Actual Price (Rs./tonne) (E) | Applicable Final Offer (F = 50%* Final Offer) | Revenue Share (Rs. Crore) (D*E*F/10) |
|---------------|--|------------------------------------|--------------------------|--|---|--------------------------------------|
| G11           | 0.50   | 1796                               | 1800                     | 1800   | 5%  | 4.50                                 |
| G12           | 0.70   | 1555                               | 1550                     | 1555   | 5%  | 5.44                                 |
| G13           | 0.60   | 1511                               | 1500                     | 1511   | 5%  | 4.53                                 |
| <b>Total</b>  | <b>1.80</b>  |                                    |                          |  |   | <b>14.48</b>                         |

*Note: The above mentioned illustration is merely for reference purpose and in case of inconsistency, the provision of Clause 3.10.1 and Clause 3.11.1 shall prevail.*

3.11.2 Statutory dues including taxes, levies, royalty, contribution to NMET and DMF etc. shall be payable as per Applicable Law. No exemption would be given to the Successful Bidder from obtaining any approval etc. under Applicable Law required for commencing and undertaking coal production.

### 3.12 Incentive for Coal Gasification or Coal Liquefaction

3.12.1 If the Successful Bidder consumes the coal produced from the Coal Mine either in its own plant(s) or plant of its holding, Subsidiary Company, Affiliate, Associate Company or sells the coal for Coal Gasification or Coal Liquefaction, a rebate of 50% on Final Offer will be provided on the total quantity of coal consumed or sold or both for Coal Gasification or Coal Liquefaction on an yearly basis, subject to the following conditions:

- At least 10% of scheduled coal production as per approved Mining Plan for that year shall be consumed and/or sold for Coal Gasification or Coal Liquefaction; and
- A certificate issued by the Coal Controller's Organisation, certifying the quantity of coal consumed or sold or both for Coal Gasification or Coal Liquefaction, shall be submitted by the Successful Bidder to the State Government. The said certificate shall be issued in accordance with the Guidelines issued by Coal Controller's Organisation, as may be amended.

Provided however that in no event shall the Successful Bidder be entitled to avail of the incentives available under this Clause 3.12 in respect of the quantity of coal produced earlier than the Scheduled Date of Production, if it elects to avail of the incentives under Clause 3.11 above in respect of such quantity of coal.

**Illustration 4:** Solely for the purposes of reference of the Bidders, the methodology of determination of incentive for Coal Gasification or Coal Liquefaction of coal is illustrated below:

| Particulars  |     |     |
|--|-----|-----|
| Final Offer (%)  | (A) | 10% |
| Scheduled Coal Production during the year as per approved Mining Plan – G11 Grade (MT) | (B) | 15  |

| Particulars  |                  |           |
|--|------------------|-----------|
| Total quantity of coal consumed or sold or both for Coal Gasification or Coal Liquefaction during the year – G11 Grade (MT)  | (C)              | 2         |
| Quantity of coal consumed or sold or both for Coal Gasification or Coal Liquefaction as % of Scheduled Coal Production (%)   | (D = C/B)        | 13.33%    |
| Rebate in Final Offer applicable for total quantity of coal consumed or sold or both for Coal Gasification or Coal Liquefaction during the year (%)  | (E)              | 50%       |
| Revenue share payable for the year for quantity of coal consumed or sold or both for Coal Gasification or Coal Liquefaction - calculated in accordance with Clause 3.10.1 and Clause 3.11.1 above (Rs. Crore)                                | (F)              | 30        |
| <b>Applicable revenue share payable for the year for quantity of coal consumed or sold or both for Coal Gasification or Coal Liquefaction after considering the incentive for Coal Gasification or Coal Liquefaction of coal (Rs. Crore)</b> | <b>(F*(1-E))</b> | <b>15</b> |

*Note: The above mentioned illustration is merely for reference purpose and in case of inconsistency, the provision of Clause 3.12.1 shall prevail.*

#### **4 Eligibility Conditions**

- 4.1.1 In accordance with [Section 4(2) / Section 11A]<sup>33</sup> of the Act, following entities shall be eligible to participate in the auction of the Coal Mine:
- (a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or
  - (b) a company or a joint venture company formed by two or more companies.
- 4.1.2 Additional Conditions for Prior Allottee: In the event the Bidder is a Prior Allottee, then such Bidder must also meet the following conditions for being eligible to participate in the tender process:
- (i) The Bidder who is a Prior Allottee must have paid the additional levy within the time period prescribed under Rule 18 of the Rules. It is clarified that if a Prior Allottee has not made payment of the applicable additional levy within the time prescribed under Rule 18 of the Rules, then such Prior Allottee, its promoter or any of its company of such Prior Allottee shall not be eligible to participate in the auction process either directly or indirectly, including without limitation as a JV Partner of a joint venture, or through any Affiliate.
  - (ii) The Bidder who is a Prior Allottee, who is convicted of an offence relating to coal block allocation and sentenced with imprisonment for more than 3 (three) years, shall not be eligible to participate in the auction.
- 4.1.3 If any company or corporation has failed to pay the Fixed Amount, upward revision in Fixed Amount or any other dues payable to the Nominated Authority in respect of any mine allocated to it then such company or corporation, its affiliates, subsidiaries, group companies or joint venture companies comprising such company or corporation shall not be eligible to participate in the auction unless such Fixed Amount, upward revision in Fixed Amount and such other dues have been paid for with interest, if any.
- 4.1.4 Limitations on total number of Bids: A Bidder shall submit only 1 (one) bid for a particular Coal Mine. No Affiliate(s) of such Bidder shall submit a bid for the said Coal Mine. In case an Affiliate(s) of a Bidder also submits a bid for the said Coal Mine, the bids submitted by both the Bidder and its Affiliate(s) shall be rejected.

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<sup>33</sup> To be retained as applicable.

## **5 Instructions to Bidders**

### **5.1 General Terms of Bidding**

- 5.1.1 Notwithstanding anything to the contrary contained in this Tender Document, in the event of any conflict between this Tender Document and the Agreement, the relevant provisions of the Agreement shall have overriding effect.
- 5.1.2 Bidders are required to deposit the Bid Security with respect to the Bid being submitted by the Bidder in accordance with Clause 6.1 of this Tender Document. The Bid Security is required to be provided in the form of a Bank Guarantee in the format provided in **Annexure VIII** (*Bank Guarantee for Bid Security*).
- 5.1.3 The Bidder are also required to submit a Power of Attorney as per the format provided in **Annexure V** (*Power of Attorney for Signing the Bid*), authorising the signatory of the Bid to participate in the tender process and do all acts pursuant thereto on behalf of the Bidder, including usage of the digital signature on behalf of the Bidder
- 5.1.4 The Bid and all communications in relation to or concerning this Tender Document and the Bid are required to be in the English language.
- 5.1.5 The documents including this Tender Document and all documents attached, as provided by the Nominated Authority are and shall remain or become the property of the Nominated Authority and are being transmitted to the Bidders solely for the purpose of preparation and the submission of a Bid in accordance herewith. The Bidders are required to treat all such information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The provisions of this Clause 5.1.5 shall also apply *mutatis mutandis* to Bids and all other documents submitted by the Bidders in relation to the Bid, and the Nominated Authority shall not return to the Bidders any Bid, document or any information provided along therewith.
- 5.1.6 Any Agreement executed pursuant to this Tender Document shall be subject to the terms hereof and any documents issued pursuant to the Act, the Rules, this Tender Document or any other document referred herein.
- 5.1.7 Bidders are also encouraged to mine at an accelerated rate, to the best of their capabilities and are permitted to increase mine production to the maximum possible extent. After the Coal Mine is exhausted Bidders are encouraged to bid for new coal mines.

### **5.2 Change in Control and transfer**

#### **5.2.1 Change in Control or transfer subsequent to determination of Successful Bidder**

- 5.2.1.1 Any change in Control of the Successful Bidder or any transfer of the Coal Mine by the Successful Bidder, shall be subject to Applicable Laws and may be undertaken after the Lock-in Period, with an intimation to the Nominated Authority, no later than 15 (fifteen) days prior to (a) the proposed change in Control of the Successful Bidder; or (b) transfer of the Coal Mine by the Successful Bidder, as the case may be and provided that pursuant to such change in Control, the Successful Bidder continues to meet the Eligibility Conditions or in case of transfer of Coal Mine by the Successful Bidder, the transferee meets the Eligibility Conditions:

Provided however, that any change in Control of the Successful Bidder or transfer of the Coal Mine by the Successful Bidder during the Lock-in Period shall be permitted if such change in control is pursuant to an insolvency proceeding against the Successful Bidder under the Insolvency and Bankruptcy Code, 2016 or Applicable Laws or the transfer is pursuant to enforcement of security by any bank or financial institution in accordance with the terms of the Agreement and Applicable Laws, as the case may be.

5.2.1.2 In the event that any change in Control of the Successful Bidder or any proposed transfer of the Coal Mine granted to the Successful Bidder which requires prior consent, approval, no-objection certificate or the like of the relevant authority or authorities under any Applicable Laws, then such approval shall be granted only if the transferee of such right, title or interest or the Successful Bidder subsequent to the change of Control, as the case may be, also meets all the Eligibility Conditions.

5.2.1.3 The lock-in period shall be as follows (“**Lock-in Period**”):

- (i) For Fully Explored Mines, till the execution of Mining Lease or order by the Central Government under Section 11 (1) of the CBA Act, 1957, as the case may be.
- (ii) For Partially Explored Mines, Lock-in Periods shall be in two phases:
  - a) First, till one year of the date of issuance of [Vesting Order / Allocation Order]<sup>34</sup> provided that at least 15% of estimated exploration expense has been incurred by the Successful Bidder; or
  - b) Second, after preparation of Geological Report till the execution of Mining Lease or order by the Central Government under Section 11 (1) of the CBA Act, 1957, as the case may be.

## 5.2.2 **Change in Control prior to determination of Successful Bidder**

5.2.2.1 Upon submission of the Technical Bid but prior to determination of the Successful Bidder, no change in Control of a Bidder shall be permitted without the prior approval of the Nominated Authority.

5.2.2.2 The Nominated Authority shall grant such approval only if such change in Control does not result in the Bidder becoming non-compliant with any of the Eligibility Conditions.

5.2.2.3 By submitting the Bid, the Bidder acknowledges and agrees that in the event of a change in Control of a Bidder during the tender process, or change in Control of the Bidder, at any time until the determination of the Successful Bidder would be deemed to have knowledge of the same and shall be required to inform the Nominated Authority forthwith along with all relevant particulars about the same.

## 5.2.3 **Consequences of default**

5.2.3.1 In the event of any change in Control or any transfer of right, title or interest in the Coal Mine which is not in conformity with this Tender Document or any Applicable Law, then in addition to any rights, remedy or consequences as may be applicable under Applicable Laws, the Nominated Authority, the State Government, or the Central Government, as the case may be,

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<sup>34</sup> To be retained as applicable.

may, in its sole discretion, appropriate the Bid Security or the Performance Security, disqualify the Bidder; terminate the Agreement executed with the Successful Bidder; and/or terminate and withdraw the [Vesting Order / Allocation Order]<sup>35</sup>.

5.2.3.2 Any transfer of right, title or interest which is not in conformity with this Tender Document or Applicable Laws shall be void *ab-initio*.

#### 5.2.4 **Security**

5.2.4.1 Subject to Applicable Laws, the Successful Bidder shall be entitled to create security over the Coal Mine through mortgage for the purposes of availing financing from a bank or financial institutions for the purposes of financing mining operations at the Coal Mine and such security creation shall not require prior approval by the Nominated Authority or the Central Government.

5.2.4.2 In the event of a default, the financial creditors, shall be entitled to enforce their security interest in the manner provided by Applicable Law, including the Insolvency and Bankruptcy Code, 2016, provided that any transferee of the Coal Mine meets all the Eligibility Conditions.

#### 5.3 **Cost of Bidding**

5.3.1 The Bidders shall be responsible for all of the costs associated with the preparation of their Bids and their participation in the tender process. The Nominated Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the tender process.

#### 5.4 **Verification of information by the Bidders**

5.4.1 It shall be deemed that by submitting a Bid, the Bidder has:

- a) made a complete and careful examination of this Tender Document and unconditionally and irrevocably accepted the terms thereof;
- b) reviewed all relevant information provided by the Nominated Authority, as may be relevant to the Bid;
- c) accepted the risk of inadequacy, error or mistake in the information provided in this Tender Document or furnished by or on behalf of the Nominated Authority relating to any of the matters related to the auction process or the Coal Mine;
- d) satisfied itself about all matters regarding the auction process and the Coal Mine required for submitting an informed Bid, in accordance with this Tender Document and performance of all of its obligations;
- e) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in this Tender Document or ignorance of any of the matters related to the auction process or the Coal Mine hereinabove shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from the Nominated Authority, or a ground for termination of the Agreement by the Successful Bidder; and

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<sup>35</sup> To be retained as applicable.



f) agreed to be bound by the undertakings provided by it under and in terms hereof.

5.4.2 The Nominated Authority shall not be liable for any omission, mistake or error in respect of any of the information provided or on account of any matter or thing arising out of or concerning or relating to this Tender Document, this Tender Document or the tender process, including any error or mistake therein or in any information or data given by the Nominated Authority.

## **5.5 Verification by the Nominated Authority**

5.5.1 The Nominated Authority reserves the right to verify all statements, information and documents submitted by the Bidder in response to this Tender Document and the Bidder shall, when so required by the Nominated Authority, make available all such information, evidence and documents as may be necessary for such verification. The Nominated Authority may, in its sole discretion, share/ disclose all statements, information and documents submitted by the Bidder in response to this Tender Document to any governmental authority / instrumentality for their verification. Any such verification or lack of such verification by the Nominated Authority shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the Nominated Authority thereunder.

## **5.6 Sale of Coal, Coal Bed Methane and Minor Minerals**

5.6.1 **Sale of Coal:** There shall be no restriction to carry on mining operations for own consumption, sale or for any other purpose. The coal produced from the Coal Mine may be sold by the Successful Bidder in any manner as may be decided by the Successful Bidder including sale to Affiliates and related parties, utilisation of coal for any purpose including but not limited to captive consumption, Coal Gasification, Coal Liquefaction and export of coal.

### **5.6.2 Exploitation of Coal Bed Methane**

5.6.2.1 In case there is presence of CBM in the Coal Mine, the Successful Bidder may choose to commercially exploit the CBM present in the mining lease area. The lease/license in respect of CBM operations shall be governed by Applicable Law. The Successful Bidder shall report the existence of CBM to the Nominated Authority and other relevant authority.

5.6.2.2 In case the Successful Bidder decides to exploit the CBM present in the coal mining lease area, it shall be required to approach the Directorate General of Hydrocarbon (DGH), MoPNG for its technical approval followed by the grant of CBM mining lease by State Government.

5.6.2.3 In addition to the Monthly Payment, the Successful Bidder shall also make payments of monthly revenue share for CBM based on the Final Offer, and the payment of the monthly revenue share for CBM shall be made within 20 days from the end of each month. Other mechanisms with regard to arriving at the price of CBM shall be subject to applicable guidelines issued by the MoPNG for this arrangement. Presently these guidelines are Policy Framework on Early Monetization of Coal Bed Methane (CBM) notified vide Gazette Notification No. O-19018/7/2016/ONG-I dated April 11, 2017.

**5.6.3 Mining of Minor Minerals**

5.6.3.1 Mining of Minor Minerals by the Successful Bidder shall be subject to the requirements of the Minor Mineral Concession Rules of the State Government.

**5.7 Amendment of Tender Document**

5.7.1 At any time prior to the Bid Due Date, the Nominated Authority may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify this Tender Document by the issuance of an Addendum and/or Corrigendum.

5.7.2 Any clarification, Addendum and/or Corrigendum issued hereunder will be in writing and shall be accessible to all the Bidders and shall be deemed to be part of this Tender Document. Any verbal clarification shall not be binding on Nominated Authority.

5.7.3 In order to afford the Bidders a reasonable time for taking an Addendum and/or Corrigendum into account, or for any other reason, the Nominated Authority may, in its sole discretion, extend the Bid Due Date in accordance with Clause 5.9.

**5.8 Preparation and Submission of Bids**

5.8.1 The Bids shall be submitted in accordance with the process specified in **Annexure III** (*Technical Details with respect to electronic auction*).

**5.9 Bid Due Date and Extension**

5.9.1 Technical Bids and the Initial Offer should be submitted/ uploaded before the Bid Due Date in accordance with the process specified in **Annexure III** (*Technical Details with respect to electronic auction*).

5.9.2 The Nominated Authority may, in its sole discretion, extend the Bid Due Date by issuing an Addendum and/or Corrigendum in accordance with Clause 5.7 uniformly accessible for all Bidders.

**5.10 Late Bids**

5.10.1 Technical Bids and the Initial Offer received by the Nominated Authority after the specified time on the Bid Due Date shall not be eligible for consideration and shall be summarily rejected.

**5.11 Modifications/ Substitution/ Withdrawal of Bids**

5.11.1 The Bidder may modify, substitute or withdraw its Technical Bid after submission, provided that written notice of the modification, substitution or withdrawal is received by the Nominated Authority prior to the Bid Due Date in accordance with the process specified in **Annexure III**. No Technical Bid shall be modified, substituted or withdrawn by the Bidder after the specified time on the Bid Due Date.

5.11.2 Any alteration or modification in the Technical Bid or additional information supplied subsequent to the Bid Due Date, unless the same has been expressly sought for by the Nominated Authority, shall be disregarded.

**5.12 Rejection of Bids, Appropriation of Bid Security and Disqualification**

- 5.12.1 Notwithstanding anything in this Tender Document, the Nominated Authority reserves the right to reject any Bid and/or to annul the tender process and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof. In case such cancellation is pursuant to non-compliance by the relevant Bidders *vis-à-vis* submissions of Bid then the Nominated Authority reserves the right to appropriate the relevant Bid Security submitted by such non-compliant Bidders.
- 5.12.2 The Nominated Authority reserves the right not to proceed with the tender process at any time, without notice or liability, and to reject any Bid without assigning any reasons.
- 5.12.3 Without prejudice to the generality of the foregoing, the Nominated Authority reserves the right to reject any Bid on any criteria specified in this Tender Document, including without limitation, the following:
- a) Any misrepresentation made by the Bidder is uncovered.
  - b) Bids have not been submitted with all the information and details listed in this Tender Document.
  - c) The Bidder does not provide for supplemental information sought by the Nominated Authority within specified time for evaluation of the Bid.
  - d) Bid is non responsive in terms of Clause 3.4.
  - e) Bids have been submitted without Bid Security or period of validity.
  - f) A Bidder withdraws the Bid during the period of validity.
  - g) Bids have otherwise not been submitted in accordance with this Tender Document.
  - h) If a Bidder engages in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice per Clause 8 of this Tender Document.
  - i) Any act or omission of the Bidder resulting in a violation or non-compliance with Applicable Laws, this Tender Document, the Agreement and any other documents referred to or issued pursuant to such Applicable Law, this Tender Document and/or the Agreement.
  - j) A Bidder who is a Qualified Bidder who has submitted the highest Initial Offer i.e. the Applicable Floor Price, fails to submit at least 1 (one) Final Offer on the electronic auction platform, resulting in an annulment of the auction process.
  - k) In the event a Bidder is declared as the Successful Bidder, and such Successful Bidder, within the specified time limits, fails to:
    - (i) execute the Agreement;
    - (ii) furnish Performance Security;
    - (iii) pay the Fixed Amount; or
    - (iv) pay the Upfront Amount.

- 5.12.4 (i) Furthermore, in the event of any rejection of Bids pursuant to Clause 5.12.3(a) & 5.12.3(h), the Bidder may be disqualified from participating in any auction / allotment of coal mine / coal block conducted by the Nominated Authority for a period of 2 (two) years, calculated from the date of appropriation of the Bid Security or such earlier date as may be specified by the Nominated Authority.

Provided that the aforementioned disqualifications would also extend to each JV Partners of a joint venture company participating in the Bid as a Bidder, and the Nominated Authority, in its sole discretion, shall have the right to take any such measure, as may be necessary, including annulling the tender process.

(ii) In the event a Successful Bidder is found to be ineligible due to violation or non-compliance with *inter alia* Clause 5.12.3 of this Tender Document or does not fulfil the Eligibility Conditions, then the Agreement may be terminated. In the event of termination of the Agreement pursuant to Clause 5.12.3(a) & 5.12.3(h), the Successful Bidder may be disqualified from participating in any auction / allotment of coal mine / coal block conducted by the Nominated Authority for a period of 2 (two) years, calculated from the date of termination of the Agreement.

### 5.13 **Validity of Bids**

- 5.13.1 The Bids shall be valid for a period of not less than 210 (two hundred and ten) days from the Bid Due Date. The validity of Bids may be extended by mutual consent of the respective Bidders and the Nominated Authority.

- 5.13.2 In the event that pursuant to the tender process a Bidder has been declared to be the Preferred Bidder or the Successful Bidder, then the validity of Bids submitted by such Preferred Bidder or Successful Bidder shall stand extended by the mutual consent of the Preferred Bidder or the Successful Bidder, as the case may be and the Nominated Authority.

### 5.14 **Termination of the Agreement**

- 5.14.1 The terms and conditions of the Agreement shall be included in terms and conditions of the Mining Lease for the Coal Mine along with any other terms and conditions that the Central Government or the State Government may deem fit under the Mineral Concession Rules, 1960<sup>36</sup> and upon grant of the mine opening permission under rule 9 of the Colliery Control Rules, 2004, the Agreement shall stand terminated. Upon termination of the Agreement, the rights of the Nominated Authority under the Agreement shall vest into State Government.

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<sup>36</sup> The terms and the conditions of the Agreement will be suitably incorporated into the order by the Central Government under Section 11 (1) of the CBA Act, 1957, as applicable.

## 6 Bid Security

### 6.1 Bid Security

- 6.1.1 The Bidder shall furnish, as part of its Technical Bid, a security in the form of a bank guarantee by an Acceptable Bank, in favour of the Nominated Authority in the form and substance as prescribed at **Annexure VIII** (the “**Bid Security**”) and having a validity period of not less than 210 (two hundred and ten) days from the Bid Due Date and a claim period of minimum 60 (sixty) days from the date of expiry of validity period of bank guarantee for Bid Security, and may be substituted with another bank guarantee of the same value issued in accordance with this Clause 6, which is valid for an extended period as may be mutually agreed between the Nominated Authority and the Bidder from time to time. The Bid Security shall be issued in paper form as well as under Structured Financial Messaging System (SFMS) platform. For example, if the Bid Due Date is May 27, 2022, then the Bid Security should be valid till at least December 23, 2022 and the claim period should be till at least February 21, 2023.
- 6.1.2 The Bid Security shall be for an amount of INR [●] (Indian Rupees [●]), which has been calculated as provided below:
- (a) For Fully Explored Mine, the Bid Security shall be equal to 20% (twenty percent) of the Upfront Amount.
- (b) For Partially Explored Mine, the Bid Security shall be equal to 25% (twenty five percent) of the estimated exploration expenses based on Mandatory Work Program as provided in **Annexure I**.
- 6.1.3 Save and except as provided in this Tender Document, the Bid Security of unsuccessful Bidders will be returned by the Nominated Authority, without any interest, upon recommendation of the name of the Preferred Bidder to the Central Government by the Nominated Authority as per Clause 3.3.2(d) of the Tender Document or when the tender process is cancelled by the Nominated Authority.
- 6.1.4 The Successful Bidder’s Bid Security will be returned, without any interest, upon the signing of the Agreement and furnishing of the Performance Security in accordance with the provisions thereof.
- 6.1.5 The Nominated Authority shall be entitled to forfeit and appropriate the Bid Security as damages, *inter-alia* in any of the events specified in Clause 5.12.3 of this Tender Document, without prejudice to its other rights or remedy available under this Tender Document, the Agreement or Applicable Law, without incurring any liability whatsoever. The Bidder, by submitting its Bid pursuant to this Tender Document, shall be deemed to have acknowledged and confirmed that the Nominated Authority will suffer loss and damage on account of withdrawal of its Bid or for any other default by the Bidder during the period of Bid validity as specified in this Tender Document. No relaxation of any kind on Bid Security shall be given to any Bidder.

## 7 Performance Security

### 7.1 Performance Security

7.1.1 For Fully Explored Mine, the Successful Bidder shall provide to the Nominated Authority an irrevocable and unconditional guarantee from an Acceptable Bank, for the performance of its obligations within such time as specified in Clause 3.8. The Performance Security shall be an amount which is 65% of aggregate of: (a) one year royalty computed on the basis of peak rated capacity of the Coal Mine as per the approved Mining Plan and (b) one year revenue (in accordance with Clause 3.10), payable to the State Government with respect to the Coal Mine computed on the basis of peak rated capacity of the Coal Mine as per the approved Mining Plan. For the purpose of calculation of Performance Security, Representative Price after adjustment with latest available sub-index of National Coal Index of the relevant basket of coal grade(s) on the date of execution of the Agreement shall be considered. It is clarified that relevant grade of coal shall mean weighted average grade of non-coking coal and/or weighted average grade of coking coal, as the case may be, for the Coal Mine, as per Geological Report.

In case, the approved Mining Plan of the Coal Mine is not available, Performance Security shall be estimated on the basis of an indicative peak rated capacity, as provided in this Tender Document. Upon in-principle approval of the Mining Plan, the Successful Bidder shall submit a revised Performance Security on the basis of approved Mining Plan.

**Illustration 5:** Solely for the purposes of reference of the Bidders, the methodology of estimating Performance Security is illustrated below:

|   |   |           |               |
|---|---|-----------|---------------|
| Peak Rated Capacity   | A                                       | MTPA      | 10            |
| Representative Price for the average grade of the Coal Mine (Rs./tonne)   | B                                       | Rs./tonne | 1600          |
| National Coal Index of the relevant basket of coal grade - latest available as on the date of issuance of Tender Document | C                                       |           | 110           |
| National Coal Index of the relevant basket of coal grade - latest available on the date of execution of Agreement         | D                                       |           | 118           |
| Rate of Royalty   | E                                       | %         | 14%           |
| One Year Royalty  | $F = A \times B \times D/C \times E/10$ | Rs. Crore | 240.29        |
| <b>65% of One Year Royalty</b>  | $G = 65\% \text{ of } F$                | Rs. Crore | <b>156.19</b> |
| Final Offer   | H                                       | %         | 25%           |
| One Year Revenue to the Government  | $I = A \times B \times D/C \times H/10$ | Rs. Crore | 429.09        |
| <b>65% of One Year Revenue to the Government</b>  | $J = 65\% \text{ of } I$                | Rs. Crore | <b>278.91</b> |
| <b>Total Performance Security</b>   | $K = G + J$                             | Rs. Crore | <b>435.10</b> |

*Note: The above mentioned illustration is merely for reference purpose and in case of inconsistency, the provision of Clause 7.1.1 shall prevail.*

7.1.2 For Partially Explored Mines, the Performance Security shall be equal to 25% (twenty five percent) of the estimated exploration expenses based on Mandatory Work Program as provided in **Annexure I**. The amount of Performance Security shall be revised after receipt of an in-principle approval of Mining Plan, which shall be computed in accordance with the formula provided in Clause 7.1.1 above. The Successful Bidder shall be intimated by the Nominated Authority about the revised Performance Security to be furnished and pursuant to such

intimation, the Successful Bidder shall be required to replace the Performance Security already furnished by it to the Nominated Authority, and the provisions of this Agreement shall *mutatis mutandis* apply to the revised Performance Security. The revised Performance Security shall be submitted within 30 (thirty) days of the receipt of such intimation from the Nominated Authority.

7.1.3 The amount of Performance Security for Fully Explored Mines shall be revised in following events:

(a) on an annual basis as follows:

a. **First Revision:** In the month of April, basis the difference in the i) National Coal Index for the month of March of previous financial year and ii) National Coal Index basis which the Performance Security was first estimated in accordance with Clause 7.1.1 above.

b. **Subsequent Revisions:** In all subsequent years, in the month of April, basis the difference in the i) National Coal Index for the month of March of previous financial year and ii) National Coal Index for the month of March of previous to previous financial year.

(b) In case of any revision in rate of royalty, the amount of Performance Security shall be revised accordingly. Such revision shall take place at the beginning of the financial year which is subsequent to the financial year in which the rate of royalty is revised, as stipulated in Clause 7.1.3(d); and/or

(c) In case of any revision in the peak rated capacity as a result of any revision in the mining plan in accordance with Clause 9.3, the amount of Performance Security shall be revised accordingly upon approval of revision to the Mining Plan. Such revision shall take place at the beginning of the financial year which is subsequent to the financial year in which the Mining Plan is revised, as stipulated in Clause 7.1.3(d).

(d) The revision to the amount of Performance Security shall be carried out once in every financial year. Upon such revision, the bank guarantee constituting the Performance Security shall be substituted with another bank guarantee of the revised value issued in accordance with this Clause 7, within a period of 30 (thirty) days from the beginning of financial year i.e. by April 30 of every year, in case of revision under each of sub-clause (b) and (c) above. In case of revision under sub-clause (a), the bank guarantee constituting the Performance Security shall be substituted with another bank guarantee of the revised value issued in accordance with this Clause 7, within a period of 30 (thirty) days from the publication of the reference index for the month of March of previous financial year.

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

7.1.4 The Performance Security should remain valid for such duration as specified in the Agreement. Upon grant of mine opening permission under rule 9 of the Colliery Control Rules, 2004, the Successful Bidder shall either

- (i) submit a separate Performance Security (in the form of an unconditional and irrevocable performance bank guarantee) in favour of the State Government for the amount calculated in accordance with Clause 7.1.1 above for ensuring the production of coal as per the Mining Plan. Upon submission of such separate Performance Security to the State Government or after 60 days of the termination of the Agreement in accordance with Clause 5.14, whichever is earlier, the Performance Security submitted to the Nominated Authority under Clause 7.1.1 of this Tender Document shall be returned to the Successful Bidder; *'or'*
- (ii) submit a request to the Nominated Authority for assigning the Performance Security submitted to the Nominated Authority under Clause 7.1.1 of this Tender Document, in favour of the State Government. It is clarified that the amount of Performance Security shall be calculated in accordance with Clause 7.1.1. In case the Performance Security submitted to the Nominated Authority is of lesser amount, the Successful Bidder shall be required to submit a top-up bank guarantee in favour of the State Government so that the total amount of Performance Security in favour of the State Government in accordance with Clause 7.1.1. Further, the Successful Bidder shall ensure that the validity of the Performance Security is in accordance with this Clause 7.1.4.

#### **7.1.5 Appropriation of Performance Security**

The Performance Security may be appropriated by the Nominated Authority or the State Government, as the case may be, in the manner specified in the Agreement, and shall be without prejudice to the other rights and remedies available under this Tender Document, the Agreement or Applicable Law, without incurring any liability whatsoever.



## 8 Fraud and Corrupt Practices

- 8.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the tender process and subsequent to the issue of the [Vesting Order / Allocation Order]<sup>37</sup> and during the subsistence of the Agreement. Notwithstanding anything to the contrary contained herein, or in the [Vesting Order / Allocation Order]<sup>38</sup> or the Agreement, the Nominated Authority may reject a Bid, withdraw the [Vesting Order / Allocation Order]<sup>39</sup>, or terminate the Agreement, as the case may be, without being liable in any manner whatsoever to the Bidder, Qualified Bidder, Preferred Bidder, or the Successful Bidder, as the case may be, if the Nominated Authority determines that the Bidder, Qualified Bidder, Preferred Bidder, or Successful Bidder, as the case may be, has, directly or indirectly or through an agent, engaged in Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice in the tender process. In such an event, the Nominated Authority shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as the case may be, as damages, without prejudice to any other right or remedy that may be available to the Nominated Authority under this Tender Document and/ or the Agreement, or otherwise.
- 8.2 Without prejudice to the rights of the Nominated Authority under Clause 8.1 hereinabove and the rights and remedies which the Nominated Authority may have under the [Vesting Order / Allocation Order]<sup>40</sup> or the Agreement, or otherwise if a Bidder, Preferred Bidder or Successful Bidder, as the case may be, is found by the Nominated Authority to have directly or indirectly or through an agent, engaged or indulged in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice during the tender process, or after the issuance of the [Vesting Order / Allocation Order]<sup>41</sup> or the execution of the Agreement, such Bidder, Preferred Bidder or Successful Bidder shall not be eligible to participate in any process undertaken by the Nominated Authority for auction or allotment of any Schedule I coal mine (as defined in the Act) during a period of 1 (one) year from the date such Bidder, Preferred Bidder or Successful Bidder, as the case may be, is found by the Nominated Authority to have directly or indirectly or through an agent, engaged or indulged in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practices, as the case may be.
- 8.3 For the purposes of this Clause 8, the following terms shall have the meaning hereinafter respectively assigned to them:
- a) “**Corrupt Practice**” means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the tender process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Nominated Authority who is or has been associated in any manner, directly or indirectly, with the tender process or the [Vesting Order / Allocation Order]<sup>42</sup> or has dealt with matters concerning the Agreement or arising therefrom, before or after the execution thereof, at any time prior to

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<sup>37</sup> To be retained as applicable.

<sup>38</sup> To be retained as applicable.

<sup>39</sup> To be retained as applicable.

<sup>40</sup> To be retained as applicable.

<sup>41</sup> To be retained as applicable.

<sup>42</sup> To be retained as applicable.

the expiry of 1 (one) year from the date such official resigns or retires from or otherwise ceases to be in the service of the Nominated Authority, shall be deemed to constitute influencing the actions of a person connected with the tender process); or (ii) save and except as permitted under this Tender Document, engaging in any manner whatsoever, whether during the tender process or after the issue of the [Vesting Order / Allocation Order]<sup>43</sup> or after the execution of the Agreement, as the case may be, any person in respect of any matter relating to the Coal Mine or the [Vesting Order / Allocation Order]<sup>44</sup> or the Agreement, who at any time has been or is a legal, financial or technical adviser of the Nominated Authority in relation to any matter concerning the Coal Mine;

- b) “**Fraudulent Practice**” means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the tender process;
- c) “**Coercive Practice**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the tender process;
- d) “**Undesirable Practice**” means (i) establishing contact with any person connected with or employed or engaged by the Nominated Authority with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the tender process; (ii) having a conflict of interest; or (iii) violating of any Applicable Law; and
- e) “**Restrictive Practice**” means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the tender process.

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<sup>43</sup> To be retained as applicable.

<sup>44</sup> To be retained as applicable.

## **9 Other Provisions**

### **9.1 Mandatory Work Program for Partially Explored Mines**

9.1.1 During prospecting phase, the Successful Bidder shall complete the Mandatory Work Program. The Successful Bidder shall conduct geological prospecting/ exploration of the area as per the Mandatory Work Program provided by the Nominated Authority, so as to ascertain evidence of mineral contents and shall submit periodic reports to the Nominated Authority. Provided however that in the event the Successful Bidder is unable to conduct geological prospecting/ exploration of the area as per the Mandatory Work Program, due to any technical constraints including subsurface geological uncertainty duly accepted by the Government, the Successful Bidder may propose a revised Mandatory Work Program having estimated exploration expense not less than the estimated exploration expense as provided in the Annexure I of the Tender Document, to the Nominated Authority. The revised Mandatory Work Program shall be subject to the approval of the Nominated Authority. Notwithstanding anything to the contrary contained elsewhere in this Tender Document, the Successful Bidder may undertake geological prospecting/ exploration in excess of the Mandatory Work Program in accordance with Applicable Laws.

9.1.2 All reports, studies and other documentation related to the geological prospecting/ exploration of the area shall be submitted to the Nominated Authority and the State Government and they shall become the proprietary information of the Nominated Authority / State Government.

### **9.2 Production Schedule for Fully Explored Mines**

9.2.1 The Successful Bidder shall ensure that the scheduled coal production as per the approved Mining Plan is equal to or more than the year-on-year production schedule of the Coal Mine as specified in **Annexure I** (“**Production Schedule**”). In case prospecting operations are required to be carried out for any part of the Coal Mine, the same shall be carried out by the Successful Bidder in accordance with Applicable Law.

### **9.3 Revision in Mining Plan upon allocation**

Upon allocation of the Coal Mine, the Mining Plan may be revised by the Successful Bidder, in accordance with the Guidelines for Preparation, Formulation, Submission, Processing, Scrutiny, Approval and Revision of Mining plan for the coal and lignite blocks issued *vide* Office Memorandum F. No. 34011/28/2019-CPAM dated May 29, 2020, as may be amended.

### **9.4 Flexibility in Production**

9.4.1 The Successful Bidder shall produce coal not below 65% (sixty five per cent) of scheduled production in a financial year subject to the condition that Successful Bidder shall not produce coal less than 75% (seventy five per cent.) of scheduled production in any three financial year block. It is clarified that three financial year block shall be counted from the first financial year of scheduled commencement of production in the Coal Mine.

#### **9.4.2 Revenue payable to the Government in case of shortfall in coal production:**

9.4.2.1 In the event the annual coal production is less than 65% of the scheduled production in any financial year as per approved Mining Plan, then the annual revenue share shall be paid by Successful Bidder, within 20 days from the end of the financial year, as a sum of (a) Monthly

Payments for the quantity of coal on which the statutory royalty is paid, in accordance with Clause 3.10 and (b) revenue share for the shortfall quantity (i.e. 65% of annual scheduled coal production in the financial year less the quantity of coal on which the statutory royalty is paid) computed on the basis of the Notional Price arrived at after adjusting the Representative Price with sub-index of National Coal Index of the relevant basket of coal grade(s) for the relevant year. It is clarified that relevant grade of coal shall mean weighted average grade of non-coking coal and/or weighted average grade of coking coal, as the case may be, for the Coal Mine, as per Geological Report.

9.4.2.2 Further, in the event the coal production for a block of 3 financial years is less than 75% of the scheduled production in the block of 3 financial years as per approved Mining Plan, the Successful Bidder shall make payment towards such shortfall in coal production (above 65% and less than 75%) such that the revenue to the Government for a block of 3 financial years is towards at least 75% of the scheduled coal production in the block of 3 financial years within 20 days of the from the end the 3 financial year period. In such case, the revenue share payable for the shortfall quantity (75% of scheduled coal production of 3 financial years less the quantity of coal on which the statutory royalty is paid in 3 financial years) shall be computed on the basis of Notional Price arrived at after adjusting the Representative Price with sub-index of National Coal Index of the relevant basket of coal grade(s) for the relevant block of 3 financial years. It is clarified that relevant grade of coal shall mean weighted average grade of non-coking coal and/or weighted average grade of coking coal, as the case may be, for the Coal Mine, as per Geological Report.

**Illustration 6:** Solely for the purposes of reference of the Bidders, the methodology of estimating revenue payable to the Government on account of shortfall in coal production is illustrated below:

| Particulars   |      |
|---|------|
| National Coal Index of the relevant basket of Coal Grade – latest available as on the date of issuance of Tender Document (A) | 120  |
| Representative Price for the average grade of the Coal Mine (Rs./tonne) (B)   | 1800 |
| Final Offer (C)   | 25%  |

| Year    | Scheduled Production as per approved Mining Plan (MT) | Actual Production (MT) | Actual Production as % Scheduled Production | Shortfall in Production (MT) | Penalty Trigger Event | Value of Index applicable | Revenue Payable to the Government on account of shortfall in production (Rs. Crore) |
|---------|---|------------------------|---|------------------------------|-----------------------|---------------------------|---|
|         | D   | E                      | F = E/D                                     | G = max of (0% or 65% - F)   |                       | H                         | I = D x G x B x H/A x C/10  |
| Y1      | 2   | 1.7                    | 85.00%                                      | 0.00%                        |                       | 127                       | -   |
| Y2      | 4   | 2.5                    | 62.50%                                      | 2.50%                        | Event 1               | 128                       | 5   |
| Y3      | 7   | 5.6                    | 80.00%                                      | 0.00%                        |                       | 129                       | -   |
| Block 1 | 13  | 9.8                    | 75.38%                                      | 0.00%                        |                       | 128                       | -   |
| Y4      | 10  | 7.9                    | 79.00%                                      | 0.00%                        |                       | 130                       | -   |
| Y5      | 10  | 6.5                    | 65.00%                                      | 0.00%                        |                       | 131                       | -   |
| Y6      | 10  | 6.6                    | 66.00%                                      | 0.00%                        |                       | 131                       | -   |
| Block 2 | 30  | 21                     | 70.00%                                      | 5.00%                        | Event 2               | 131                       | 74  |

*Note: The above mentioned illustration is merely for reference purpose and in case of inconsistency, the provision of Clause 9.4.2 shall prevail.*

9.4.2.3 Statutory dues including taxes, levies, Royalty, contribution to DMF and NMET etc. shall be payable as per Applicable Law.

## 9.5 Relinquishment of Partially Explored Mine

9.5.1 After completing the prospecting operations as per the Mandatory Work Program and preparing the Geological Report, acceptable to the Central Government, the Successful Bidder may either

i) relinquish the Coal Mine (subject to the approval of Central Government) after submitting all reports, studies and other documentation related to the geological prospecting/ exploration of the area to the Nominated Authority and the State Government. In such an event, no penalty shall be levied and the Performance Security of the Successful Bidder shall be returned in accordance with the Agreement. In any event, the relinquishment of a part of the Partially Explored Mine shall not be permitted;

or

ii) retain the Coal Mine and carry out mining operations after obtaining the required permissions/ approvals/ clearances etc. in accordance with Applicable Law.

Provided however, if the Successful Bidder fails to complete the prospecting operations as per the Mandatory Work Program and/ or does not prepare the Geological Report which is acceptable to the Central Government, the Performance Security submitted by the Successful Bidder shall be forfeited and the Agreement and the prospecting license granted thereunder shall be terminated and the [Vesting Order/ Allocation Order]<sup>45</sup> shall be withdrawn.

9.5.2 Upon withdrawal of the [Vesting Order/ Allocation Order]<sup>46</sup> of a Partially Explored Mine on account of any reason whatsoever, including relinquishment of Coal Mine, surrender of Coal Mine, failure to complete the prospecting operations as per the Mandatory Work Program and/ or failure to prepare the Geological Report which is acceptable to the Central Government, the Successful Bidder shall not be entitled for

- a) Reimbursement of the expenses incurred by the Successful Bidder towards prospecting/ exploration operations, preparation of Geological Report; and
- b) Compensation towards following components of Fixed Amount: [cost borne by the Prior Allottee for the preparation of geological report; cost borne by the Prior Allottee for obtaining all statutory licenses, permits, permissions, approvals, clearances or consents relevant to the mining operations;]<sup>47</sup> [cost incurred by CMPDIL and other Government agencies, if any, in deriving detailed geographical boundary coordinates and in preparing geological report, if any;]<sup>48</sup>.

## 9.6 Miscellaneous

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<sup>45</sup> To be retained as applicable.

<sup>46</sup> To be retained as applicable.

<sup>47</sup> This is to be retained only for Coal Mines being auctioned under the CMSP Act, 2015

<sup>48</sup> This is to be retained only for Coal Mines being auctioned under the MMDR Act, 1957

- 9.6.1 The tender process shall be governed by, and construed in accordance with, the laws of India and the dispute resolution shall be subject to the Act.
- 9.6.2 The Nominated Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- a) suspend and/ or cancel the tender process and/ or amend and/ or supplement the tender process or modify the dates or other terms and conditions relating thereto;
  - b) consult with any Bidder in order to receive clarification or further information;
  - c) retain any information and/ or evidence submitted to the Nominated Authority by, on behalf of, and/ or in relation to any Bidder; and/ or
  - d) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.
- 9.6.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases the Nominated Authority, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection with the tender process and waives, to the fullest extent permitted by Applicable Laws, any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.

**9.6.4 Proprietary data**

All documents and other information supplied by a Bidder to the Nominated Authority shall remain or become the property of the Nominated Authority. It will not return any Bid or any information provided by the Bidder.

In case of relinquishment or surrender of the Coal Mine, all documents and information, including the Geological Report, submitted by the Bidder to the Nominated Authority, State Government and/or Central Government, shall be the proprietary information of the Central Government and the same shall not be considered to be an assigned of the confidential information of the Bidder. The Central Government shall have the right to share the same with the Bidders of the Coal Mine being thereafter auctioned as a Partially Explored Mine or Fully Explored Mine, as the case may be.

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

**Annexure I: Mandatory Work Program and Production Schedule**

**Mandatory Work Program for Partially Explored Mines**

[insert]

Estimated Exploration Expense - INR [●] (Indian Rupees [●]) exclusive of taxes

**Production Schedule for Fully Explored Mines**

[insert]

**Annexure II – Representative Price**

**A. Non-coking coal**

| <b>Grade of Coal</b> | <b>Representative Price (Rs./tonne)</b> |
|----------------------|---|
| G1                   | 8,958                                   |
| G2                   | 6,766                                   |
| G3                   | 6,735                                   |
| G4                   | 7,570                                   |
| G5                   | 6,831                                   |
| G6                   | 6,012                                   |
| G7                   | 3,375                                   |
| G8                   | 3,085                                   |
| G9                   | 2,823                                   |
| G10                  | 2,567                                   |
| G11                  | 2,070                                   |
| G12                  | 1,882                                   |
| G13                  | 1,735                                   |
| G14                  | 1,467                                   |
| G15                  | 888                                     |
| G16                  | 1,029                                   |
| G17                  | 598                                     |

**B. Coking coal**

| <b>Grade of Coal</b> | <b>Representative Price (Rs./tonne)</b> |
|----------------------|---|
| Steel Grade I        | 24,842                                  |
| Steel Grade II       | 22,555                                  |
| Washery Grade I      | 6,312                                   |
| Washery Grade II     | 5,306                                   |
| Washery Grade III    | 5,176                                   |
| Washery Grade IV     | 3,632                                   |
| Washery Grade V*     | 2,823                                   |
| Washery Grade VI**   | 1,882                                   |

\*Representative Price on the basis of corresponding grade of non-coking coal as G9

\*\*Representative Price on the basis of corresponding grade of non-coking coal as G12

Note: The abovementioned Representative Price is of January 2022 (provisional) i.e. the latest available Representative Price at the time of issuance of this Tender Document. In the event, there is any revision in the Representative Price of January 2022, the abovementioned Representative Price shall be replaced by such revised Representative Price.



**Annexure III - Technical Details with respect to electronic auction.**

**1. Registration Methodology:**

In order to submit Bids for the Coal Mine, a Bidder would be required to register itself with the e-auction website of MSTC. For this the Bidder should visit the Coal Mine Auction website of MSTC “<https://www.mstcecommerce.com/auctionhome/coalblock/index.jsp>” and click on the button “**Registration**”.

An online Registration Form will appear on screen and Bidder would be required to fill up the same. During this process, Bidder would be required to create its “user id” and “password” and keep note of the same. Bidder should ensure that the secrecy of its user id and password is maintained at all time and Bidder shall alone be responsible for any misuse of the user id and password. Bidder may also refer to the “Bidder’s Guide” available online in the above mentioned website for assistance.

On successful submission of the online registration Form, Bidder shall receive a confirmation e-mail at the registered email address advising the Bidder to submit the following documents:

1. Self attested Income Tax PAN Card.
2. Two passport size photographs of the Authorized Signatory.
3. Letter of Authorization from Chairman/MD/Directors/CEO/Company Secretary of a Bidder in favour of the Authorized Signatory in the standard format available in the website. The Authorized Signatory shall be the person who shall be responsible for submission of Bid. For this purpose, the Authorized Signatory will need to be in possession of a Class III signing type digital signature issued by an Indian certifying authority, the details of which shall be provided in this authorization letter.
4. Proof of Identity of the Authorized Signatory in the form of Company ID Card/PAN Card/Voter ID Card
5. In case of Joint Venture company the copy of the JV/Consortium Agreement.
6. Copy of the confirmation email.

Bidder shall be required to submit all the above documents to MSTC for verification and activation of their account. Bidders may send scanned copies of the aforementioned documents to the following designated email address:

**[coalblock@mstcindia.co.in](mailto:coalblock@mstcindia.co.in)**

It may be noted that Bidders need not visit any of the offices of MSTC for submission of the aforementioned documents. However, the Bidders may contact the following offices of MSTC for seeking assistance on the login or registration process.

|   |   |
|---|---|
| MSTC Limited (E-Commerce Department)<br>225-F, A.J.C Bose Road, 2 <sup>nd</sup> Floor,<br>Kolkata - 700 020<br>Helpdesk-03340645207, 03340609118,<br>03340645316, 03340602403 | MSTC Limited, Northern Regional Office<br>30/31A Jeevan Vikas Building,<br>1st Floor, Asaf Ali Road (opp. Hamdard)<br>New Delhi - 110 002<br>Helpdesk- 01123212357, 01123215163 |
|---|---|

Once the complete set of aforementioned documents is electronically received from a Bidder, MSTC shall activate such Bidder's login after verification / scrutiny of the documents. MSTC reserves the right to call for additional documents from the Bidder if required, prior to registration and activation of the Bidder's login.

On completion of the above stated registration process, a Bidder shall be able to log in to MSTC's website.

Bidders who have registered as Independent Company with MSTC website for earlier tranches of coal mine auction/allotment need not register again. **The Joint Venture Companies who had registered prior to September 2018 have to register fresh by selecting the name of the JV partners and they have to participate with the new registration only.**

## **2. Downloading information about coal mines**

There are two sets of documents available for downloading from the website of MSTC.

First set of documents will be available free of cost and can be downloaded without registration on MSTC's website. These documents may include the following:

- (a) Standard Tender Document; and
- (b) Mine summaries

The above information would be made available free of cost to all potential Bidders in order to assist the potential Bidders to make a determination regarding their participation in the tender process. Based on such determination, potential Bidders may decide to participate in the tender process with respect to one or more coal mines and purchase detailed mine-wise information.

Certain other detailed documents shall be paid documents and can be downloaded only subsequent to payment of a fee of Rs 5,00,000/- per coal mine and such documents will be available after a Bidder logs in. Therefore, Bidders need to complete the registration process with MSTC to be able to download such documents.

Bidders shall login with its user id and password. Bidder shall have the facility to make payment towards the documents through the link 'e-Payment' provided under the login of the Bidder. Payment for multiple mines can be made through a single transaction. The Bidder should fill an online RTGS application form and take a printout of the same before proceeding to transfer the fund to the beneficiary account. In case the Bidder has an online banking facility, it can make this payment online as well. After transferring the fund, the Bidder shall be required to communicate the UTR No, copy of RTGS application form generated on MSTC portal and other details to MSTC through email at [coalblock@mstcindia.co.in](mailto:coalblock@mstcindia.co.in).

Once MSTC receives the payment in the designated account as specified in the RTGS application form, it shall activate the link for downloading of the paid documents for the respective coal mine(s).

The Bidder may note that the files containing information about the coal mines can be in various formats like doc, xls, ppt, pdf, jpg, jpeg, zip etc and it shall be the responsibility of the Bidder to have suitable facilities at its end to download the uploaded files.

## **3. Preparation and Submission of Bid**

The complete process of bid submission will be divided into 2 stages as follows:

**A. Stage 1: Technical Bid**

This stage will comprise of (i) online submission of the Technical Bid and the Financial Bid to the extent of the Initial Offer; and (ii) offline submission of certain original documents as detailed below.

**(i) Online submission of Technical Bid and Initial Offer with supporting documents**

This stage shall be open to all Bidders who have purchased the paid document(s) for the specific coal mine(s). In this process, the Bidder, after logging in to the above stated website, will have to click on the link “Click for Auction”. In the next page, the Bidder shall have to go to the link “Stage 1 Bid Submission”. Thereafter, the Bidder will have a bouquet under “My Menu” having 3 (three) sub-menus – “Bid Floor Manager”, “Upload Documents” and “Attach Documents”.

**Bid Floor Manager**

Once the Bidder clicks on this sub-menu followed by ‘Click Here’ under Live Auctions, it will display a list of mine(s) for which the Bidder has paid the fees for downloading the paid documents. On clicking on any of the mine(s), the Bidder will be directed to a screen where it can fill up the technical bid template and save the data. The Bidder can edit such data as many times as it wishes till the final submission is made by clicking the “Final Submission” button.

After saving the Technical Bid, the link / button for Initial Offer shall get activated. The Bidder, on clicking this button, will be directed to a screen having a template where it can fill up its Initial Offer. The Bidder can edit such data as many times as it wishes till the final submission is made by clicking the “Final Submission” button.

The Bidder shall have to submit the Initial Offer, which should be higher than the Floor Price in multiples of 0.5% of revenue share till Initial Offer reaches 10% and thereafter in multiples of 0.25% revenue share.

The final submission of Technical Bid and the Initial Offer shall be digitally signed by the Bidder using the digital signature the use of which has been duly authorized on behalf of the Bidder and which was used at the time of registration. Any digital signature certificate other than the above shall not be acceptable for bid submission by the system.

*The Bidder may note that the “Final Submission” button for both Technical Bid and Initial Offer is common and will be activated only after both the Technical Bid and the Initial Offer have been saved and the necessary documents have been uploaded and attached against the auction.*

**Upload Documents**

The Bidder shall also have to upload the supporting documents along with the

Technical Bid, as required under this Tender Document. These supporting documents will need to be uploaded in pdf format only (the file size may be limited to 4 MB). Files in formats other than pdf shall not be accepted. For this, the Bidder shall first click on the link “Upload documents” and upload the files in support of its Technical Bid.

The files uploaded shall be as per the list of documents displayed under “Attach Documents” link after selection of the respective auction. If there are multiple files against one document mentioned in the list, they have to be merged into one file before uploading.

### **Attach Documents**

After uploading these documents, the Bidder shall have to attach them, through the “Attach Document” link, with the specific mine(s) for which it is intending to submit the Technical Bid. It may be noted by the Bidder that in case it intends to use the same supporting document for more than one mine, it does not need to upload the same document every time. The supporting document, once uploaded, can be attached with Technical Bid for multiple mine(s), if desired.

The Bidder has to attach documents as per the list displayed against the respective auction. The Bidder can attach only one file against a document. Same file cannot be attached for more than one document. Multiple files cannot be attached for one document. If required the bidder may attach one additional file through the ‘Others’ option.

***The Bidder should note that only a file which is “attached” with a specific mine(s) shall be considered during evaluation of the Technical Bid. Files which are not attached to any mine(s) shall not be considered for evaluation.***

***The Bidder should also note that a Bid will be considered as submitted if and only if the Bidder has clicked on the “Final Submission” button. Only such Bids will be opened which have been finally submitted. It is further clarified that saving of Technical Bid and the Initial Offer without final submission will be treated as non submission of bid.***

Upon successful final submission, the Bidder shall receive a bid acknowledgement from the system automatically.

The Bidders may note that the Technical Bid and the Initial Offer submitted online as above will be encrypted by MSTC’s own software before storage in the database. This will be done to protect the sanctity and confidentiality of the Bids before the actual opening of the same.

### **Modification / Withdrawal of Bid**

If after final submission of Bid and before the scheduled closing time for Bid submission a Bidder wishes to make changes in its Bid, it can do so by clicking the

“Delete Bid” option. By doing so, the entire Bid submitted by the Bidder will get deleted. A system generated email will be sent to the Bidder acknowledging the deletion. The Bidder will be able to save and submit its new Bid again. If a Bidder deletes its Bid and does not submit its new Bid in the same manner as stated above, its Bid will not come up for opening or further processing.

If after final submission of Bid and before the scheduled closing time for Bid submission a Bidder wishes to withdraw its Bid, it can do so by clicking the “Withdraw Bid” option. By withdrawing a bid, a Bidder will lose the opportunity to re-submit its Bid against the same mine(s).

(ii) **Offline submission of certain original documents**

The Bidders shall have to submit the following documents in original in sealed cover within the scheduled closing time for bid in accordance with Clause 3.8. The sealed cover should clearly bear the following identification: *Original Documents (Technical Bid) for [insert name of the Coal Mine]* and shall indicate the name, MSTC Registration No. and address of the Bidder. In addition, an index of documents submitted should be annexed and the documents shall contain page numbers: *Page [●] of [●]*

- (a) Bid Security in the form and substance as provided in Annexure VIII;
- (b) Power of Attorney in the form and substance as provided in Annexure V;
- (c) Certified extract of the charter documents and certified true copy of the documents such as a board or shareholders resolution authorizing the execution of this power of attorney; and
- (d) Affidavit in the form and substance as provided in Annexure VI.

The aforementioned documents shall be submitted in person at the following address:  
The Nominated Authority  
Ministry of Coal  
Room No. 120, F-Wing,  
1st Floor, Shastri Bhawan  
New Delhi - 110001

***Submission of documents at the address other than the one mentioned above and/or by means other than physical submission in person shall not be considered and such bid shall be rejected.***

***Deadline for online submission of (i) Technical Bid and the Initial Offer with supporting documents; and (ii) offline submission of certain original documents***

The Bidders shall also note that online submission of ***Technical Bid and the Initial Offer*** with supporting documents and offline submission of certain original documents shall be allowed only up to time specified in Clause 3.8.1. Bidders in their own interest are advised to complete the entire process well in advance to avoid any last minute hiccup / technical problems. No complaints shall be entertained in this regard at any

stage.

**(iii) Evaluation of Technical Bid**

**a. Evaluation of Technical Bid**

Technical Bids shall be evaluated in the manner provided in this Tender Document.

**b. Opening of Initial Offer**

Initial Offers shall be opened one day before the scheduled date of e-auction of the respective Coal Mine. For example, Initial Offer for coal mine(s) scheduled for e-auction on 04.09.2020 will be opened on 03.09.2020. All Technically Qualified Bidders will be ranked in accordance with Clause 3.3.2(b) and the determination of Qualified Bidders shall be made in accordance with Clause 3.3.2(b). Only the Qualified Bidders shall be intimated about their qualification for participation in electronic auction through notification on MSTC website within their secured login as well as a system generated email. Such intimation shall be sent 2 hours prior to the scheduled start of e-auction. The remaining Technically Qualified Bidder (i.e. Technically Qualified Bidder who is not a Qualified Bidder), if any, should note that it may become a Qualified Bidder if one or more of the original Qualified Bidders become ineligible to bid.

**B. Stage 2: electronic auction – Final Offer**

**a. Intimation to Qualified Bidders**

The Qualified Bidders will be intimated about their qualification for electronic auction against specific mine(s) in accordance with Annexure III – 3.A.(iii)(b), through notification in the MSTC website within their secured login as well as a system generated email. Along with the above intimation, they shall also receive information on Applicable Floor Price for e-auction of the Coal Mine which is the highest Initial Offer received from the Technically Qualified Bidders.

In certain cases, where considered necessary, the Qualified Bidders may also receive the information on the second highest Initial Offer received from the Technically Qualified Bidders. In the event the Bidder(s) who has quoted the Applicable Floor Price is no longer eligible to bid for that Coal Mine, the Applicable Floor Price shall stand revised to second highest Initial Offer received from the Technically Qualified Bidder(s).

It is expressly clarified that Bidders should not expect to receive the information on the second highest Initial Offer received from the Technically Qualified Bidders as a matter of usual course.

It shall be the sole responsibility of the Bidder to regularly check the MSTC website and log in to see whether it has qualified for a certain mine or not. MSTC/ Nominated Authority will not be responsible for non-receipt of email by the Bidder and its

consequences.

**b. Conduct of e-auction**

E-auction is the process of inviting binding Final Offer(s) from Qualified Bidders through internet for the purpose of determination of the Preferred Bidder. During this process, the Qualified Bidder will be able to submit its Final Offer as many times as it wishes against the same Coal Mine. The Qualified Bidder will remain anonymous to other Qualified Bidders participating in the electronic auction process as well as to MSTC / Nominated Authority. The Qualified Bidder will be able to see the prevailing highest Final Offer against the Coal Mine, but the name of the highest Qualified Bidder at any point of time will not be displayed. The Qualified Bidder shall have to put its Final Offer over and above the displayed highest bid in multiple of 0.5% of revenue share till the Final Offer reaches 10% and thereafter in multiple of 0.25% of revenue share. The electronic auction process will have a scheduled start and close time which will be displayed on screen. A Qualified Bidder will be able to put its Final Offer after the start of bid time and till the close time of electronic auction. The current server time (IST) will also be displayed on the screen. In the event a bid is received during the last 8 (eight) minutes before the scheduled close time of electronic auction, the close time of electronic auction will be automatically extended by 8 (eight) minutes from the last received bid time to give equal opportunity to all other Qualified Bidders. This process of auto extension will continue till there is a period of 8 (eight) minutes during which no Final Offer is received.

For example, assuming that the initial scheduled close time for a particular electronic auction is 1:00 pm and a Final Offer is received at 12:55 pm, the scheduled close time shall be revised to 1:03 pm. Again if a Final Offer is received at 1:01 pm, the scheduled close time shall be revised to 1:09 pm and so on. In the event that there is no further Final Offer received till 1:09 pm, the electronic auction will close at 1:09 pm. The revised close time will be displayed on screen and the Qualified Bidders are advised to keep refreshing its webpage to get the latest information.

The above example is only illustrative and meant for guidance only.

During the tender process for electronic auction, the Bidder shall be required to sign their Bids with their respective digital signature certificate (DSC) the use of which has been duly authorized on behalf of the Bidder and which was used at the time of registration. Any digital signature certificate other than the above shall not be acceptable for bid submission by the system

Bidders in their own interest are advised to get themselves acquainted with the electronic auction process of MSTC by getting their Authorized Representative trained beforehand through some demo electronic -auctions, schedule of which will be declared later on MSTC website.

**Digital Signature Certificate**

A Bidder shall be required to possess a valid Digital Signature Certificate (DSC) of signing type to be able to submit its Bid and to participate in the electronic auction on MSTC's website. For this purpose, Bidders shall be required to authorize its Authorized Signatory to procure a Class III DSC of signing

type from any Certifying Authority or their authorized agencies in India.

The competent authority of the Bidder shall be required to issue a Letter of Authority in favour of the Authorized Representative in the standard format provided on the homepage of the website on MSTC mentioning therein the serial number of the DSC of the Authorized Representative. The competent authority shall be one of the following:

- Chairman of the Company
- Managing Director of the Company
- Chief Executive Officer of the Company
- Company Secretary of the Company

The Bidder may note that only 1 (one) user id will be mapped with a given DSC for the Authorised Representative. DSC once mapped with a particular user id of a Bidder will normally not be changed and therefore Bidders are advised to carefully select the DSC before forwarding the same to MSTC for mapping.

The Digital Signature Certificate will be used to digitally sign the Bids that the Bidder will submit online.

It will be the sole responsibility of the Bidder and its respective Authorised Representative to maintain the secrecy of the password for the Digital Signature Certificate. The Bidder and its contact person shall be solely responsible for any misuse of the DSC and no complain / representation in this regard shall be entertained at any stage by MSTC / Nominated Authority.

The Bidder may note that the following configurations will be required to be undertaken in their Internet Explorer browsers for smooth functioning of the website and the e-auction portal.

The system requirements are as follows:

- Operating System –Windows 8.1 and above
- Web Browser- Preferred ‘Internet Explorer version 9’ and above.
- IE Settings:

a) Tools→Compatibility View Settings→Add <https://www.mstcecommerce.com>

Check the box for ‘Microsoft compatibility list’.

b) Security Settings:

1) Tools→Internet Options→General→Check box for ‘Delete browsing history on exit’, Click on ‘Settings’→ ‘Every time I visit the webpage’→OK.

2) Tools →Internet Options → Security → Un-check the box for ‘Enable protected mode’→

Custom Level→



- Enable: Access data sources across domains
- Disable “Use Pop-up Blocker”
- Scripting: Enable “Allow Status Bar Update Via Script”
- Tools→Internet Options → Security →Selected Trusted Sites→Add

Website <https://www.mstcecommerce.com> →OK→Trusted Sites→Select 'Custom Level→ Active X control & plug-ins: Enable all

ActiveX Controls

- Disable “Use Pop-up Blocker”
- Tools → Internet Options → Advance→Select boxes for SSL 3.0,TLS(1.0,1.1,1.2)→Apply→OK.

c) Java: JRE 8, latest X86 offline file, Configure JAVA→Security, add <https://www.mstcecommerce.com>

‘Exception site list’ and save.

d) Other Settings:

1) View → Toolbars→ “Tick” Status Bar.

2) For new Version of IE or other “Active –X Filtering” under Tools should not be ticked.

**Annexure IV – Letter Comprising the Technical Bid**

[To be submitted on Company Letterhead of the Bidder]

Date:

To,

The Nominated Authority  
Ministry of Coal  
Room No. 120, F-Wing,  
1<sup>st</sup> Floor, Shastri Bhawan  
New Delhi - 110001

**Sub: Technical Bid for [Name of] Coal Mine; [insert name of Bidder and MSTC Registration No. of Bidder]**

Dear Sir,

With reference to your Tender Document dated [insert date], I, having examined the Tender Document and understood their contents, hereby submit my Technical Bid for the aforesaid Coal Mine. The Bid is unconditional and unqualified.

1. I have reviewed the terms of the Tender Document and hereby unconditionally and irrevocably accept, agree and acknowledge the terms thereof. Capitalised expressions used in this letter have the same meaning as ascribed thereto in the Tender Document.
2. I acknowledge that the Nominated Authority will be relying on the information provided in the Bid and the documents accompanying the Bid for recommendation of the Preferred Bidder and subsequent selection of the Successful Bidder for the aforesaid Coal Mine, and we certify that all information provided therein is true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying the Bid are true copies of their respective originals.
3. This statement is made for the express purpose of our participation in the tender process and possible selection as Successful Bidder.
4. I shall make available to the Nominated Authority any additional information it may find necessary or require to supplement or to authenticate the Bid.
5. I acknowledge the right of the Nominated Authority to reject our Bid without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by Applicable Law, our right to challenge the same on any account whatsoever.
6. For the purposes of classification under Clause 4.1.3 of the Tender Document, the particulars of our Affiliates (*as defined in the Tender Document*), which are also participating in the tender process for the Coal Mine are set-out below:

| Sl. | Name of the Company | Corporate Identity Number (CIN) | Registered Address |
|-----|---------------------|---------------------------------|--------------------|
|     |                     |                                 |                    |
|     |                     |                                 |                    |

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Note: Indicate nil if none of the Affiliates are participating in the tender process for the Coal Mine.

7. I declare that:
- I have examined and understood the Act and the Rules;
  - I have examined and have no reservations to the Tender Document, including any addendum and/or corrigendum issued by the Nominated Authority;
  - I have not directly or indirectly or through an agent engaged or indulged in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice, as defined in Clause 8 of the Tender Document, in respect of any tender or request for proposal issued by or any agreement entered into with the Nominated Authority or any other public sector enterprise or any government, central or state; and
  - I hereby certify that we have taken steps to ensure that in conformity with the provisions of Clause 8 of the Tender Document, no person acting for us or on our behalf has engaged or will engage in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice;
8. I understand that you may cancel the tender process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for the Coal Mine, without incurring any liability to the Bidders, in accordance with the Tender Document.
9. I unconditionally represent that we meet all the Eligibility Conditions as specified in the Tender Document.
10. I unconditionally represent that we are eligible to participate in the tender process in accordance with the Foreign Direct Investment Policy 2020 issued by Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, as may be amended from time to time and including Press Note 4 of 2019 and Press Note 3 of 2020.
11. I unconditionally declare that the 'Fixed Amount', any upward revision in 'Fixed Amount' or any other dues payable to the Nominated Authority in respect of any other coal mine allocated to the bidder has been paid for, with interest, if any.<sup>49</sup>
12. [I hereby confirm that the Bidder is permitted by its Memorandum of Association and Articles of Association to undertake coal mining activity.] 'or' [I hereby undertake to ensure that the main object under the Memorandum of Association of the Bidder will be duly revised and updated, if necessary, to allow mining activity in case of Bidder being declared as a Preferred Bidder]<sup>50</sup>.
13. I hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Nominated Authority in connection with the selection of the Preferred Bidder, or in connection with the tender process itself, in respect of the above mentioned Coal Mine and the terms and implementation thereof.

<sup>49</sup> To be retained in case of CM(SP) Act, 2015

<sup>50</sup> Retain whichever is applicable for the Bidder

14. In the event of my being declared as the Successful Bidder, I agree to enter into an Agreement in accordance with the Tender Document and pay such amounts and provide such security as required therein
15. Any payments required to be made by me shall be subject to set-off in accordance with Section 16(3) of the Act, if applicable.
16. I have ensured compliance with Clause 3.4 of the Tender Document and to the best of my knowledge this Bid is responsive in terms thereof.
17. I agree and understand that the Bid is subject to the provisions of the Tender Document. In no case, I shall have any claim or right of whatsoever nature if the Coal Mine is not awarded to me or my Bid is not opened or rejected.
18. The Initial Offer has been and the Final Offer shall be quoted by me after taking into consideration all the terms and conditions stated in the Tender Document, the Agreement, our own estimates of costs and feasibility and after a careful assessment of the Coal Mine and all the conditions that may affect the Coal Mine.
19. I would ensure that all documents required to be submitted electronically on the electronic auction platform and the following documents required to be submitted physically with the Nominated Authority are duly submitted: (a) power of attorney in the form and substance as specified in Annexure V of the Tender Document; (b) affidavit in the form and substance as specified in Annexure VI of the Tender Document; (c) Bid Security in the form and substance as specified in Annexure VIII of the Tender Document.
20. I shall keep this offer valid for 210 (two hundred and ten) days from the Bid Due Date specified in the Tender Document or such extended duration as may be agreed with the Nominated Authority

In witness thereof, I submit this Technical Bid under and in accordance with the terms of the Tender Document.

Yours faithfully,

(Signature, name, designation and contact details of the Authorised signatory)

Name and seal of Bidder

Date:

Place:

**Annexure V – Power of Attorney for Signing the Bid**

[To be stamped in accordance with the relevant Stamp Act and duly sworn before Notary public]

**Power of Attorney for signing of Bid**

Know all men by these presents, We, ..... (name and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr. / Ms (Name), son/daughter/wife of ..... and presently residing at ....., who is presently employed with us and holding the position of ....., as our true and lawful attorney (hereinafter referred to as the “Attorney”) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our bid for the [insert name] Coal Mine (“Coal Mine”) in response to the Tender Document dated [insert date] issued by Nominated Authority, Ministry of Coal (the “Nominated Authority”) including but not limited to signing and submission of all applications, affidavits, bids and other documents and writings, participate in Bidders’ and other conferences and providing information / responses to the Nominated Authority, representing us in all matters before the Nominated Authority, and generally dealing with the Nominated Authority in all matters in connection with or relating to or arising out of our bid for the said Coal Mine and/or upon award thereof to us and/or till the entering into of the Coal Mine Development and Production Agreement/ Coal Block Development and Production Agreement with the Nominated Authority.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this power of attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

[AND we hereby confirm we do not have a common seal and therefore no common seal is required to be affixed hereto per applicable laws.]\*

IN WITNESS WHEREOF WE, ....., THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ....., 20.....

For.....

(Signature, name, designation and address)

Witnesses:

- 1.
- 2.

Accepted

(Signature, name, designation and address of the Attorney)

Notarized<sup>51</sup>

<sup>51</sup> Date of execution and date of notarization of Power of Attorney should be same.

Notes:

- *The mode of execution of the power of attorney should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders resolution authorizing the execution of this power of attorney.*
- *For a power of attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and appropriately notarised in the relevant jurisdiction. However, the power of attorney provided by Bidders from countries that have signed the Hague Legislation Convention, 1961 are not required to be legalised by the Indian Embassy if it carries a conforming apostille certificate.*

*\* To be deleted if the company seal is duly affixed to the power of attorney.*

### Annexure VI – Format of Affidavit

(To be submitted as per Rule 31 of the Coal Mines (Special Provisions) Rules, 2014/ Rule 13 of the Coal Blocks Allocation Rules, 2017)

(To be stamped in accordance with the relevant Stamp act and duly sworn before Notary public<sup>52</sup>)

#### Affidavit

I, \_\_\_\_\_ aged \_\_\_\_\_ years, resident of \_\_\_\_\_ working as \_\_\_\_\_ an authorised signatory on behalf of \_\_\_\_\_ (name of bidder) (the “Bidder”) hereby state as under:

1. I say that I am the [Insert designation of the deponent] of the Bidder. I am conversant with the facts and circumstances surrounding the subject of this Affidavit and have been authorized to depose to the same pursuant to the power of attorney dated [insert date of execution of Power of Attorney]. I am filing this Affidavit to place on record verification of facts and documents in connection with the tender process concerning [name of the coal mine].
2. The following documents are brought on record on the website of MSTC or physically submitted with the Nominated Authority:

#### A. Documents submitted on the website of MSTC

1. Letter comprising the technical bid as per Annexure IV of the Tender Document
2. Power of Attorney as per Annexure V of the Tender Document
3. This Affidavit as per Annexure VI of the Tender Document
4. Bid Security as per Annexure VIII of the Tender Document
5. Certified true copy of board resolution authorising execution of abovementioned Power of Attorney
6. Certified extract of charter documents i.e. Memorandum of Association and Articles of Association
7. [insert any other document submitted by the Bidder]

#### B. Documents submitted physically with the Nominated Authority

1. Original Power of Attorney as per Annexure V of the Tender Document
2. Original Affidavit as per Annexure VI of the Tender Document
3. Original Bid Security as per Annexure VIII of the Tender Document
4. Certified true copy of board resolution authorising execution of abovementioned Power of Attorney
5. Certified extract of charter documents i.e. Memorandum of Association and Articles of Association
6. [insert any other document submitted by the Bidder]

3. For the purposes of classification under Clause 4.1.3 of the Tender Document, the particulars of our Affiliates (*as defined in the Tender Document*), which are also participating in the tender process for the Coal Mine are set-out below:

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<sup>52</sup> Date of execution and date of notarization of the Affidavit should be same

| Sl. No. | Name of the Company | Corporate Identity Number (CIN) | Registered Address |
|---------|---------------------|---------------------------------|--------------------|
|         |                     |                                 |                    |
|         |                     |                                 |                    |
|         |                     |                                 |                    |

*Note: Indicate nil if none of the Affiliates are participating in the tender process for the Coal Mine.*

4. I unconditionally represent that we are eligible to participate in the tender process in accordance with the Foreign Direct Investment Policy 2020 issued by Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, as may be amended from time to time and including Press Note 4 of 2019 and Press Note 3 of 2020.
  
5. I unconditionally represent that we have not and will not, directly or indirectly or through an agent engaged or indulged in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice, as defined in Clause 8 of the Tender Document or enter to arrangement with a intent to form a cartel, in respect of any tender or request for proposal issued by or any agreement entered into with the Nominated Authority or any other public sector enterprise or any government, central or state.
  
6. I unconditionally declare that the ‘Fixed Amount’, any upward revision in ‘Fixed Amount’ or any other dues payable to the Nominated Authority in respect of any other coal mine allocated to the bidder has been paid for, with interest, if any.<sup>53</sup>
  
7. That nothing has been concealed in the information submitted as mentioned above.

Solemnly affirmed and verified on this \_\_\_\_\_ day of (month) 20\_\_\_\_ (Year) at \_\_\_\_\_ (place).

(Signature)

Name, Designation & Seal

### VERIFICATION

I, [●], the [Insert designation of the deponent] of the Bidder above named, having my office at [●], do hereby solemnly declare that what is stated above are on the basis of the books and records of the Bidders, and verify that the contents of the above affidavit are true and correct, no part of it is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ day of (month) 20\_\_\_\_(Year) at \_\_\_\_\_(place).

Deponent

(Signature)

Name, Designation & Seal

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<sup>53</sup> To be retained in case of CM(SP) Act, 2015



**Annexure VII – Format for seeking clarifications regarding the Tender Document**

(Applicable only for the submission of the queries up to the last date of submission of queries as per Clause 3.8.1)

| <b>S. No</b> | <b>Document</b> | <b>Clause No. and Existing Provision</b> | <b>Clarification Required</b> | <b>Suggested Text for Amendment, if any</b> | <b>Rationale for Clarification or Amendment</b> |
|--------------|-----------------|--|-------------------------------|---|---|
|              |                 |  |                               |   |   |
|              |                 |  |                               |   |   |
|              |                 |  |                               |   |   |

**Annexure VIII – Bank Guarantee for Bid Security**

[To be stamped in accordance with the relevant Stamp Act]

**Bank Guarantee**

Bank Guarantee. No.

Date:

To

The Nominated Authority  
Ministry of Coal  
Room No. 120, F-Wing,  
1<sup>st</sup> Floor, Shastri Bhawan  
New Delhi - 110001

1. In consideration of you, being the Nominated Authority under the Coal Mines (Special Provisions) Act, 2015 (hereinafter referred to as the “**Nominated Authority**”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive, pursuant to the provisions of the relevant tender document, the Bid of ..... (a company registered under the Companies Act, [1956/2013]) and having its registered office at ..... (hereinafter referred to as the “**Bidder**” which expression shall unless it be repugnant to the subject or context thereof include its/their executors, administrators, successors and assigns), for the [insert name] Coal Mine (“**Coal Mine**”) pursuant to the Tender Document dated [insert date] issued in respect of the Coal Mine (hereinafter collectively referred to as “**Tender Document**”), we (Name of the Bank) having our registered office at ..... and one of its branches located at ..... (“**Bank**”), at the request of the Bidder, do hereby in terms of the Tender Document, irrevocably, unconditionally and without reservations guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Tender Document by the Bidder and unconditionally and irrevocably undertake to pay forthwith to the Nominated Authority an amount of INR [insert amount] (Indian Rupees [insert amount] only) (hereinafter referred to as the “**Guarantee**”) as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfil or comply with all or any of the terms and conditions contained in the said Tender Document.
2. Any such written demand made by the Nominated Authority stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Tender Document shall be final, conclusive and binding on the Bank.
3. We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of the Nominated Authority is disputed by the Bidder or not, merely on the first demand from the Nominated Authority stating that the amount claimed is due to the Nominated Authority by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Tender Document. Any such demand made on the Bank shall be conclusive as regards amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount

not exceeding INR [insert amount] (Indian Rupees [insert amount] only).

4. This Guarantee shall be irrevocable and remain in full force till [insert bank guarantee expiry date] and claims can be lodged till [insert last date of lodgement of claim] or for such extended period as may be mutually agreed between the Nominated Authority and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.
5. We, the Bank, further agree that the Nominated Authority shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Tender Document including, inter alia, the failure of the Bidder to keep its Bid open during the Bid validity period set forth in the said Tender Document, and the decision of the Nominated Authority that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Nominated Authority and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other authority.
6. The Guarantee shall not be affected by any change in the constitution, winding up, liquidation, or dissolution of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person.
7. In order to give full effect to this Guarantee, the Nominated Authority shall be entitled to treat the Bank as the principal debtor. The Nominated Authority shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Tender Document or to extend time for submission of the Bids or the Bid validity period or the period for conveying acceptance of [Vesting Order / Allocation Order] by the Bidder or the period for fulfilment and compliance with all or any of the terms and conditions contained in the said Tender Document by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Tender Document or the securities available to the Nominated Authority, and the Bank shall not be released from its liability under these presents by any exercise by the Nominated Authority of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the Nominated Authority or any indulgence by the Nominated Authority to the said Bidder or by any change in the constitution of the Nominated Authority or its absorption, merger or amalgamation with any other person or governmental department or instrumentality,, but for this provision, have the effect of releasing the Bank from its such liability.
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.
9. We undertake to make the payment on receipt of your notice of claim on us addressed to [insert name of Bank along with branch address] and delivered at our above branch which shall be deemed to have been duly authorised to receive the said notice of claim.
10. It shall not be necessary for the Nominated Authority to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which the Nominated Authority may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealised.

11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of the Nominated Authority in writing.
12. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this Guarantee for and on behalf of the Bank.

Signed and Delivered by ..... Bank

**Annexure IX – Coal Mine Development and Production Agreement/ Coal Block Development and Production Agreement**

[provided separately]