

**TRANCHE 1 FOR ALLOTMENT OF COAL BLOCKS TO GOVERNMENT COMPANIES FOR THE  
PURPOSE OF OWN CONSUMPTION FOR GENERATION OF ELECTRICITY THROUGH  
GENERATING STATION UNDER THE MINES AND MINERAL (DEVELOPMENT AND  
REGULATIONS) ACT, 1957**

**Queries & Responses  
to  
Allotment Document  
dated June 11, 2018**

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

**August 20, 2018**

S. No.	Query	Response
1	<p><b>Clause 1.1.26 of the Allotment Document</b>  <i>“Specified End Use Plant(s)” shall mean one or more plant of the Applicant engaged in the Specified End Use.</i></p> <p><b>Clause 3.5.1 (g) of the Allotment Document</b>  <i>Only 1 (one) Application has been made for the Coal Block either directly or indirectly.</i></p> <p><b>Clause 4.1.1 of the Allotment Document</b>  <i>No Applicant shall submit more than 1 (one) Application for the Coal Block, either directly or indirectly.</i></p> <p>1. Can the Applicant apply for more than one coal mine for the same Specified End Use Plant?</p> <p>2. If the applicant has two EUP for which reserves of one coal mine is sufficient, then is it required for the applicant to submit two separate applications for the same coal mines for each EUP?</p>	<p>1. Yes</p> <p>2. In line with Clause 4.1.1 of the Allotment Document,  a) Only one application may be submitted by one Applicant for a specific coal mine.  b) However, if an Applicant has multiple Specified End Use Plants, then Applicant has the flexibility to combine these Specified End Use Plants and submit a single application for a specific coal mine.</p>
2	<p><b>Clause 2.3.1 of the Allotment Document</b>  <i>The Coal Block is being allotted strictly for the purpose of own consumption for generation of electricity through generating station as mentioned in the Rule 3(1) Order (the “Specified End Use”).</i></p> <p>MoC has invited applications for the purpose of own consumption for generation of electricity through generating station. Since the wording on the Allotment Document does not fully mention whether the Govt companies who would be using the power generated for captive purpose are eligible to apply or not, please confirm whether Applicants can apply for the allotment of the mines identified for the</p>	<p>As per Clause 2.3.1 of the Allotment Document, captive power plants are not allowed to participate.</p>

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	purpose of own consumption for generation of power for captive use of power.	
3	<p><b>Clause 3.2 of the Allotment Document</b> Kindly clarify whether a JV company can be formed post allotment of coal block for its development.</p>	No. The JV company is required to be formed prior to submission of Application.
4	<p><b>Clause 3.2.3 of the Allotment Document</b> <i>However, an Applicant having coal linkage shall also be considered for Allotment for their existing Specified End Use Plant(s), if such Applicant commits to surrender their existing coal linkages for the same. The entitlement to receive coal pursuant to existing coal linkage shall stand proportionately reduced on the basis of the requirement of coal of the Specified end Use Plant(s) being met from the coal block allocated to such company. Thus, tapering in linkage would be on the basis of the requirement of coal of the Specified End Use Plant(s) being met by the block allocated.</i></p> <p>1. The Ministry is requested to clarify whether the linkage would be provided till the date of production of coal from the block or till the time the peak production is reached.</p> <p>2. The Ministry is also requested to clarify that in case the block development is delayed due to the factors beyond the control of the Allottee, whether the linkage would be continued till the production starts in the coal block?</p>	The provisions of any linkage to the End Use Plant of the Allottee shall be as per the existing policy.

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	3. The Ministry is requested to amend the allotment document so as to extend the linkage (In case of delay in production due to external factors) till the time the actual peak production from the coal block is reached.	
5	<p><b>Clause 3.4.3 of the Allotment Document</b>  <i>3.4.3. Subsequent to signing of the Allotment Agreement, the Allottee shall, within such period as prescribed in Clause 3.6:</i>  <i>(a) furnish the Performance Security as specified in Clause 7;</i>  <i>(b) pay the first instalment of the Upfront Amount as mentioned in Annexure VI against the Coal Block.</i></p> <p>Requested to indicate the BG amount payable by the Allottee.</p>	The details of Fixed Amount and Performance Security have been published.
6	<p><b>Clause 3.7 of the Allotment Document</b>  <i>The Allottee shall be required to pay the Upfront Amount as specified against each Coal Block in Annexure VI. The Upfront Amount is calculated as ten per cent (10%) of the value of the Coal Block computed by compounding annuitized Reserve Price over block life.</i></p> <p>How the upfront amount be will calculated? The Tender document mentions payment schedule of the upfront payment, however it does not clearly specify how the upfront payment will be calculated?</p>	As per Clause 3.7.1 of the Allotment Document.
7	<p><b>Clause 4.1.6 of the Allotment Document</b>  <i>Applicants are also encouraged to revise the mine plan so as to mine at an accelerated rate, to the best of their capabilities. They are permitted to increase coal production from the block to the maximum</i></p>	As per Clause 4.1.6 of the Allotment Document.

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	<p><i>possible extent and utilise the coal for the same Specified End Use Plant(s) or any other plant of the Applicant or its subsidiary company or holding company or in the plants of its joint venture company or corporation formed with other government companies or corporations where the Applicant has majority shareholding in the joint venture company or corporation for common Specified End Use in accordance with the provisions of the Rule 11 of the Rules with prior intimation to the Central Government. The Allottee may apply for coal linkages or participate in auction/ allotment three years prior to the exhaustion of extractable reserves in the Coal Block.</i></p> <p>Our requirement of PRC is 7.94 MTPA. However PRC mentioned for Mandakini A Coal Mine is 7.5 MTPA. Is applicant is authorized to revise the mine plan to its requirement.</p> <p>Under what circumstance expansion in capacity is allowed? Does it cover future plant expansion? Or Joint Venture that may come up in future? or new plant within the same premises or any other places?</p>	
8	<p><b>Clause 4.5.2 of the Allotment Document</b></p> <p><i>In addition to submission of Application electronically, Applicants are also required to submit hard copy (ies) of following documents:</i></p> <p>If the applicant submits the application on the last date i.e 30.07.2018, it is not possible for him to submit the hard copies on the same day. Requested to provide additional 2 days for submission of hard copies.</p>	<p>Last Date for both online submission as well as submission of hard copy(ies) shall be as per Clause 3.6.1 of the Allotment Document.</p>

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9	<p><b>Clause 4.5.2(c) of the Allotment Document</b>  <i>Certified extract of the charter documents and certified true copy of the documents such as board or shareholders resolution authorising the execution of power of attorney</i></p> <p>Whether, is it enough the certification is made only in the last page of MoA or AoA or certification is to be made in each page of the MoA &amp; AoA.</p>	As per Clause 4.5.2 of the Allotment Document.
10	<p><b>Clause 4.12 of the Allotment Document</b>  <i>4.12.1. The Allottee shall not be permitted to use the coal extracted from the Coal Block for any purposes other than utilisation for Specified End Use.</i>  <i>4.12.2. If the Allottee washes coal obtained from the Coal Block, then the middlings, rejects, tailings, jhama or any other type of coal obtained on washing, which cannot be utilised for the Specified End Use, shall be sold or disposed of by the Allottee only with the prior approval of the Coal Controller's Organisation. The Allottee shall maintain separate records for the middling, washery rejects, tailings, jhama or any other type of coal obtained on washing. However, the middling, washery rejects, tailings, jhama or any other type of coal obtained on washing generated from the Coal Block shall not exceed the normative limits.</i></p> <p>The ministry is requested to allow for flexibility in utilization in line with case- 4 Ministry of Power for optimum utilization of coal for</p>	As per Clause 4.12 of the Allotment Document

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	public interest and achieve cost efficiency.	
11	<p><b>Clause 4.12 of the Allotment Document</b></p> <p><i>4.12.1. The Allottee shall not be permitted to use the coal extracted from the Coal Block for any purposes other than utilisation for Specified End Use.</i></p> <p><i>4.12.2. If the Allottee washes coal obtained from the Coal Block, then the middlings, rejects, tailings, jhama or any other type of coal obtained on washing, which cannot be utilised for the Specified End Use, shall be sold or disposed of by the Allottee only with the prior approval of the Coal Controller’s Organisation. The Allottee shall maintain separate records for the middling, washery rejects, tailings, jhama or any other type of coal obtained on washing. However, the middling, wahsery rejects, tailings, jhama or any other type of coal obtained on washing generated from the Coal Block shall not exceed the normative limits.</i></p> <p><i>4.12.3. Utilisation of coal for any other Specified End Use Plant of the Allottee shall also be permitted in accordance with Rule 11 of the Rules. Additionally, the Allottee shall also be permitted to enter into arrangements for optimal utilisation of the Coal Block in accordance with Rule 10 of the Rules.</i></p> <p>1. Is applicant is permitted to use coal of allotted coal block for any other end use plant owned by the applicant till end use plant of allotted coal mine is operational?. If permitted then is there any policy formulated by MoC regarding the use of coal.</p>	<p>1. Yes. Please refer to Clause 8.4 of the Allotment Agreement.</p> <p>2. As per the provisions of the Allotment Document and Allotment Agreement.</p> <p>3. The normative limits for this purpose shall be decided as per the results of the washability test conducted by National Accreditation Board for Testing and Calibration Laboratories (NABL) certified laboratory. The Nominated Authority and/or Central Government shall reserve the right to conduct a separate washability test for this purpose. The Allottee shall be required to bear the cost of such washability test and the test report shall be submitted within one month from the start of coal production from the Coal Mine.</p>

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	<p>2. In case of non-purchase of coal by CIL, built up of stockpiles will happen which may hamper the mining operation.</p> <p>3. In sub clause, it is mentioned that middling &amp; washery rejects generated from the coal block should in no event, exceeds the normative limits. What is the normative limit?</p>	
12	<p><b>Clause 5.4 of the Allotment Document</b>  <b>5.4.2</b> <i>The intending applicants may send a letter in their official letterhead addressed to MSTC Limited Kolkata mentioning the name of the coal block(s) for which they wish to make application for allotment. Based on the said letter, MSTC shall enable the applicant to download the Block Dossier specific to the Coal Block; and Allotment Document. The scanned copy of the letter may be sent to the email mentioned below: droy@mstcindia.co.in</i></p> <p><b>Clause 5.2 of the Allotment Document</b>  <b>5.2.2</b> <i>First set of documents can be downloaded without registration on MSTC’s website. These documents may include the following: (a) Standard format of the Allotment Document. Subsequent to registration, Applicants may download the second set of documents, including: (a) the Mine Dossier specific to the Coal Mine; and (b) Allotment Document.</i></p> <p>1. Does the applicant need to submit request for downloading the</p>	<p>1. Yes.</p> <p>2. Uploaded on the website.</p>

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	<p>mine dossier for a particular mine or mine dossier of all the coal mines will be available for the one who are registered with MSTC?</p> <p>2. Mine Dossier is not yet uploaded in the website.</p>	
13	<p><b>Clause 6.1 of the Allotment Document</b>  <i>The Applications which are considered to be in compliance with all the Eligibility Conditions and responsive pursuant to Clause 3.5, shall be considered for the purpose of selection from amongst the qualified Applicants in accordance with following norms:</i></p> <p><i>a) Requirement of coal for power generation capacity coming up in the State.</i></p> <p><i>b) Proximity of the end use plant from the coal block.</i></p> <p><i>c) Size of the coal block.</i></p> <p><i>d) In case the Applicant is owned by a coal bearing State Government, relaxation from the above norms may be considered to encourage setting up of End Use Plant(s) close to pit-heads.</i></p> <p>The Ministry is requested to clarify the methodology adopted for the evaluation of the application as to what would be the weightage for each of the norms provide in the clause 6.1.</p> <p>Consideration to be given in evaluation criteria for allotting coal mine having higher GCV coal to EUPs situated at longer distance from Coal Blocks/Mines put under allocation for viability of the coal cost at EUPs.</p> <p>Detailed methodology for the same should be provided by the</p>	As per Clause 6.1 of the Allotment Document.

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	Ministry.	
14	<p><b>Clause 6.1(c) of the Allotment Document</b>  <i>The Applications which are considered to be in compliance with all the Eligibility Conditions and responsive pursuant to Clause 3.5, shall be considered for the purpose of selection from amongst the qualified Applicants in accordance with following norms:</i>  <i>c) Size of the coal block.</i></p> <p>Size of the coal block is one of the evaluation criteria. So the ministry is requested to clarify the eligibility of the applicant to bid for a particular coal block size based on the extractible reserves vis-à-vis end use plant requirements.</p>	<p>Evaluation shall be as per Clause 6.1 of the Allotment Document, whereas the eligibility shall be as per Clause 3.2 of Allotment Document.</p>
15	<p><b>Clause 6.1 (d) of the Allotment Document</b>  <i>d) In case the Applicant is owned by a coal bearing State Government, relaxation from the above norms may be considered to encourage setting up of End Use Plant(s) close to pit-heads.</i></p> <p>In case if the Applicant is owned by a non coal bearing State Government but having EUP in the state where the coal block is located, then whether this norm will be considered as relaxation from the other norms to encourage setting up of End Use Plant(s) close to pit-heads. Needs Clarification.</p>	<p>As per Clause 6.1 of the Allotment Document.</p>
16	<p><b>Annexure II of the Allotment Document (Format for Affidavit)</b>  <i>“Insert separate paragraph for each .....”</i></p>	<p>No, only the documents submitted as part of the Application are required to be mentioned in the Affidavit.</p>

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	The Ministry is requested to clarify whether the documents submitted by the applicant during the registration on MSTC website as well the queries submitted to the ministry shall also be required to be mentioned in the affidavit	
17	<p><b><i>Annexure IV of the Allotment Document</i></b>  <b><i>Schedule II- General Information-</i></b>  <b><i>Information for Computing Eligibility on the basis of Coal Requirement</i></b></p> <p>Norms of coal consumption have been given in the Tender Document. Consumption norms have been also provided on the MSTC portal for Schedule III coal mine.  Due to the difference in above norms Applicant is required to calculate coal consumption on which norms?</p>	Coal requirement shall be calculated on the basis of consumption norms provided in Annexure IV of the Allotment Document.
18	<p><b><i>Annexure IV of the Allotment Document</i></b>  <b><i>Schedule II- General Information-</i></b>  <b><i>** Coal requirement shall be calculated on the basis of benchmarks.</i></b></p> <p>The ministry is requested to clarify the GCV value of G11 grade coal taken for calculating the Coal requirements in tones/MW/annum as a benchmark for different capacity units.  Same can be used for calculating coal requirements for units having higher approved heat rates than that specified in table as a benchmark.</p>	GCV considered for G11 grade of coal is 4000 kcal/kg.
19	<p><b><i>Annexure IV of the Allotment Document</i></b>  <b><i>Schedule II- General Information-</i></b></p>	Please refer to response to Query No. 1.

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	<p><i>*if the Application is for multiple End Use Plants, information required under 4.1 to 4.6 should be furnished for each of the End Use Plant.</i></p> <p>This provision is contradictory with Clause 3.5.1 (g) and 4.1.1 (g) of the Allotment Document.</p>	
20	Can we surrender the coal block allotted to us earlier under the MMDR Act and get a new block under the current allotment tranche?	<p>An earlier allotment shall be governed by a separate agreement.</p> <p>The current allotment shall be done on the basis of eligibility and evaluation criteria stipulated in Clauses 3.2 and 6.1 respectively of the Allotment Document.</p>