

<b>REPLY TO PRE BID QUERIES</b>		
<b>MINING LEASE FOR CEMENT GRADE LIME STONE</b>		
<b>OF</b>		
<b>Block 4GII-aNear village Tadas-Bairas, Tehsil – Khimsar, District – Nagaur (Raj.)</b>		
<b>Document No.: MSTC/JPR/Directorate of Mines and Geology Rajasthan, Udaipur/15/Udaipur/ 17-18/14138</b>		
<b>Sl. No.</b>	<b>Bidders Queries</b>	<b>Reply</b>
<b>1</b>	<p>Schedule 1 Format of Technical Bid E (2) Format of Affidavit Please clarify:</p> <ol style="list-style-type: none"> <li>In case of company The Form D is to be signed by all Directors of the company?</li> <li>Whether we have to include details of Licenses held by directors in Rajasthan State only? Or it is only for Limestone mineral to be given.</li> <li>Whether we have to include details of licenses held for Part A, Part B and Minor minerals also?</li> <li>Whether we have to include details of licenses held by family members also, upto which extent?</li> <li>What is meaning of previously held licenses?</li> </ol> <p>The affidavit shall be submitted by Power of attorney holder only, as was done in past auction process. Details from all Directors are a bit difficult for large companies like us, as they may on board of so many companies. Details of family members is also difficult.</p>	<ol style="list-style-type: none"> <li>Yes</li> <li>It is for all minerals and need to be submitted for Rajasthan only.</li> <li>Yes</li> <li>Family includes wife and dependent children of the individual</li> <li>Previously held licenses means licenses held previously but not existing today (Cancelled / Surrendered)</li> </ol>
<b>2</b>	<p>Geological Report of Tender Document Schedule-V: Information Memorandum, Summary of the Mineral Block Part A-General Information about Mineral Block Point No.4 - Quantity of Minerals (Grade-wise) Mineral &amp; Total Geological Resources Estimated Geological resource as per document is 217.47 Million Tonne of cement grade limestone with avg of CaO 47.90 %, SiO<sub>2</sub> 4.03 % &amp; MgO 4.02 % Summary of Core Logs - Annexure-II Chemical Analysis of Boreholes - Annexure-III In the document chemical analysis of 29 Boreholes are provided in which core recovery is only apx. 50 and less than 50% which is not suitable for assessing the right quality of total Geological resource of the block</p> <p>Percentage of Core recovery is very poor resulting in for bidders to have errors in estimation of quality and quantity of limestone reserves and OB, IB and ore to OB ratio.</p> <ol style="list-style-type: none"> <li>What are the reasons behind poor core recovery %.</li> <li>Quality of the lost material will be helpful in understanding the deposit.</li> </ol> <p>The core recovery affects the resource estimation, so we request the resources quantity and quality in exploration report of Information Memorandum shall be modified. The Upfront payments and performance security payments are linked with the mineral resources, hence amendment will help bidders in taking decision.</p>	<p>The geological resources has been calculated considering 100% core recovery. The core recovery may be less due to mechanical reasons within the department drilling machines. In adjoining areas, core recovery is more than 90% when the drilling was outsourced.</p> <p>Poor core recovery cannot tantamount to reduction in quantity of mineral resources.</p> <p>Resources are calculated as per The Minerals (Evidence of Mineral Contents) Rules, 2015.</p> <p>Further, while bidding the bidder has to take into consideration all the facts and circumstances with his own assessment and wisdom after ground level verification of the block.</p>

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<b>3</b>	<p>Clause 10.3</p> <p>The State Government and the Successful Bidder shall enter into the MDPA upon the Successful Bidder having obtained all consents, approvals, permits, no-objections and the like as may be required under Applicable Law for commencement of mining operations.</p> <p>Few clearances/permission for commencement of mining operations can be obtained only after the execution of Mining Lease e.g. DGMS permissions.</p> <p>Further, pursuant to the tender document, MDPA is predecessor to the mining lease. Hence, it will not be possible for the Successful bidder to obtain all consents, approvals, permits, no-objections for commencement of mining operation before MDPA, as required under this clause</p> <p>The clause 10.3 to be suitably amended.</p> <p>The MDPA signing after obtaining all permission will not be given by certain Govt agencies due to ML grant is not there. This will affect the timeline and also commencement of production from the block.</p>	<p>Environmental clearance is to be submitted before MDPA. DGMS permission, Consent to Operate etc. can be obtained after registration of lease.</p>
<b>4</b>	<p>Clause 10.4: Grant of mining Lease</p> <p>Subsequent to execution of the MDPA, the Successful Bidder shall pay the third instalment of the Upfront Payment which is INR 36,36,19,705.00(Indian Rupees Thirty Six Crores Thirty Six Lakhs Nineteen Thousand seven Hundred five Only). Upon such payment the State Government shall grant a mining lease to the Successful Bidder within a period of 30 days from the date of payment. The date of the commencement of the period for which a mining lease is granted shall be the date on which a duly executed mining lease is registered.</p> <p>Please clarify whether Stamp Duty shall be chargeable only on amount of Royalty and not on Final Price Offer at the time of execution.</p> <p>The mention of Stamp duty is not there along with the method of calculation for stamp duty.</p> <p>This will help us in planning for Budgetary provisions.</p>	<p>Stamp duty shall be calculated by the concerned authority according to rules applicable at the time of registration of lease.</p>
<b>5</b>	<p>Clause 1.8- The issue of this Tender Document does not imply that the State Government is bound to select a Bidder or to appoint the Preferred Bidder as Successful Bidder for the mineral block and the State Government reserves the right to reject all or any of the Bidders or bids without assigning any reason whatsoever</p> <p>The issue of this Tender Document does not imply that the State Government is bound to select a Bidder or to appoint the Preferred Bidder as Successful Bidder for the mineral block and the State Government reserves the right to reject all or any of the Bidders or bids without assigning any reason whatsoever</p> <p>Provided that if the bidder is a Preferred Bidder/ Successful Bidder, he shall be given an opportunity of being heard in case of rejection of his bid.</p> <p>In case of rejection of Bid, the payments/ instalments made till that time as per the provisions of the Tender Document by Preferred Bidder/ Successful Bidder may be appropriated. Also, the bidder might have invested substantial time in getting the necessary clearances and approvals. Thus, the clause is a substantial financial risk for the bidder.</p> <p>For these reasons, the Preferred Bidder/ Successful should be provided the opportunity to be heard prior to rejection of his bid.</p> <p>Such amendment is also in public interest as State Government may not have to go through the bidding process again.</p>	<p>In case of rejection of bid of the preferred bidder, opportunity of hearing shall be provided to him.</p>

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6	<p>Clause 5(f): The bidder shall not acquire area more than 50 sq.km under mining lease including the area of this block.</p> <p>Whether DMG, Government of Rajasthan will seek 6(1)(b) relaxation before/ after announcement of preferred bidder whose mining lease area exceeds 50 sq. km with this block?</p> <p>State Government may seek 75 sq. km general relaxation for limestone under under Section 6(1) (b) of MMDR Act, 1957 from Central Government so that at the time of final bidding there is no uncertainty.</p>	No further relaxation will be obtained by the State Govt.
7	<p>Clause 12 – Timetable- Tender Document</p> <p>This provision of the Tender Document is contrary to the provision made in the Model Draft of the Tender Document by the Central Government and also preamble of Schedule IV (MDPA)</p> <p>According to clause 10.2 of the Tender Document the Preferred Bidder is considered a Successful bidder upon-</p> <ul style="list-style-type: none"> <li>• Continuing to be in compliance with the terms and conditions of eligibility</li> <li>• Payment of second instalment of Upfront Payment</li> <li>• Furnishing Performance Guarantee</li> <li>• Submitting mining plan as per Section 5 of the Act</li> </ul> <p>Nowhere does this clause includes obtaining clearances as a pre-condition to being considered as a successful bidder.</p> <p>And, according to clause 10.3 of the Tender Document the Successful Bidder and Sate Government shall enter into the MDPA on obtaining all consents and clearances etc</p> <p>But according to the timetable provided under Clause 12, the acknowledgement of the Successful bidder is dependent on the date of submission of necessary clearances.</p> <p>It is contemplated in the Auction Rules, 2015 and also in the Model Tender draft of the Central Government that only a successful bidder shall apply for various approvals. Also, it has to be considered that unless a person has lawful rights (or acknowledgement from the State Government of being a successful bidder), he will not be able to successfully get permissions and approvals from various regulatory authorities</p> <p>Thus, to avoid confusion this clarification seems necessary</p>	<p>Bidder shall be able to obtain necessary permission / approvals on the basis of letter of intent</p> <p>Page 23 Point no. 2 of table given in tender document will be deleted (corrigendum will be issued)</p>

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<b>8</b>	<p>14.6.1 (e) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Tender Document or ignorance of any of the matters related to the e-auction process 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 State Government, or a ground for termination of the MDPA by the Successful Bidder; and</p> <p>14.6.2 The State Government 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 the Tender Document or the tender process, including any error or mistake therein or in any information or data given by the State Government.</p> <p>What if the error is on part of the Government? It seems that any mistake/ error on the part of the Government will not make them liable and the burden of a loss caused by the same will have to be borne by the bidder.</p>	Tender Condition Prevails
<b>9</b>	<p>14.11.1 Notwithstanding anything contained in this Tender Document, the State Government 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.</p> <p>Will the State Government give an opportunity to the successful bidder to be heard or not? No right of being heard is available at present in case of rejection.</p>	Tender Condition Prevails
<b>10</b>	<p>Schedule F to the MDPA- Warranties</p> <p>Clause 3 (e) - there are no actions, suits, proceedings or investigations pending or to the Successful Bidder's knowledge threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may constitute an event of default hereunder;</p> <p>Clause 3 (f) -has neither violated or defaulted nor has knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any legally binding order of any Governmental Authority;</p> <p>The two mentioned clauses have wide implication on the business and hence it should be amended restricting the obligation mentioned thereunder upto the affairs of agreement only.</p> <p>The successful bidder is giving hereunder two types of representations and warranties under Schedule F of warranties. It includes authoritative warranty and general warranty. General warranty covers very wide scope and in specific the clause 3 (e) &amp; (f) gives wide implication and</p> <p>Obligation under this clause should be limited to the terms of agreement only.</p>	Tender Condition Prevails
<b>11</b>	<p>Geological Report</p> <p>Core Recovery within Bore Holes drilled is reported to be low.</p> <p>What impact of core recovery has been considered on assessment of resources and its quality? Core recovery forms the most important component of drilling campaign. Poor core recovery leads to a big mismatch in predicted and extracted quality and reserves.</p>	Please refer to question no. 2 of this tender document.
<b>12</b>	<p>Geological Report</p> <p>The entire area is mineralized. No non mineral bearing area has been demarcated for developing mine related infrastructure.</p> <p>Is there any proposal to provide additional land for development of mine infrastructure? How the non-mineralized land for cement plant setup would be allocated?</p>	Since no end use is specified, bidder can set required facility as deemed fit.

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<b>13</b>	<p>Clause 8.1- “The conduct of mining operations at the Lease Area shall be subject to the milestones listed in SCHEDULE E with respect to production (the “Production requirement”) and the minimum annual production to be achieved every year.”</p> <p>Is the bidder having flexibility to define mine plan capacity? This will enable the bidder to plan its mining and associated plant capacity.</p>	<p>Mine Plan yearly production capacity can be as per will of the bidder which is subjected to the approval by the competent authority.</p>
<b>14</b>	<p>Information Memorandum Point 12 c Quality of Assay Data and Laboratory Tests. Cross check analysis of at-least 10% samples is required There is no information on the number of samples cross checked.</p>	<p>The results of cross check samples were not found different from the original sample analysis reports. Therefore, they have not been reported separately in the GR</p>
<b>15</b>	<p>Information Memorandum General Will the Government ensure that the Government land is encroachment free and hand over the land to the successful bidder after removal of encroachments, if any?</p>	<p>The Government shall extend suitable help for removal of encroachment ( if existing).</p> <p>Further, while bidding the bidder has to take into consideration all the facts and circumstances with his own assessment and wisdom after ground level verification of the block.</p>
<b>16</b>	<p>General How will the Government support in expediting purchase of private land?</p>	<p>The onus for getting consent/purchase of the private land is on the investor. The department will provide support to the extent possible</p> <p>Further, while bidding the bidder has to take into consideration all the facts and circumstances with his own assessment and wisdom after ground level verification of the block.</p>
<b>17</b>	<p>Geological Report Summary of Mineral Block: Bore Hole spacing is 400 m x 400 m and the exploration has been categorized as G2. Whether Indian Bureau of Mines will approve the Mining Plan based on this exploration?</p>	<p>Yes</p>
<b>18</b>	<p>Ground Water Since the area is under Critical Zone from the perspective of drawl of ground water, how Government will support for making water available to industry? What are the likely sources, quantity available and distance from the source? Water being the necessary requirement for industry hence dedicated water source would be required.</p>	<p>The government will ensure water supply; but all the associated costs will need to be borne by the investors</p>
<b>19</b>	<p>General Infrastructure Whether Government will help in building/ providing infrastructure to the successful bidder? The area is poor in terms of infrastructure viz: rail, road, power and water.</p>	<p>Government provides and increases the infrastructure facilities as per its policies.</p>