

e-Auctioning of Mines

- by MSTC Limited



Mineral Block Auction

Background

- MMDR Amendment Act 2015 mandated the allocation of mineral blocks or grant of mining leases through e-auction process.
- It was aimed to bring greater transparency in allocation of mines.
- **MSTC Limited** was appointed to conduct the e-auction process.

Mineral Block Auction

MSTC Limited is a MINI RATNA
CAT-I Public Sector Enterprise under
the Ministry of Steel, Government
of India.

Two major activities:

e-Commerce

Trading

Mineral Block Auction

e-Auction Methodology

The Bidding Parameter (Price Offer)

Percentage (%) of the Value of the Mineral Despatched

“Value of Mineral Despatched” is an amount equal to the product of-

- (i) Minerals despatched in a month; and
- (ii) Sale price of the minerals (grade-wise and State-wise) as published by IBM for such month of despatch.

Mineral Block Auction

e-Auction Methodology

Two stage bidding:

Stage 1

Technical bid & IPO
(Initial Price Offer)

Stage 2

e-Auction (forward)
(FPO: Final Price Offer)

e-Auction Methodology

Stage 1

Bid Submission

- a. Technical bid
- b. IPO (Initial Price Offer)
- c. Uploading of documents
- d. Offline submission of certain original documents

Tender Opening

- a. Opening of technical bids
- b. Evaluation of technical bid & selection of Technically Qualified Bidders
- c. Opening of IPO and selection of Qualified Bidders

Mineral Block Auction

e-Auction Methodology

Stage 1

a. Technically Qualified Bidders (TQB):

- Fulfill all the eligibility criteria
- IPO => Reserve Price.

If, No. of TQB < 3 the e-auction process is annulled.

b. Qualified Bidders: Technically Qualified Bidders are ranked in descending order of IPOs submitted by them. The first 50% or the top five TQB are Qualified Bidders.


If the numbers of Technically Qualified bidders is between 3 to 5, then all the Technically Qualified Bidders are Qualified Bidders

Mineral Block Auction

e-Auction Methodology

Stage 2

- a. The H1 IPO is the Floor Price of e-Auction
- b. Submission of bids in e-Auction by Qualified Bidders
- c. Continuous increment of bids submitted by the bidders
- d. The H1 bid of auction is the FPO and the H1 bidder is the **Preferred Bidder**



Mineral Block Auction

State wise mineral block auctions

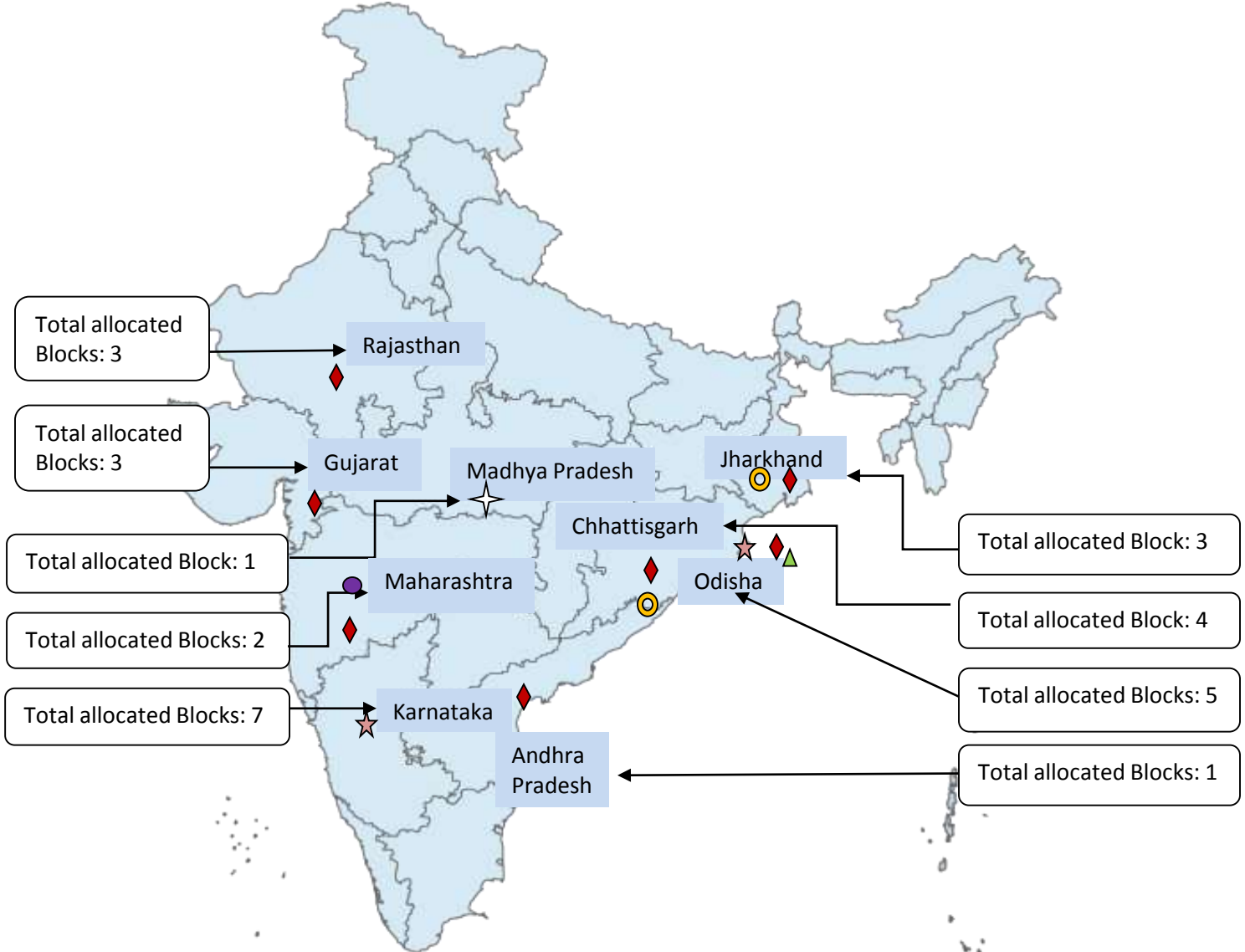
States	Minerals Blocks put up for Auction	Mineral Blocks Allocated
Andhra Pradesh	Limestone(9)	Limestone(1)
Chhattisgarh	Limestone(4) Gold(1)	Limestone (3) Gold(1)
Gujarat	Limestone(13)	Limestone(3)
Jharkhand	Gold(2) limestone(2)	Gold(1) limestone(2)
Karnataka	Iron Ore (18)	Iron Ore (7)
Madhya Pradesh	Limestone(3) Diamond(1)	Diamond(1)
Maharashtra	Limestone (3) Iron Ore (1) Bauxite(3) Tungsten(2) Copper(1) Manganese (2)	Limestone (1) Bauxite(1)
Odisha	Iron Ore(3) Limestone(4) Manganese(1)	Iron Ore(3) Limestone(1) Manganese(1)
Rajasthan	Limestone (7) Copper (1)	Limestone(3)



Mineral Block Auction

Mineral wise Nos. of blocks allocated

Minerals Auctioned	Nos. Block Allocated
Limestone	14
Iron ore	10
Gold	2
Diamond	1
Manganese	1
Bauxite	1
Copper	0
Tungsten	0
Total	29



- ★ Iron ore
- ◆ Limestone
- Gold
- ▲ Manganese
- ☆ Diamond
- Bauxite

Mineral Block Auction

FPOs > 100%

Mineral Blocks	FPO (%)
Maharashtra- Nandgaon-Ekodi (Limestone)	125.05
Karnataka- Karthikeyas Manganese (Iron ore)	111.10
Karnataka- V S Lad-n-Sons (Iron Ore)	102.52
Karnataka- Lakshmi Narayana Mining Company (Iron ore)	100.30
Karnataka- Hothur Traders (Iron Ore)	100.10
Odisha- Kalamang West (Iron Ore)	100.05



Highly secured & the most transparent platform

**CVC
guidelines
& IT Act
compliant**

**IP tracking
facility**

**STQC
certified
solutions**

**Audit trail
captured in
tamper proof
media**



Thank You