

**ORDER**

**Subject: Methodology for Auction of Coal Mines/Blocks for sale of coal under the Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957.**

The undersigned is directed to refer to Rule 8 (2) and 8 (3) of the Coal Mines (Special Provisions) Rules, 2014 read with Section 8 (5) of the Coal Mines (Special Provisions) Act, 2015 and Rule 3(1) (d) of the Coal Blocks Allocation Rules, 2017 read with Section 11A of the Mines and Minerals (Development and Regulation) Act, 1957 and to say that the Competent Authority has approved the methodology for auction of coal mines/blocks identified under the relevant Act for sale of coal as mentioned in para 2 below:

**2.1 Methodology and other conditions for auction of coal mines for sale of coal:-**

**2.1.1 Applicability:** It shall be applicable on auction of all fully explored coal blocks/mines (categorised in G-1 exploration stage as per the modified Indian Standard Procedure for Coal Resource estimation, 2017) and partially explored coal blocks/mines (categorised in G-2 or G-3 exploration stage) for sale of coal under the CMSP Act and MMDR Act. The Methodology and other conditions shall also be applicable on lignite blocks, *mutatis mutandis*.

**2.1.2 Bid Parameter:** The bid parameter will be revenue share for both fully explored coal mines (categorised in G-1 exploration stage) and partially explored coal mines (categorised in G-2 or G-3 exploration stage). The auction will be an ascending forward auction where the bidders would be required to bid for a percentage share of revenue which would be payable to the State Government. The floor percentage of revenue share shall be 4%. The bid increments will be accepted in multiples of 0.5 % of revenue share till the percentage (%) of revenue share reaches 10% and thereafter, bid increments will be accepted in multiples of 0.25% of revenue share. The bidder that submits the highest percentage (%) of revenue share in the bidding shall be declared the preferred bidder.

**2.1.3 Revenue share payable:**

(A) The successful bidder shall be required to pay revenue share on monthly basis which shall be determined as product of:

- (i) percentage (%) of revenue share (final bid) quoted by the successful bidder;
- (ii) total quantity of coal on which the statutory royalty is payable during the month; and
- (iii) notional price or actual price, whichever is higher, where

