

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

(11<sup>th</sup> TRANCHE OF AUCTION UNDER THE COAL MINES (SPECIAL PROVISIONS) ACT, 2015)  
(1st TRANCHE OF AUCTION UNDER THE MINES AND MINERAL (DEVELOPMENT AND REGULATIONS) ACT, 1957)

**Queries & Responses  
to  
Standard Tender Document  
dated June 18, 2020**

**Part – I**

**Nominated Authority  
Ministry of Coal  
Government of India  
New Delhi**

**July 8, 2020**

### A. Queries and Responses to Standard Tender Document dated June 18, 2020

S. No	Query	Response
1	<p><b>Annexure II of Tender Document</b></p> <p>A. The grades provided in the tender document does not match with the grades mentioned in Coal Mine summary. The grades will be required to calculate the estimated value of the Reserve and to ascertain Upfront payment, Bid Security etc. Grades of the following mines does not match with the grades stated in Annexure II- Representative Prices:</p> <p>Jharkhand : Chakla, Chitarpur, Choritand Tiliaya and Rajhara North (Central &amp; Eastern) Odisha: Radhikaput East and Radhikapur West Chhattisgarh: Shankarpur Bhatgaon II Extn. and Sondhia.</p> <p>B. Representative price should be aligned with Linkage Coal Price of similar grade</p>	<p>A. Annexure II of the tender document provides grade-wise representative prices for all grades of coal (G1-G17 for non coking coal and SI, S-II, Washery I-VI for coking coal).Regarding the conversion of old system of grading (i.e., based on UHV from Grade A to G) to the grades as stated in Annexure-II of the NIT (i.e., based on GCV from G1 to G17 for non-coking coal)</p> <ol style="list-style-type: none"> <li>1. GCV, if available in the old GRs may be considered;</li> <li>2. GCV, if not available in GRs, may be calculated with ash and moisture data of each seam using Mazumdar’s formula as given below:  <math display="block">GCV = 85.6\{100-(1.1A+M)\}-60M</math> <p>Where,  ‘A’ and ‘M’ are ash and moisture percentage, respectively. After calculating GCV for each seam, weighted average grade for the block on GCV basis may be arrived.</p> </li> <li>3. However, for quick approximate conversion from UHV band to GCV band, the concordance table given in Table-5 under para 1.11.5 (page No. 1.8) of Section-I of the “Coal Directory, 2017-18”, published by the Coal Controller may be referred, link for which is given as under.</li> </ol> <p><a href="http://coalcontroller.gov.in/writereaddata/files/download/coaldirectory/CoalDirectory2017-18.pdf">http://coalcontroller.gov.in/writereaddata/files/download/coaldirectory/CoalDirectory2017-18.pdf</a></p> <p>B. Grade-wise representative price shall be as per Annexure II of the Tender Document.</p>
2	<p><b>Clause 3.10.1 Revenue Sharing</b></p> <p>A. Revenue Sharing should be in terms of fixed Rs/MT and should not be linked with Representative Price.</p> <p>B. The revenue share should be linked to the NCI only and not the actual revenue to keep the conditions more equitable. The clause is one sided as it does not provide any discount in case the actual revenue is lower than NCI.</p>	<p>The terms of the Standard Tender Document are in accordance with order F. No. 13011/2/2020-CBA2-Part(2) dated May 28, 2020 of Ministry of Coal. Accordingly, the periodic payments by the Successful Bidder shall be in accordance with Clause 3.10 of the Standard Tender Document.</p>

S. No	Query	Response
	The original discussion paper brought out in January 2020 also had similar provisions.	
3	<p><b>Clause 3.3.2(h)(ii) Fixed Amount</b> In case of any revision in Fixed Amount after submission of Bid, the same should be considered as Change in Law and adjusted in Upfront Amount. It is very difficult to factor such claims which are beyond the control of Bidder, hence requested to consider the same to be adjusted in Upfront Amount to be paid by Successful Bidder</p>	Fixed Amount shall be payable as per Clause 3.3.2(h)(ii) of the Standard Tender Document.
4	<p><b>Clause 3.3.2(h)(ii) Fixed Amount</b> What is the quantum of fixed amount to be paid by the successful bidder? It will be required in working out the budgetary estimates for the working of the mines.</p>	The Fixed Amount for each Coal Mine has been provided in the Mine Dossier for respective Coal Mine. It has also been uploaded in the Notifications Tab of MSTC Portal.
5	<p><b>Clause 3.6.2 Site Visits and Information</b> Request for site visit was sent through email. Name and contact details of the person required to be contacted for enabling the site visit may be provided. Need to inspect the site before ascertaining techno-commercial viability of the Project.</p>	Site visits are being conducted through Coal Controllers Organisation. Detailed schedule along with details of contact person shall be shared shortly with the bidders who have requested for site visits.
6	<p><b>Clause 3.8 Schedule of the Tender Process</b> A. Identifying reliable coal customer to purchase coal, which is very crucial for the project to take – off and sustain successfully till the completion of the project. The grade of coal plays an important role and any variation with the stated coal grade and actual coal grade will stall the project. It requires sufficient time to assess the grade of coal &amp; identifying the coal purchaser. The coal blocks projects require huge capital investment with lot of uncertainties.</p>	Pre-bid meeting will be held on July 10, 2020 and the last date for submission of requests for site visit has been extended till July 15, 2020. The updated schedule of the auction process has been uploaded on the MSTC website. In case of revision in the timelines, the updated schedule shall also be uploaded on the MSTC website.

S. No	Query	Response
	<p>We request for the postponement of the tender process by another 3 Months so that the bidders can bid with sufficient confidence and can take an informed decision.</p> <p>We are requesting to extend</p> <ol style="list-style-type: none"> <li>Pre-bid meeting date to July 18th</li> <li>Last date of receiving written requests for Site Visit/Land Document Inspection July 30th</li> <li>Last date of receiving written queries from Bidders by 2 months</li> <li>Last date for written responses to queries by the Nominated Authority also by 2 months.</li> <li>Bid Due Date to be extended by 3 months</li> </ol> <p>B. Bid due date should be extended by a minimum period of 60 days i.e. upto October 15,2020.</p>	
7	<p><b>Clause 3.8 Schedule of the Tender Process</b></p> <ol style="list-style-type: none"> <li>What is the schedule for the pre-bid meeting?</li> <li>Please provide tentative timelines for balance activities from S.No 9 to 18</li> <li>In case if any pre-bid meet has been conducted earlier, please provide the information discussed for proper workings to be done for bid submission. Kindly advise on the Pre Bid Meeting status update.</li> </ol>	<p>The pre-bid meeting notice has been uploaded on the MSTC portal. The complete schedule for all the activities related to tender process shall be provided in due course of the auction process.</p>
8	<p><b>Clause 3.9 Value of Estimated Geological Reserves and Upfront Amount</b></p> <p>Both Upfront Amount &amp; performance security are huge amounts running into Crores of rupees. In order to reduce the financial burden on the bidder &amp; successful take-off the project. It is requested to consider removal of upfront amount (instead of imposing both).</p>	<p>Upfront Amount and Performance Security shall be payable in accordance with Clause 3.9 and Clause 7 of the Standard Tender Document, respectively.</p>

S. No	Query	Response
9	<p><b>Clause 3.9 Value of Estimated Geological Reserves and Upfront Amount</b></p> <p>A. What grade to be considered while estimating the value of the block when the geological reserve has various grades?</p> <p>B. Where can we find the average grade details?</p>	<p>A. As per clause 3.9.1 of the mine specific Tender Document, the grade of coal for each Fully Explored Mine has been provided. It has also been uploaded in the Notifications Tab of MSTC Portal.</p> <p>B. Average Grade of each Fully Explored Mine has been given in Clause 3.9.1 of the mine-specific Tender Document. It has also been uploaded in the Notifications Tab of MSTC Portal. Seam-wise grade details are available in mine summary uploaded on MSTC website. For further details on grade and reserves, bidders can undertake due diligence of documents provided in the Mine Dossier.</p>
10	<p><b>Clause 3.9</b></p> <p>We request the upfront amount and fixed amount decided by the Ministry should be shared for all blocks prior to the purchase of tender documents on MSTC website.</p> <p>This is critical to make a clear financial assessment and Block specific Bidding Strategy. During the first few tranches of the captive block auctions this was done and it make the process more transparent.</p>	<p>It has been uploaded in the Notifications Tab of MSTC Portal.</p>
11	<p><b>Clause 4 Eligibility Conditions</b></p> <p>There should be some capping on owning the no of coal mines similar to UMPPs. A Bidder shall not own more than 3 Coal Mines. There should not be creation of a Monopoly in Commercial Coal Mines.</p>	<p>As per Para 2.1.2 of order F. No. 13011/2/2020-CBA2-Part(2) dated May 28, 2020 of Ministry of Coal, no limit on number of coal mines or reserves or any other parameter regarding production of coal or any combination thereof that can be allocated to a company or its affiliate company, associate company, holding company or subsidiary is to be imposed in the first tranche of auction for sale of coal. Accordingly, no such limit has been stipulated in the Standard Tender Document.</p>
12	<p><b>Clause 6.1.2 Bid Security</b></p> <p>Reduce Bid Security amount in view of Financial Strain due to Covid-19. Bid Security:</p> <p>a) 10% of Upfront Amount</p> <p>b) 15% of estimated exploration expenses</p>	<p>Bid Security shall be as per Clause 6 of the Standard Tender Document.</p>
13	<p><b>Clause 7 Performance Security</b></p> <p>Performance Security for Large Size blocks is very high and it will be very difficult to arrange such huge sums of Bank Guarantee from Banks before Financial</p>	<p>Performance Security shall be as per Clause 7 of the Standard Tender Document.</p>

S. No	Query	Response
	<p>Closure. Hence may please keep cap on the Performance Security based on size of block till the commencement of production.</p>	
14	<p><b>Clause 7.1.1 Performance Security</b> Calculation of Royalty should be based on actual or notified price of Coal India. Royalty should be uniform across the Industry. The Performance Security shall be an amount which is 65% of aggregate of: (a) one year royalty computed on the basis of base price as per Coal India and 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</p>	<p>Performance Security shall be as per Clause 7 of the Standard Tender Document. The royalty payable shall be as per extant gazette notification on royalty of coal.</p>
15	<p><b>Clause 9 Monthly payments</b> Incentive for increase in capacity beyond the original mine plan should be brought in as was proposed in the discussion paper brought out in January 2020. It will be a really meaningful incentive in order to encourage blocks owners to augment capacities and increase domestic production</p>	<p>The terms of the Standard Tender Document are in accordance with order F. No. 13011/2/2020-CBA2-Part(2) dated May 28, 2020 of Ministry of Coal. Accordingly, no Incentive for increase in capacity beyond the original mine plan has been provided in the Standard Tender Document.</p>
16	<p><b>Clause 9.3 Revision in mining plan</b> Bidders should be allowed to reduce the PRC downwards for blocks which afford mine life less than even the mining lease period. The PRC of the blocks being offered has typically been planned by the prior allottee's on the basis of requirements of their linked EUPs. A new owner should be provided some flexibility to lower the PRC to</p>	<p>As per Clause 9.3 of the Standard Tender Document, 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.</p>

S. No	Query	Response
	<p>make the mine more acceptable and financially attractive.</p> <p>Flexibility of Revision of the PRC, either downward or upward for a Coal Block should be allowed to optimize the investment over the life of mine thereby ensuing viability, which will also improve the bidding attractiveness for a block.</p>	
17	<p><b>Clause 9.4 Flexibility in Production</b></p> <p>A. Flexibility in production should be extended to 50% in any year and 70% over 5 years similar to the commercial mines given to PSU mining companies</p> <p>B. May please retain the provision in Discussion Paper. The Successful Bidder shall produce coal not below 50% (fifty per cent) of scheduled production in a year subject to the condition that Successful Bidder shall not produce coal less than 70% (seventy five per cent.) of scheduled production in any three year block. It is clarified that three year block shall be counted from the first financial year of scheduled commencement of production in the Coal Mine.</p>	<p>The terms of the Standard Tender Document are in accordance with order F. No. 13011/2/2020-CBA2-Part(2) dated May 28, 2020 of Ministry of Coal. Accordingly, the provisions pertaining to flexibility in production shall be in accordance with Clause 9.4 of the Standard Tender Document.</p>
18	<p><b>CMDPA Clause 10: Efficiency Parameters</b></p> <p>What are the repercussions in case a successful bidder upon signing the agreement is not able to commence production/operations for the block in the time stated?</p>	<p>A successful bidder will have to comply with the efficiency parameters as provided in the Agreement. Any non-compliance with the Efficiency Parameters would result in appropriation of the Performance Security in the manner stipulated in Clause 6 of the Agreement and in case where such non-compliance exceeds for more than three instances, such non-compliance may also result in termination of the Agreement as provided in Clause 26 of the Agreement.</p>
19	<p><b>Query:</b></p> <p><b>Clearances:</b></p> <p>A. The already operating blocks may be allowed to continue to operate with existing clearances for a period of say 2 years in order to provide buffer period</p>	<p>The time period for obtaining/transfer of clearances shall be as per the milestones provided in the Efficiency Parameters in the Agreement.</p>

S. No	Query	Response
	<p>to transfer / renew the clearances. This will also enable quicker production and addition to domestic coal. The application for transferring / renewing of such clearances can be processed in parallel.</p> <p>B. Please share the additional requirements in the terms of clearances and expected timelines for such blocks in consultation with relevant ministries. It is extremely important for bidders to understand the process completely before taking critical financial decisions. We request Ministry to provide clarity on procedure here.</p>	
20	<p><b>Query:</b> Allow applicability of Sec 11(1) of CBA Act, 1957 for Private Miners. Govt should encourage level playing field and allow applicability of CBA to all Miners irrespective of ownership</p>	As per Sec 11(1) of the CBA Act, 1957.
21	<p><b>Query:</b> We request that tentative calendar for future coal block auctions be shared for people to take informed decisions. This is critical for the prospective bidders to be able to take informed decisions over the long term.</p>	The tentative calendar for future coal block auctions shall be provided in due course.
22	<p><b>Query:</b> Peak Rated Capacity mentioned in the documents are for combined mine or first phase of the mine?</p>	The peak rated capacity mentioned is for the combined mines.
23	<p><b>Query:</b> Please provide the technical details pertaining to various HEMM and other machineries, movable assets, etc., set up by the prior allottee. It is required in working out the costs involved.</p>	The information provided by the prior allottee has been provided in the Mine Dossier.
24	<p><b>Query:</b></p>	As per Applicable Laws.



S. No	Query	Response
	Which policy will be applicable for R&R (Central or respective State)?	
25	<b>Query:</b> May please clarify, whether Govt will provide railway connectivity to mines or will it be in the scope of Bidder?	The evacuation infrastructure shall be the responsibility of the successful bidder. However, the Govt. of India is also committed to development of coal sector infrastructure. The Government is taking many initiatives to augment coal evacuation infrastructure including new railway lines and presently undertaking studies to enhance the evacuation infrastructure.
26	<b>Query:</b> Please clarify whether, Govt will give Single window clearance for Mines. All clearances will be given / arranged by Govt?	A Project Monitoring Unit has been set up at the Office of Nominated Authority for assisting bidders in obtaining clearances. However, it shall be the responsibility of the Bidders to obtain clearances and approvals as per Applicable Laws. A single window clearance is being devised for faster online processing of applications for clearances.
27	<b>Query:</b> A. Please furnish list of mines to be auctioned for Commercial Mining process and auction and allocation date. B. List of Blocks that will available for auction C. How many Coal blocks are under auction from Odisha. D. Will these auction blocks can fulfill the need of high quality coal for India? E. What are the coal blocks listed for 1st tranche of commercial mining auction ? F. Names of mines in chhattisgah Area. to be auctioned G. Whether any coking coal mines are on offer in Jharia area of Jharkhand , for Commercial mining H. Whether any coking coal mines in Jharia region is being auctioned for private commercial mining? I. Which coking coal mines are on auction	In the current tranches of auction of coal mines for sale of coal, 41 Coal Mines have been offered. List of these 41 Coal Mines have been uploaded on MSTC Portal. The 41 Coal Mines are geographically distributed across coal bearing states: Chhattisgarh (9 mines), Odisha (9 mines), Jharkhand (9 mines), Madhya Pradesh (11 mines) and Maharashtra (3 mines). There are 4 coking Coal Mines on offer - Urtan (Madhya Pradesh), Urtan North (Madhya Pradesh), Brahmadiha (Jharkhand) and Choritand Tiliaya (Jharkhand).
28	<b>Query:</b> A. Please upload the technical details of all the 41 coal blocks on MoC portal/ web site. The successful bidders	The mine dossiers for all mines have already been uploaded on MSTC Portal and may be accessed by prospective bidders after making a non-refundable payment of INR 5,00,000 in accordance with Clause 3.2.1 of the Standard Tender Document. As per Clause 5.6.1 of the

S. No	Query	Response
	<p>should be allowed to sell coal produced in their mines in open market , so that coal is made available to domestic consumers of remote villages. Presently such villagers do not have cooking gas or coal for their use. They are cutting trees and using wood as an alternative source of energy. This will help in protecting the Environment.</p> <p>B. Can we get the technical detail of 41 coal blocks in public domain?</p>	<p>Standard Tender Document, there are no restrictions on sale and/or utilisation of coal.</p>
29	<p>Madanpur north coal block auction will be for which company?</p>	<p>Any company which meets the eligibility criteria as specified in Clause 4 of the Standard Tender Document, can participate in the auction process.</p>
30	<p><b>Query:</b> A. What about W-V to W-VI Grade as per MOC Grading. B. How the price of W5 &amp; W6 grade will be determined?</p>	<p>As per Para 2.2 II of the MoC's Order F. No. 13011/2/2020-CBA2-Part(2) dated May 28, 2020, Washery V and Washery VI may be treated as corresponding grade of non-coking coal. Accordingly, Washery V shall be treated as G9 and Washery VI as G12 grade of non-coking coal. Grade-wise representative prices for all grades including Washery V and Washery VI have been given in Annexure II of the Standard Tender Document.</p>
31	<p><b>Query:</b> We have link for 38 blocks in MSTC website which are the blocks which are combined and which are the blocks which will be auctioned separately?</p>	<p>Following coal mines have been offered as combined Coal Mines for the purpose of auction process:</p> <ol style="list-style-type: none"> <li>1. Chendipada &amp; Chendiapda-II</li> <li>2. Machhakata &amp; Mahanadi</li> <li>3. Gotitoria East &amp; Gotitoria West</li> </ol>
32	<p><b>Query:</b> A. I would like to look into Auctioning process of Coal and Mineral blocks B. What is the procedure for bidding C. How to participate in auction of coal blocks launched by Gol D. Terms and conditions of Bidding process should be uploaded in MoC Website. E. How can i take part in Auction?</p>	<p>The Standard Tender Document and Standard CMDPA have been uploaded on MSTC Portal. Please refer to Clause 3.1, 3.2 and 3.3 of the Standard Tender Document for detailed description of the auction process as well as participation in the same.</p>
33	<p><b>Query:</b> A. When is the schdule being released for the auction</p>	<p>The timelines have been uploaded on MSTC Portal. Please refer to the same. The last date for submission of Technical Bid and Initial Offer is 1400 hours on Tuesday, August 18, 2020.</p>

S. No	Query	Response
	<p>process?</p> <p>B. We expect that Govt to expedite auctioning process. Whether any timeline decided by Government ?</p> <p>C. What are the timelines for auction?</p>	
34	<p><b>Query:</b> The methodology document issued on 28th May stands?</p>	Yes, the MoC's Order F. No. 13011/2/2020-CBA2-Part(2) dated May 28, 2020 is part of the Tender Document.
35	<p><b>Query:</b> A. Please share the computations of NCI for March 2020, including price of imported coal considered. B. Sir if it is possible, kindly share excel sheet containing details as to how National Coal Index arrived and representative price arrived against each grade of coal. C. The Work Sheet/ Excel File for National Coal Index may please be shared so that the stakeholders can get a detailed grasp on the same.</p>	<p>Please refer to the following Office Memorandum:</p> <ol style="list-style-type: none"> <li>1. Roll out of National Coal Index - OM No. NA-102/3/2017-NA dated June 4, 2020</li> <li>2. Notification of Representative Prices for March 2020 - OM No. NA-102/3/2017-NA dated June 4, 2020</li> <li>3. Operational Methodology for Computation of National Coal Index - F. No. 102/3/2017/NA dated June 17, 2020</li> </ol> <p>The details of the calculation of the final NCI numbers shall be shared on the MSTC website.</p>
36	<p><b>Query:</b> A. Kindly explain about "notional price". How to calculate "notional price"? Who will give the "notional price" for a particular grade of coal. B. Relation between notional and representative price of coal. C. How grade wise Notional prices have been arrived at for respective Grade of coal must be clarified. D. what is the correlation between representative price and NCI?</p>	Please refer to Clause 3.10.1 of the Standard Tender Document.
37	<p><b>Query:</b> Will you update the representative prices as of Jun20?</p>	As per Clause 3.10.1 (c) (i)B, Representative Price shall be the latest available price at the time of issuance of the Tender Document. Accordingly, for the purpose of this Tender Document, Representative Price shall be as on March 2020.
38	<p><b>Query:</b></p>	The prices considered as part of NCI are excluding Royalty, DMF, NMET etc.

S. No	Query	Response
	Prices considered for National Coal Index are including Royalty, DMF & NME Tor excluding them?	
39	<b>Query:</b> Will Monthwise Representative Prices will be available?	As per Clause 3.10.1 (c) (i)B, Representative Price shall be the latest available price at the time of issuance of the Tender Document. Accordingly, for the purpose of this Tender Document, Representative Price shall be as on March 2020.
40	<b>Query:</b> A. Any single nodal agency for clearing inter ministerial approval for coal blocks is created..? B. Whether government is appointing any nodal agency or other mechanism for single window clearances of all applicable approvals for state government agencies? C. Procedural simplifications envisaged in forestry clearance... D. Unlike metal sector whether the statutory clearances will be done by Project Monitoring unit or it will be different. E. Appreciate if you can share what steps has been taken to get different clearances like Environment, Forest etc. to get the work done in fastest manner	A Project Monitoring Unit has been set up by the Office of Nominated Authority for assisting bidders in obtaining clearances. However, Bidders would be required to obtain clearances and approvals as per Applicable Laws. A single window clearance is being devised for faster online processing of applications for clearances.
41	<b>Query:</b> A. Would like to see whether auction will happen with embedded clearances and land B. Whether all statutory clearances will be provided in case of new mines for initial 2 years as it is done now for old or running mines to keep the production continuity? C. How environment aspect shall be handled ?	Bidders would be required to obtain clearances and approvals as per Applicable Laws. Mine development and operations shall be in accordance with Applicable laws including Environment and Forest clearance from MoEF&CC.
42	<b>Query:</b> Will the coal mines to be auctioned have an embedded forest clearance? If a coal watery is installed inside the mine lease area	Bidders would be required to obtain clearances and approvals as per Applicable Laws. As per Clause 3.10.1 (b) of the Standard Tender Document, revenue share shall be payable on the total quantity of coal on which the statutory royalty is payable during the month.

S. No	Query	Response
	will the revenue share be based on the washed coal or Run of Mine?	
43	<b>Query:</b> How long it takes for clearance for coal block allotted for commercial mining	As per the Efficiency Parameters, a timeline of 9 months have been stipulated for completion of transfer of statutory clearances obtained by prior allottees for Schedule II Coal Mines under CM(SP) Act, 2015. For other Fully Explored Mines, a timeline of 51 months have been stipulated for obtaining mine opening permission and for Partially Explored Mines, a timeline of 66 months have been stipulated for obtaining mine opening permission.
44	<b>Query:</b> A. Once application done through on Line process than why the Forest Officials demand to submit document also in hard copy . B. What are the challenges if the block is in high conservation zone ? C. What is the probability of getting Forest clearances and thus Environmental clearances for the areas falling in High Conservation Zones? D. Whether Bidder will face difficulty in getting clearances for Blocks falling in High Conservation Zone? E. Is Ministry of Coal confident that MOEF&CC will allow mining in the blocks like Morga South, Dhirauli, etc. where forest cover are more ?	All the mines which have been put up for auction have been finalised after discussions with Ministry of Environment, Forests & Climate Change. For the mines in the High Conservation Value Zone, the MoEFCC orders have been uploaded in the specific mine dossiers for reference.
45	<b>Query:</b> A. What are the incentives for coal gasification available? B. What are the incentives by Govt? C. We understand that the Government will incentivize Coal Gasification projects for coal to chemicals. Kindly elaborate on the new policy and financial incentives that are being planned in coal gasification sector. D. Whether the Government encourage the	Incentives have been offered for early production of coal and Coal Gasification or Coal Liquefaction in accordance with Clause 3.10 and 3.11 of the Standard Tender Document, respectively.

S. No	Query	Response
	companies towards bringing energy efficient technologies in Coal Mining sector by giving them incentives which will strengthen our Nations resolve towards adopting Green technologies.	
46	<b>Query:</b> Upfront amount calculated on GR or extractable reserves ?	As per Clause 1.1.32 of the Standard Tender Document, Geological Reserves are gross reserves mentioned in the Geological Report and Upfront Amount is calculated in accordance with Clause 3.9.1 of Standard Tender Document on the basis of Value of Estimated Geological Reserves.
47	<b>Query:</b> Although methodology for Auction has been published but how the amount of Performance security and bid security will be determined is not mentioned. We want to understand these.	Please refer to Clause 6 and Clause 7 of the Standard Tender Document for Bid Security and Performance Security respectively.
48	<b>Query:</b> Value calculation of the block with respect to reserve and grade will be provided in Summary Sheet of the respective block?	Value of Estimated Geological Reserves and Upfront Amount for Fully Explored Mines have been provided in Clause 3.9 of mine-specific tender documents.
49	<b>Query:</b> How the royalty is worked out	Royalty and all other statutory duties, levies etc shall be as per Applicable Laws. Presently, royalty on coal is ad-valorem on the price of coal reflected in the invoice.
50	<b>Query:</b> Will there be a cap on the maximum revenue share to ensure that no block becomes unviable?	No, as per Clause 3.3 of the Standard Tender Document, there is not any cap on the Initial Offer or Final Offer to be submitted by the bidders.
51	<b>Query:</b> Shall Performance security be revised annually? What shall be the validity of Bank Guarantee furnished as performance security.	Yes, annual revision in Performance Security shall be in accordance with Clause 7.1.3 of the Standard Tender Document. Please refer to Clause 6.1.6 of the Standard CMDPA for validity of Performance Security.
52	<b>Query:</b> Please elaborate on whether royalty and all such cess are applicable on power price or non power price	Royalty and all other statutory duties, levies etc shall be as per Applicable Laws. Presently, royalty on coal is ad-valorem on the price of coal reflected in the invoice.
53	<b>Query:</b> Please clarify how revenue share will be calculated. Will any minimum quantity of annual production will	Please refer to Clause 3.10 of the Standard Tender Document for calculation of periodic payments by the Successful Bidder. As per Clause 9.4.1 of the Standard Tender Document, the Successful Bidder shall produce coal not below 65% (sixty five per cent) of scheduled

S. No	Query	Response
	be taken for this?	production in a 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 year block.
54	<b>Query:</b> Kindly Clarify mention the amount of stamp duty payable on MDPA.	The Agreement is generally executed on a stamp paper of Rs. 500.
55	<b>Query:</b> In case the successful bidder after exploration, establishes the evidences of minerals but the economics of mining is proved unfavourable, then Performance Security shall be refunded.	The Successful Bidder of a Partially Explored Mine can relinquish the mine in accordance with the provisions of Clause 9.5 of the Standard Tender Document.
56	<b>Query:</b> A. what is ministry plan for land acquisition for private players. Can govt amend and make land acquisition through coal bearing act shall be applicable for private players also. B. How it will help small Investors willing to participate ?? How Govt will help in Land acquisition as it is a Huge struggle for every one. C. When can we expect changes in land acquisition laws for private entrepreneurs making it at par with Government companies? Is there any preparation to put provisions in place by state government to promote & expediting coal mining by creating land banks which can be used for compensatory afforestation and R& R purposes ?	R&R approval shall be the responsibility of Successful Bidder in the due course of development of the coal mine, as per Applicable Law.  The Ministry has prepared a proposal to acquire land under CBA and proposal is under consultation with states.
57	<b>Query:</b> A. What government is perpetrating for the tribal habitation near coal mines? B. What about the consent of the local communities? Have those been considered? Sarpanchs in Chhattisgarh have resisted. How is it going to be	R&R approval shall be the responsibility of Successful Bidder in the due course of development of the coal mine, as per Applicable Law.

S. No	Query	Response
	addressed?	
58	<b>Query:</b> For the blocks has the demographics been mapped? like private land, Forest land, State owned land etc.?	Land details, as available, has been provided in the mine dossiers. R&R approval shall be the responsibility of Successful Bidder in the due course of development of the coal mine, as per Applicable Law.
59	<b>Query:</b> A. Will the Govt. help to arrange FDI Investor. B. What is the update on FDI in coal mining in the current scenario of India China stand off ? C. I want to know that Govt. will help to Private sector for arranging the FDI Investment. D. Knowing global pressure on coal what are the plans/initiatives to attract foreign mining companies who can really bring the technology in mining operation what India is lacking since decades?	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. Ministry of Coal is in touch with several foreign companies for participation in the auction process. Stakeholder meetings have been carried out and more such meetings would be carried out in future, to attract FDI.
60	<b>Query:</b> What about the impact on the health of the people and workers?  Will the Private Companies take over the 251 loss making coal mines and turn around or take the low hanging fruits only?	The present auction process is for 41 coal mines, list of which is uploaded on MSTC Portal.
61	<b>Query:</b> Niti Aayog has recently initiated move to introduce Block Chain in four areas. Block chain is a proven game changer in Mining especially Coal mining . Is there a plan to introduce Block chain in Mining in general , Coal mining in particular.	The Successful Bidder is free to use block chain technology in its mining operations.
62	<b>Query:</b> I would like to know whether the ex coal block owners will have any advantage in the present coal block auction. We were colliery owners until it was nationalised in 1973.	No. Please refer to Clause 4 of the Standard Tender Documents regarding eligibility conditions.



S. No	Query	Response
63	<b>Query:</b> Have we been able to address the environment concerns, the occupational diseases, accidents, employment, fair labour wages due to mining?	As per Clause 11.4 of the Standard CMDPA, the Successful Bidder shall comply with all Applicable Laws and observe Good Industry Practice for the protection of the general health, safety, welfare, social security and minimum wages of employees engaged at the Coal Mine, including employees of any contractor or subcontractor and of all other persons having legal access to the area covered by the Agreement.
64	<b>Query:</b> Why is the government selling off the best ones? Is this the way to self-reliance?  Has the CAG approved the methodology?	The auction methodology has been approved by CCEA. The present auction process is for 41 coal mines, list of which is uploaded on MSTC Portal.
65	<b>Query:</b> How do we see reduction in cost due to coal mining by private sector. It may be that inefficiency of CIL be absorbed as profits in Private Sector	The introduction of competition in coal mining sector is expected to drive cost efficiencies.
66	<b>Query:</b> At the time of launch of auction process, it was mentioned that 16 Aspirational Districts stand to directly benefit from the auction of mines. The name of 16 aspirational districts must be put in the public domain. If not, request you to kindly provide the same.	Yes. The details are in public domain.
67	<b>Query:</b> Is the interest on capital employed by prior allottee is admissible	Compensation for land and mine infrastructure shall be calculated in accordance with CM(SP) Act, 2015. In accordance with Section 16 of CM(SP) Act, 2015, while simple interest of 12% is permitted on registered sale value for land, the mine infrastructure shall be valued on the basis of written down value.
68	<b>Query:</b> Will you be sharing the presentations with the participants?	The presentations made on the launch date of auction process shall be uploaded shortly on the MSTC website.
69	<b>Query:</b> Apart from increasing coal availability & improving process economics, Most important subject is Coal washing and investments in coal washing. Why there	The present auction process is in accordance with the methodology issued vide MoC's Order F. No. 13011/2/2020-CBA2-Part(2) dated May 28, 2020.

S. No	Query	Response
	could not be revenue sharing financial-cum-operational model with key stake holders like Power Projects whose process domain may be allowed to extend till coal washeries at mine end.	
70	<b>Query:</b> At several places, it has been mentioned that the infrastructure for evacuation of is not present at the moment. Will the government create the infrastructure for the same or it will be the responsibility of the winner of the mine.	The evacuation infrastructure shall be the responsibility of the successful bidder. However, the Govt. of India is also committed to development of coal sector infrastructure. The Government is taking many initiatives to augment coal evacuation infrastructure including new railway lines and presently undertaking studies to enhance the evacuation infrastructure.
71	<b>Query:</b> What actions have been taken so that all industries whose final product price depend upon international index such as Aluminium, steel etc get coal at same price whether its private sector or public sector and it helps global volatility upto some extant.	No restrictions have been imposed on coal pricing in the Standard Tender Document. Therefore, it is expected that market forces shall determine the price of coal sold by Successful Bidders.
72	<b>Query:</b> Will there be any impact on linkage granted to Companies if they get blocks under auction of Coal mines for commercial mining and use the coal in their plants?	Applicable guidelines for allocation of linkages shall apply.
73	<b>Query:</b> Please ensure only departmental mining activity is done by the allotted companies, otherwise subletting mining to small contractors or MDO will endanger safety and welfare of workers just for earning more profit by the companies.	The Successful Bidder can engage a contractor or sub-contractor in accordance with Clause 12 of the Standard CMDPA.
74	<b>Query:</b> Only few entities in Jharkhand is ruling the whole coal will that be erupted now	Any company which meets the eligibility criteria as specified in Clause 4 of the Standard Tender Document, can participate in the auction process.
75	<b>Query:</b> In case of partly explored or unexplored blocks Govt	Periodic monitoring shall be in accordance with the Standard CMDPA.

S. No	Query	Response
	should monitor regularly that Commercial mining companies as doing exploration as per guidelines of MOC/ISP 2017.	
76	<b>Query:</b> We appeal that a level playing field may be given so that small industries can form consortium to take a mine and become Aatma Nirbhar for our coal requirements because in iron ore mine auctions we were not allowed.	As per the Clause 4 of the Standard Tender Document, joint venture companies can participate in the auction process. However, a consortium of companies is not eligible to participate.
77	<b>Query:</b> Private Exploration companies of India should also be engaged for detailed exploration. They should be considered as approve Exploration Entity RK Saha	Any company which meets the eligibility criteria as specified in Clause 4 of the Standard Tender Document, can participate in the auction process.
78	<b>Query:</b> Given the large capacity blocks, there must be a provision of reducing the production capacity after ensuring Peak Production is achieved, and certain percentage of overall reserves have been extracted say 75% of total Reserves and 75% of the total life of the Block (which ever later). This would help the Allottee to calibrate its production in line with the scenario prevailing after 15 to 17 years, and not ending up being an unresolvable liability.	Revision in the mine plan shall be 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
79	<b>Query:</b> DMF fund should be fully utilised only in project affected areas of coal mines for development of people living in that area only.	As per applicable laws.
80	<b>Clause 3.3.2(h)(ii) Fixed Amount</b> It is mentioned that a methodology is being formulated by the Ministry of Coal for determining the value of leasehold rights in the land or surface rights qua the land. It may be clarified that:	A. The methodology and value of land shall be provided shortly. B. & C. The stamp duty and registration charges shall be payable as per applicable laws.

S. No	Query	Response
	<p>A. When would above mentioned methodology and value of land payable by the successful bidder would be made available to us?</p> <p>B. Whether any Stamp Duty and Registration charges will be payable to State Government for transfer of land already acquired by the prior allottee?</p> <p>C. What would be the quantum of Stamp duty and Registration fee for transfer of rights of the land already acquired by prior allottee, if any?</p>	

## B. Mine Specific Queries and Responses

S. No.	Coal Mine	Query	Response
1	Gotitoria (East) & Gotitoria (West)	<p><b>Clause 3.3.2(h)(ii)</b></p> <p>A. It is understood that prior allottee had acquired land 122ha land outside the lease area. We would like to know the location of the acquisition for assessing its needfulness. Part of whole of land lying outside lease area may not be useful for operating the mine.</p> <p>B. The process for return of fully utilised land by the Prior Allottee to Forest Deptt/ State Govt. after reclamation.</p>	<p>A. Information as submitted by the prior allottee has already been uploaded in the Mine Dossier.</p> <p>B. As per applicable provisions of prevailing Act, Rules, Notifications, Guidelines, etc. of the Central/State Govt. concerned.</p>
2	Gotitoria (East) & Gotitoria (West)	<p><b>Clause 3.9 - Value of Estimated Geological Reserves and Upfront Amount</b></p> <p>Coal Block Summary included in the Mine Dossier, mentions that 2.658 MT of coal has already been extracted from this mine till 31.03.2014 which implied balance geological reserve in the mine got depleted due to extraction of 2.658 MT of coal. Balance Geological Reserve may be estimated as follows:            Geological Reserve - G1; Mineable Reserve - X1; Coal Extracted - X2; Depletion , G2 = <math>G1/(X1*X2)</math>            Balance Geological Reserve = G1-G2            This would amount to <math>10.41-10.41/(7.88*2.658) = 6.9</math> MT. Therefore all calculations should be based on 6.9 MT.</p>	<p>As per Clause 1.1.32 of the Standard Tender Document, Geological Reserves are gross reserves mentioned in the Geological Report and Upfront Amount is calculated in accordance with Clause 3.9.1 of Standard Tender Document on the basis of Value of Estimated Geological Reserves. Accordingly, for Gotitoria (East) &amp; Gotitoria (West) Coal Mine, Upfront Amount has been calculated on the basis of value of estimated gross geological reserves of the Coal Mine as given in the Geological Report.</p>
3	Gotitoria (East) & Gotitoria (West)	<p><b>Clause 6 - Bid Security</b></p> <p>Bid Security is 20% of the Upfront Amount; therefore it shall reduce with reduction in Geological Reserve.</p>	<p>As per Clause 6 of the Tender Document.</p>
4	Gare Palma IV/1	<p>For GP IV/1 - The mine summary says that about 60 Mt has been excavated by prior allottee (prior to 2014). Also SECL being the custodian has been producing coal from this block since 2014.</p>	<p>As per Clause 1.1.32 of the Standard Tender Document, Geological Reserves are gross reserves mentioned in the Geological Report and Upfront Amount is calculated in</p>

S. No.	Coal Mine	Query	Response
		Thus, the estimated geological reserves used for upfront payment should consider this reduced reserves or not ? Please clarify.	accordance with Clause 3.9.1 of Standard Tender Document on the basis of Value of Estimated Geological Reserves. Accordingly, for Gare-Palma-IV/1 Coal Mine, Upfront Amount has been calculated on the basis of value of estimated gross geological reserves of the Coal Mine as given in the Geological Report.