

| REPLY TO PRE BID QUERIES | | |
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| MINING LEASE FOR CEMENT GRADE LIME STONE | | |
| OF | | |
| SINDWARI, RAMAKHERA, SATKHANDA, BLOCK-B | | |
| Document No.: MSTC/NRO/Directorate of Mines and Geology Rajasthan, Udaipur/1/Udaipur/ 15-16/12303 | | |
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| 1 | Schedule V: INFORMATION MEMORANDUM; PART B - ARTICULARS OF STATUTORY LICENSES, PERMITS, PERMISSIONS, CONCESSIONS, APPROVALS AND CONSENTS RELATED TO MINING OPERATIONS: Ground water clearance (Centre/ State) - To be obtained by the Successful Bidder | State Government will facilitate the lessee in procuring water from the nearest viable source. The investor may approach the Water Resources Dept. for relevant steps and associated modalities. |
| 2 | Schedule V: INFORMATION MEMORANDUM - Exploration: G 3 (Relaxation for G 2 vide GOI letter no. 7/48/2015-MIV, October 2015) | Lessee can always submit a modified mining plan after generating additional exploration data after registry of mining lease. |
| 3 | As per Rule 9(4)(a) of Mineral Auction Rule- 2015 "State Government may, in its discretion, decide not to annul the auction process if even in the third or subsequent attempt the total number of technically qualified bidders continues to be less than three and the State Government may, in such case, decide to consider the technically qualified bidders as qualified bidders so as to continue with the bidding process." What will be the State Govts' stand on the grant of ML if it is found that there is only a single technically qualified bidder? | In the event where number of bids are less than 3, the State Government shall consider the technically qualified bidders as qualified bidders so as to continue with the bidding process, due to the current auction being the third attempt for said block. |
| 4 | 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." | State Government shall not be bound to select a Bidder or to appoint 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. |
| 5 | Clause 12 – Timetable Point 17 and 18 It should be clarified as to why the State Government has departed from the timetable provided in the Auction Rules, 2015 with respect to declaration of preferred bidder as successful bidder. In this document the acknowledgment of successful bidder is dependent on the date of submission of clearances which is not so as per the Auction Rules, 2015 | No departure as per Rule 10(3)(e) of Mineral (Auction) Rules 2015 and tender document, to be read together. |
| 6 | Clause 14.11.1- Rejection of bid – "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." | Clause 14.11.1 of the Tender Document shall prevail and clause 17.3 is amended as follows: "Any provisions of RTPP Act 2012 in contradiction of tender document shall not be applicable." |
| 7 | Point 2.0 of Part-A Schedule V- Information Memorandum: It should be clarified as to what can be done with large part of the land being a non- mineralized area? Also, whether the non- mineralized land can be used for storage raw material for use in Cement plant, construction of Cement plant, Logistic facilities for transport, housing facilities for the for the employees of the lessee etc. | Yes, as per Rule 12(7) of Minerals (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, 2016. |

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| 8 | <p>Clause to be added</p> <p>As no specific information regarding the discovery of new major minerals, minerals specified in Part-B of the MMDR Act, 1957 or discovery of minor mineral subsequent to grant of mining lease is provided in the tender document, we understand that Rule 7 and Rule 21 of the mineral auction rules shall be exercised in such circumstances.</p> <p>Kindly clarify that the above stated is correct.</p> | <p>In case of discovery of new major minerals specified in Part C of First Schedule of MMDR Act 1957, lessee shall have right to win such mineral as per provisions of Rule 8(5) of Mineral (Auction) Rules 2015 and Rule 12(2) of Minerals (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, 2016. However, in case of minor minerals, lessee shall have no rights to win minor mineral</p> |
| 9 | <p>Value of Estimated Resource is determined based on the total estimated quantity of mineral resources for which the mineral block is been auctioned. However, estimated limestone resource for which the block is auctioned in the Tender Document is given irrespective of its use in Cement manufacturing. In the mine plan, the cement grade mineable reserve based on NCCBM norm could vary significantly than the quantity stated in the Tender Document. Kindly clarify on how the discrepancy will be resolved particularly w.r.t:</p> <ol style="list-style-type: none"> 1. Minimum Annual Production Requirement 2. Total Mineable Reserve 3. Upfront Payment linked with Total Value of Estimated Mineral Resource 4. Performance Security linked with Total Value of Estimated Mineral Resource | <p>End use of the mineral is not specified in the tender document. Further, the area contains cement grade limestone as specified by India Cement Manufacturers Association as published in IBM Yearbook 2014.</p> <p>Therefore, no discrepancy.</p> |
| 10 | <p>Clause 12 – Timetable- Stage II Point 1: “Submission of all necessary clearances /approvals from various government agencies /departments by Successful Bidder”</p> <p>Kindly clarify whether there is any time period for taking necessary approvals/ clearances that are mentioned in the Information Memorandum of the Tender Document after submission of the mining plan. Also, kindly clarify on how the Government will facilitate Successful Bidder in obtaining various approvals at State and Central Government level in a time bound manner.</p> | <p>State Government is facilitating and will continue to facilitate the preferred bidder in obtaining various approvals. Ministry of Mines, GoI has already formed a committee - PAMCAF (Post Auction Mining Clearances and Approvals Facilitator) for the purpose. Buyers may note that the onus is on the preferred bidder to submit necessary clearances at the earliest possible time and as per the time table in the tender document</p> |
| 11 | <p>Schedule V- Information Memorandum-Point 3.0 of Part A- General Information about the Block</p> <p>Kindly clarify whether the approving authority will relax the norms for approval of mine plan based on <u>limited exploration upto G-3 level.</u></p> | <p>GoI has relaxed norms of prospecting from G3 to G2 level taking into account all details.</p> |
| 12 | <p>As per our understanding, the time period for development of mine after registration of mining lease, will be as per the approved mine plan. Kindly confirm whether the above understanding is correct.</p> | <p>Yes.</p> |

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| 13 | Clause 13.1: "The Upfront Payment paid by the Successful Bidder shall be adjusted in full against the amount payable in accordance with the percentage of Value of Mineral Despatched quoted as the Final Price Offer within the first 5 years of commencement of production of mineral(s)." Kindly clarify whether the time period i.e. 5 years of commencement of production of mineral(s) can be extended further in case the Upfront Payment does not get adjusted within the time period mentioned in Clause 13.1. | No. |
| 14 | Clause to be added Kindly clarify whether the Government Land will be automatically transferred to the Successful Bidder after execution of mining lease. | Lessee shall have rights to use the Government land for mining and other activities till such time as the lease remains in force. Such land shall neither be transferred nor mutated in the bidder's name in revenue records. |
| 15 | Kindly clarify if there is any provision to surrender unutilized lease area. | No. The buyer may refer to Rule 21 of Minerals (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, 2016. |
| 16 | Clause 3 (e)- Schedule F- Mine Development and Production Agreement: "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;" | Tender condition prevails |
| 17 | Clause 3 (f)- Schedule F- Mine Development and Production Agreement : "The Successful Bidder 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" Since, the bidder is already complying with the specific provisions the Tender Document, the mentioned provision which is asking to provide an umbrella warranty covering any violation or default against any decree of any court or binding order of any Governmental Authority should not be covered under warranties. | Tender condition prevails |
| 18 | Clause to be added Kindly have separate policy for determination of sale price of limestone published by IBM for captive purpose and for commercial purpose. | Sale price of mineral taken as per relevant clauses of Mineral (Auction) Rules 2015. |

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| 19 | <p>Clause to be added</p> <p>Kindly provide the methodology/ basis of the sale price of mineral (grade-wise and state-wise) as published by IBM for such month of despatch in the Tender Document</p> <p>Also, kindly add a provision to recognise change in methodology/ basis of the sale price of mineral (grade-wise and state-wise) as published by IBM for such month of despatch as Change in Law.</p> <p>Further, kindly add a provision to protect the interest of bidders from potential risk in the event of Change in Law.</p> | <p>Sale price of mineral taken as per relevant clauses of Mineral (Auction) Rules 2015.</p> |
| 20 | <p>Kindly clarify the role of the State Government or Nodal Officer in facilitating procurement of land for setting up the Specified End Use Plant</p> | <p>State Government is facilitating and will continue to facilitate the preferred bidder in obtaining various approvals.</p> |
| 21 | <p>Kindly clarify whether the Successful Bidder will be allowed to transport the mined mineral outside the State boundary.</p> | <p>Yes, the lessee can despatch the mined mineral outside the state boundary.</p> |
| 22 | <p>Clause 13.1: "The Upfront Payment paid by the Successful Bidder shall be adjusted in full against the amount payable in accordance with the percentage of Value of Mineral Despatched quoted as the Final Price Offer within the first 5 years of commencement of production of mineral(s)."</p> <p>We understand that after commencement of production, the Successful Bidder will not be required to pay any monthly bid payment to the State Government till the Upfront Payment made is adjusted in full. Once the full Upfront Payment has been adjusted, the Bidder will make monthly bid payment as per the Agreement. Kindly confirm if the above understanding is correct.</p> | <p>Upfront payment shall be adjusted as per Rule 11 & Rule 13 of Mineral (Auction) Rules 2015.</p> |
| 23 | <p>Point 12 of Reporting of Mineral Resources in Schedule V:</p> <p>DMG reported that 5% check sample analysis has been carried out but the details of samples analysed not available in Tender document. As per Minerals (Evidence of Mineral Contents) Rules, 2015, "Check analysis of atleast 10% of samples may be analysed from third party NABL, accredited/or department of science and technology (DST) / BIS recognized laboratories or government laboratories for assessing the acceptable levels of accuracy."</p> | <p>All samples have been analysed in Departmental Laboratories and 5% of such samples have been re-analyzed by Senior Officer of the Department to counter-check the analysis done by the laboratory. No discrepancy has been found in the analysis and therefore, new report is not required.</p> |
| 24 | <p>Point 15(e) of Reporting of Mineral Resources in Schedule V of Information Memorandum</p> <p>DMG has estimated different quality ranges and its quantity. Quality below 42% CaO, which is below the minimum requirement for cement manufacture as specified by National council for Cement & Building Material. (CaO - Minimum 44% and MgO 3.5 (Max.) and SiO₂, Al₂O₃ and Fe₂O₃ in range to satisfy LSF, SR and AR ratio). The operating cement plants in Chittaurgarh belt are operating at +43.75 % CaO in ROM limestone with the use of Pet coke as fuel and other suitable correctives. Hence resources to be modified accordingly</p> | <p>End use of the mineral is not specified in the tender document. Further, the area contains cement grade limestone as specified by India Cement Manufacturers Association as published in IBM Yearbook 2014.</p> |

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| 25 | Annexure I to Schedule V From cement manufacturing point of view and the average quality of limestone available in the area, cement grade limestone does not exist in Sindwari, Ramakhera, Satkhanda A - block. Qualitatively, the limestone of the block areas is low grade and thus would require substantial quantity of high grade limestone for blending for its use in cement manufacture. How government will fulfill this requirement of Cement Industry | End use of the mineral is not specified in the tender document. Further, the area contains cement grade limestone as specified by India Cement Manufacturers Association as published in IBM Yearbook 2014. |
| 26 | 2 F to Schedule V: It is mentioned that NH-79 passes through the area. Similarly, there are other village roads, river and habitation within the deposit. The break up of land under point 2 (c) does not make mention of the extent of land being attributed to these factors. | Mineral under NH not included in resource calculation. Break-up of land is given in Schedule V of tender document. |
| 27 | Plate 6: Resources have not been established to the east of NH-79 where river and large habitation clusters have been reported. Why has this area been included in the block? | Area has been included in the block for contiguity of the lease hold area. |
| 28 | Plate 2 and 6: Drilling has not been carried out on a grid pattern. Bore holes have been drilled in Government land only. How the results of these bore holes extrapolated in the rest of the area especially since there is lot of heterogeneity in the deposit and it is a complex deposit | This deposit is of Vindhyan supergroup & this limestone band extends for more than 20 kms strike length. Multiple cement plants are sustaining on this limestone horizon. Therefore, results have been extrapolated. |
| 29 | Schedule V Information Memorandum Point 14 (a): It is reported that Bulk Density is assumed as 2.5 as per MMCR 1986. However, the figures given for limestone in MMCR 1986 are different. Test Reports of this determination basis to be given. | Bulk density is assumed as 2.5 which is specific gravity of cement grade limestone. "as per MMCR 1986" to be removed from this clause in the tender document. |
| 30 | Schedule V Information Memorandum, Point 15 (a): The data is reported to be sufficient for estimation. Given the size of the deposit and random drilling carried out the data does not seem to be sufficient and has been categorized under 333 in point 15 (c). | Limestone is sedimentary deposit and is homogenous in nature. Hence, Govt. of India relaxed the level of prospecting from G3 to G2. |
| 31 | Without having adequate exploration, how this deposit is being auctioned for mining lease and not for composite license? | Gol has relaxed level of prospecting from G3 to G2 after considering nature of rocks, homogeneity, in sedimentary terrain. Therefore, not considered for CL. |
| 32 | What is the core recovery that was obtained in bore holes and what allowance has been considered for estimation of resources? | Due to some mechanical issues with equipment used, lower recovery observed. But, non recovered part (sludge) of the core has same analysis value as the core. Therefore, resources have been calculated at 100% core recovery. |
| 33 | Schedule V Information Memorandum, Point 12 (c): Against the requirement of 10% of cross check sampling, 5% of samples is reported to have been reanalysed. What was the correlation of the cross check samples with the original values? | No difference between initial and cross-check analysis report. |

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| 34 | Plate 6: It shows the area of influence of individual bore holes considered for estimation of resources. These have been extended till the end of mineralization boundary and till the edge of safety zone of the NH. If resources can be estimated this way then where is the need for exploration on a grid? | According to geological setup of the block, area of influence of individual boreholes has been enhanced. |
| 35 | Plate 6: The area considered for resource estimation is limited till the NH and not further east of NH. Why has the area east of NH considered within the block? | Area has been included in the block for contiguity of the lease hold area. |