

MINING LEASE AGREEMENT

WITH

GOVERNMENT OF GUJARAT

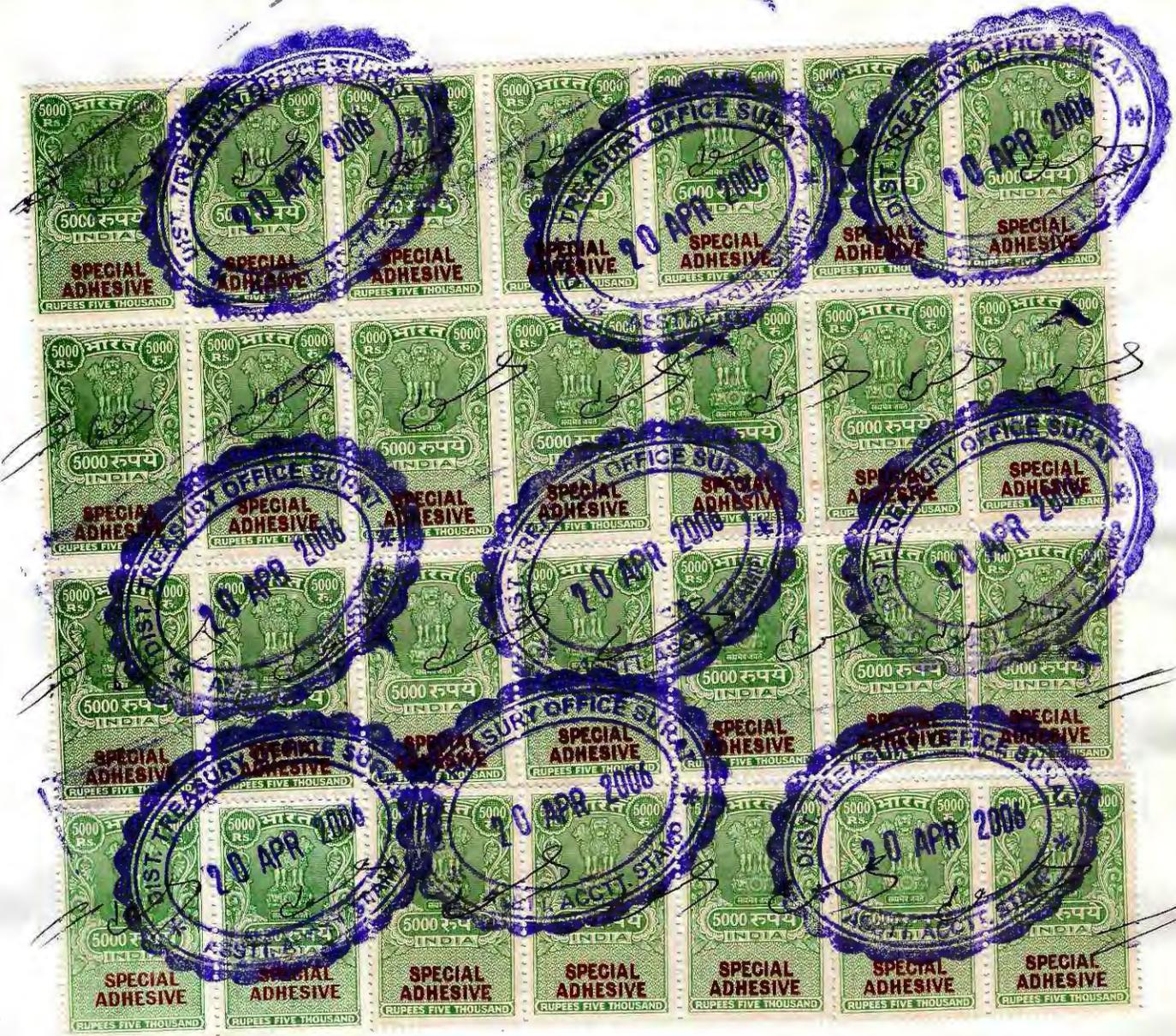
FOR

**MANGROL LIGNITE MINE
(1210 HECTS.)
(SURAT DISTRICT)**

BY

**GUJARAT INDUSTRIES POWER
COMPANY LIMITED
SURAT LIGNITE POWER PLANT
VILLAGE: NANI NAROLI
TALUKA: MANGROL
DISTRICT: SURAT – 394 110**

10/05
24/04



Rs (140,000) one lac forty thousand only among Rs. 2381100/-

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DY. ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.

FORM K

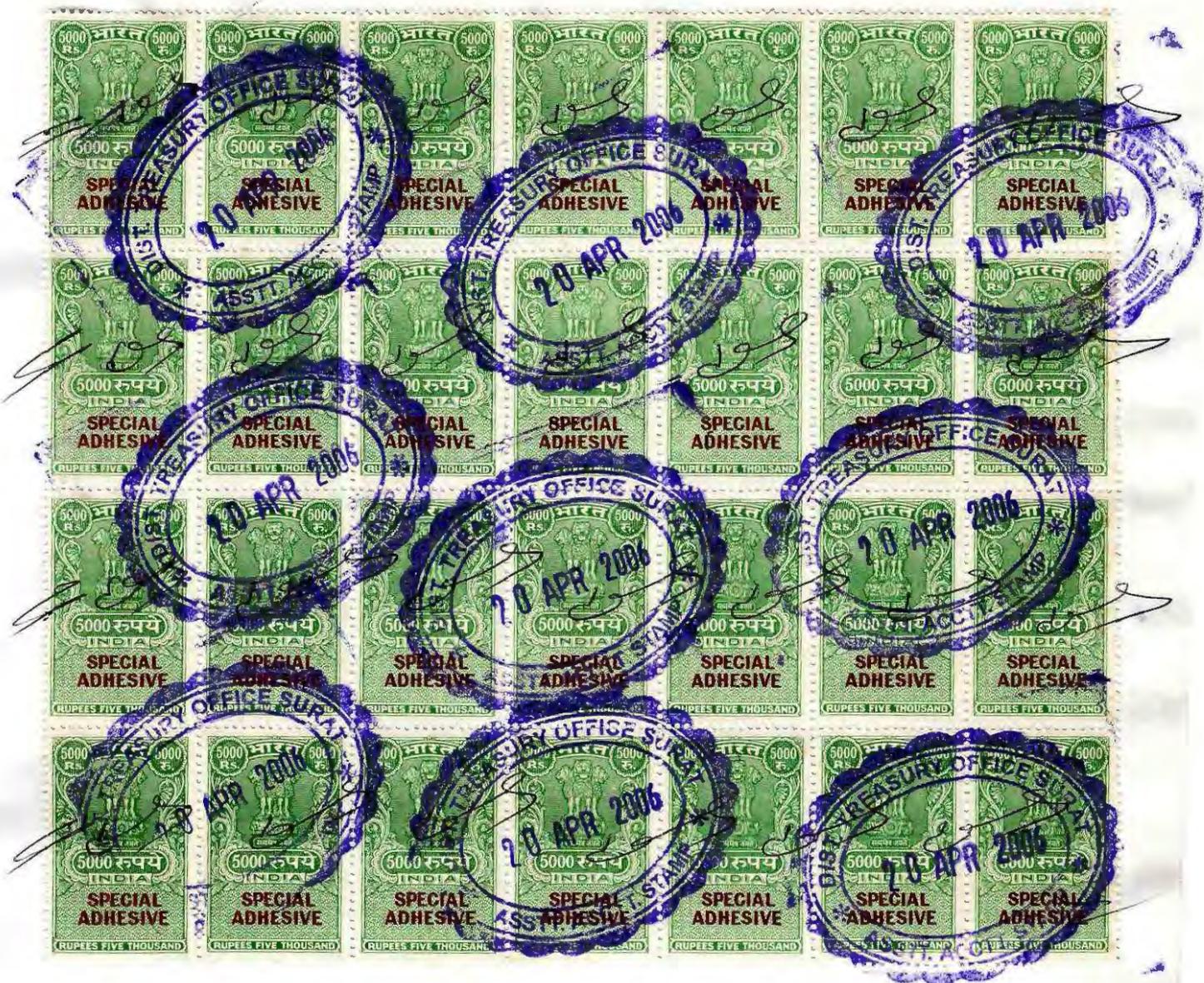
Model Form of Mining Lease

(See rule 31)

When the lessee is an individual

THIS INDENTURE made this 24th day of April, 2006 between the Governor of Gujarat /the President of India (hereinafter referred to as the 'State Government' which expression shall where the context so admits be deemed to include the successors and

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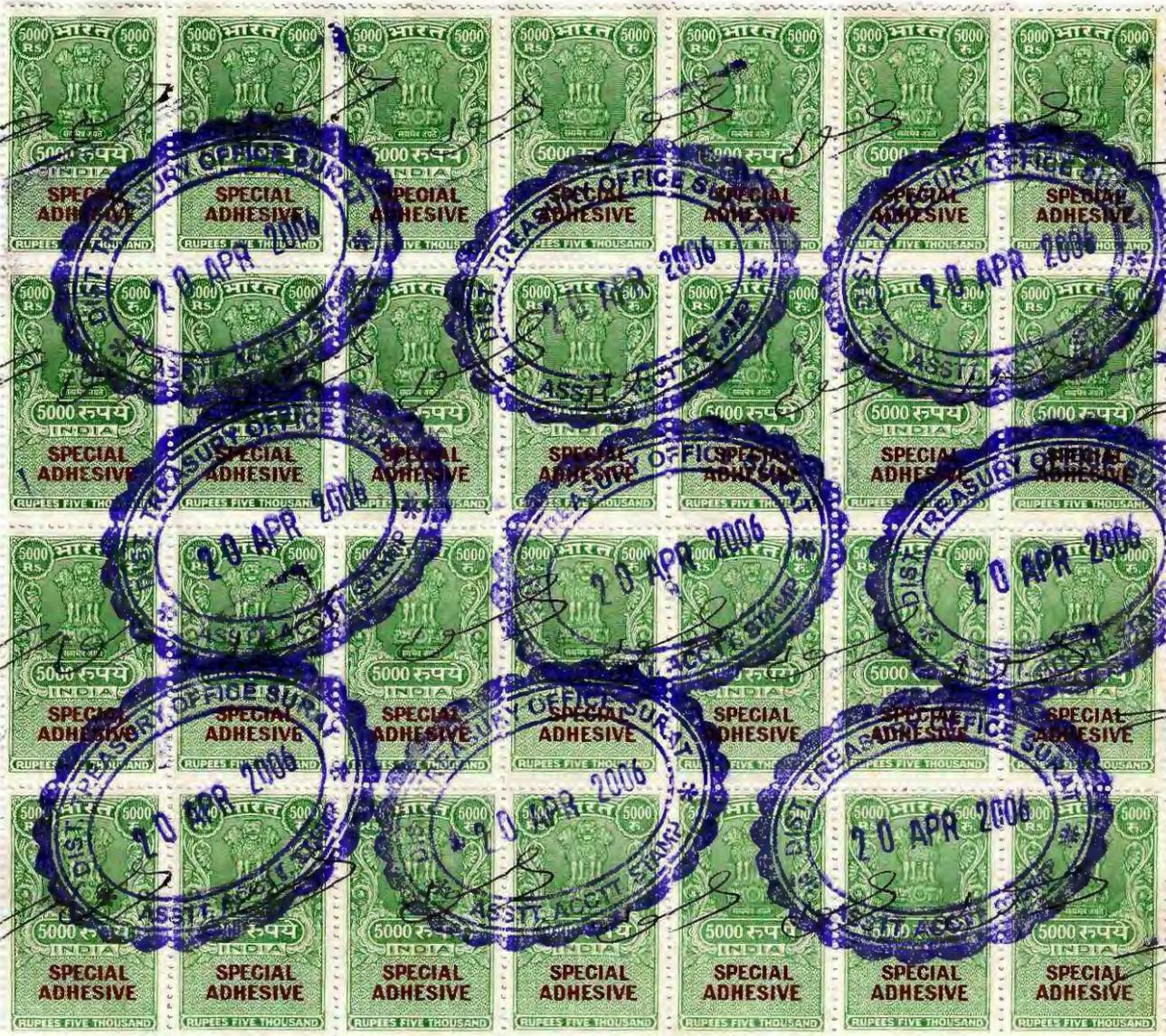


Rs (14000/-) one lac forty thousand only among Rs. 2381100/-

[Signature]
DY. ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.

[Signature]

assigns) of the one part and..... (Name of person with address and occupation)
(hereinafter referred to as the lessee which expression shall where the context so admits be
deemed to include his heirs, executors, administrators, representatives,



Rs. (2381100/-) Twenty three lacs

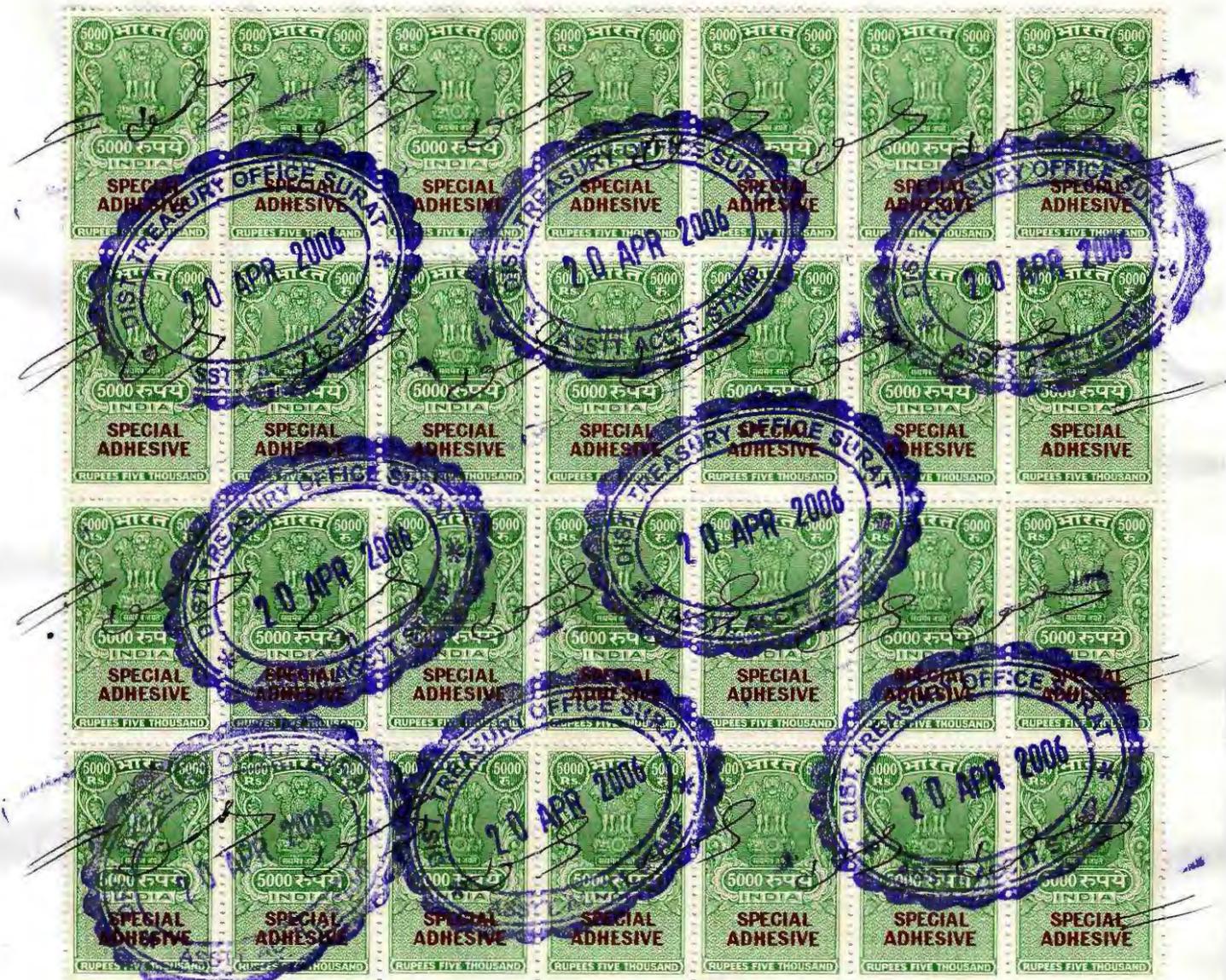
Rs. (140000/-) one lac forty thousand only among Rs. 2381100/-

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 DIST. TREASURY OFFICE
 SURAT.

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When the lessees are more than one individual

.....(Name of person with address and occupation) and..... (Name of person with address and occupation) (hereinafter referred to as "the lessees" which



Rs (100000/-) one lac fourty thousand only among Rs. 2381100/-

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DIST. TREASURY OFFICE
SURAT.

where the context so admits be deemed to include their respective heirs, executors, administrators, representatives and their permitted assigns)

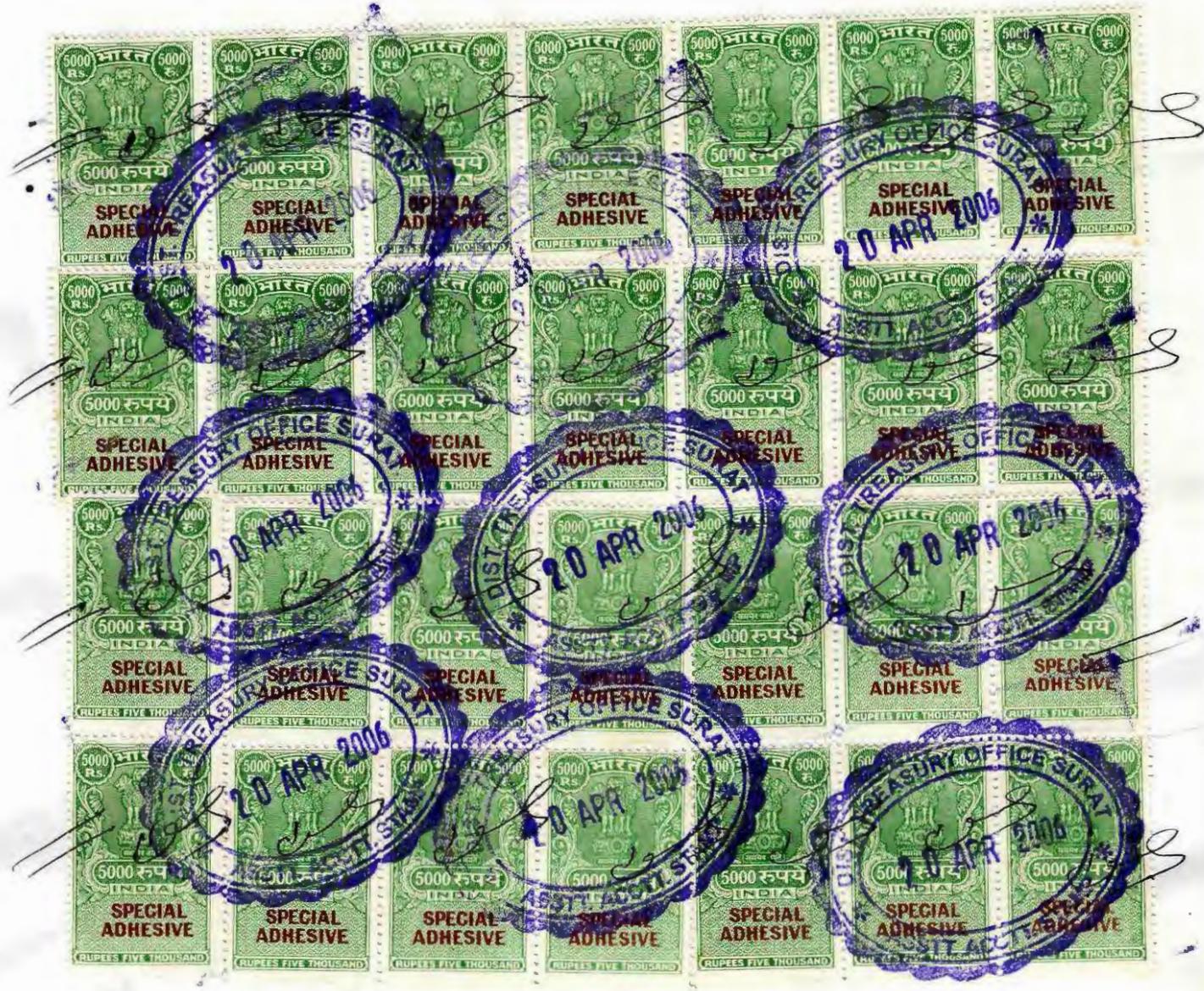


Rs (140000/-) One lac forty thousand only amount of Rs. 2381100/-

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SURAT.

When the lessee is a registered firm.

.....(Name and address of partner), son of.....of..... son
of.....of.....all carrying on business in partnership. under the firm name and style



Rs (140000/-) One lac forty thousand only amount of Rs. 2851000/-

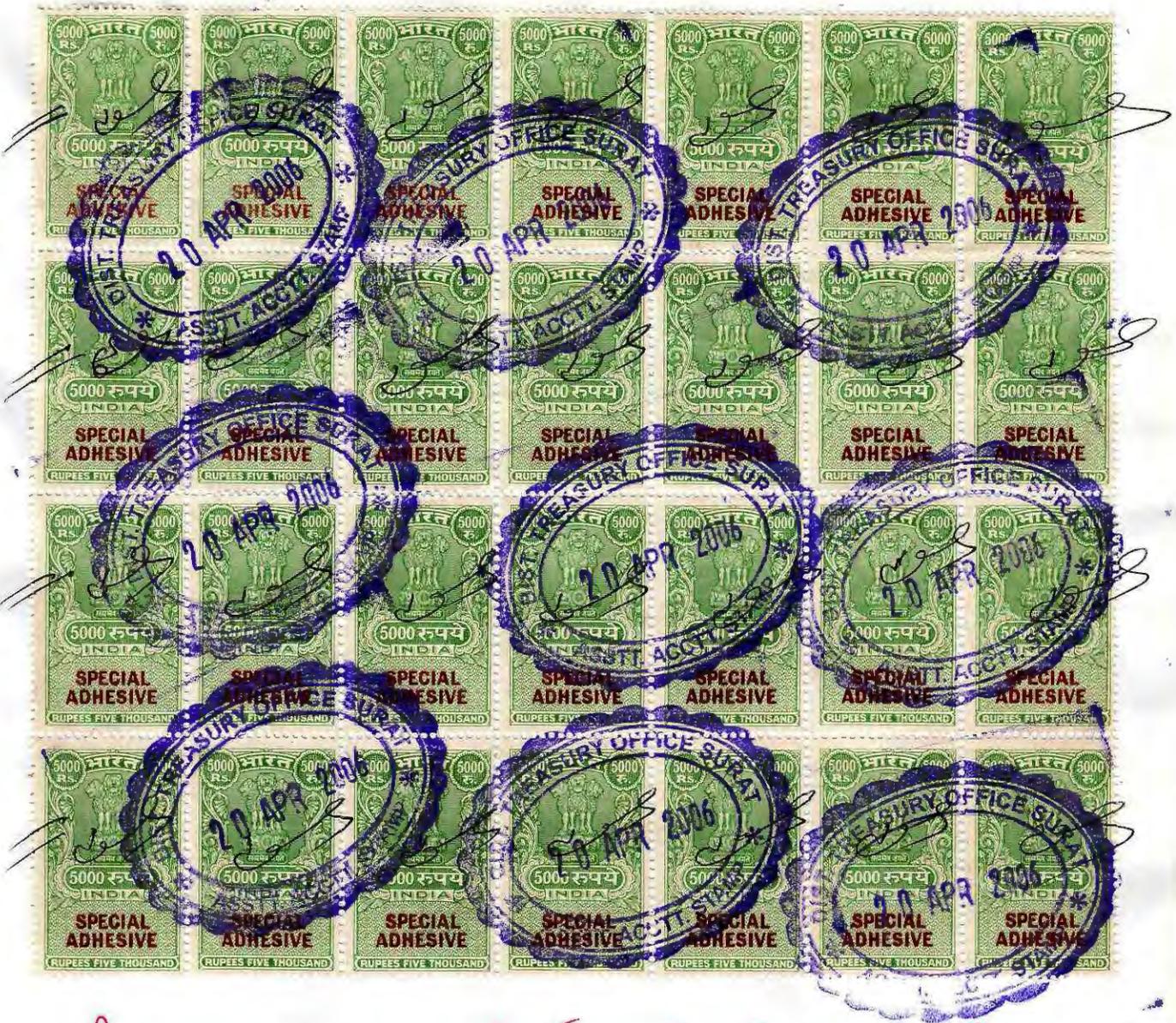
the
BY. ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.

of..... (name of the firm) registered under the Indian Partnership Act, 1932 (9 of 1932) and having their registered office at in the town of (hereinafter referred to as "the



Rs. (140000/-) One lac forty thousand only among of Rs. 2381100/-

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BY ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.



Rs (140000/-) One Lakh forty thousand only amount of Rs. 2381100/-

BY. ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.

When the lessee is a registered company.

GUJARAT INDUSTRIES POWERE COMPANY LIMITED. (Name of company) a company registered under..Companies Act 1956(Act under which incorporated) and having its registered office at .P.O: Petrochemicals, District: Baroda-391347 (Address) (hereinafter referred to as "the lessee" which expression shall where the context so admits be deemed to include its successors and permitted assigns), of the other part.



Rs. ~~238100/-~~ (140000/-) one lac forty thousand only amount of Rs. 238100/-

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BY. ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.

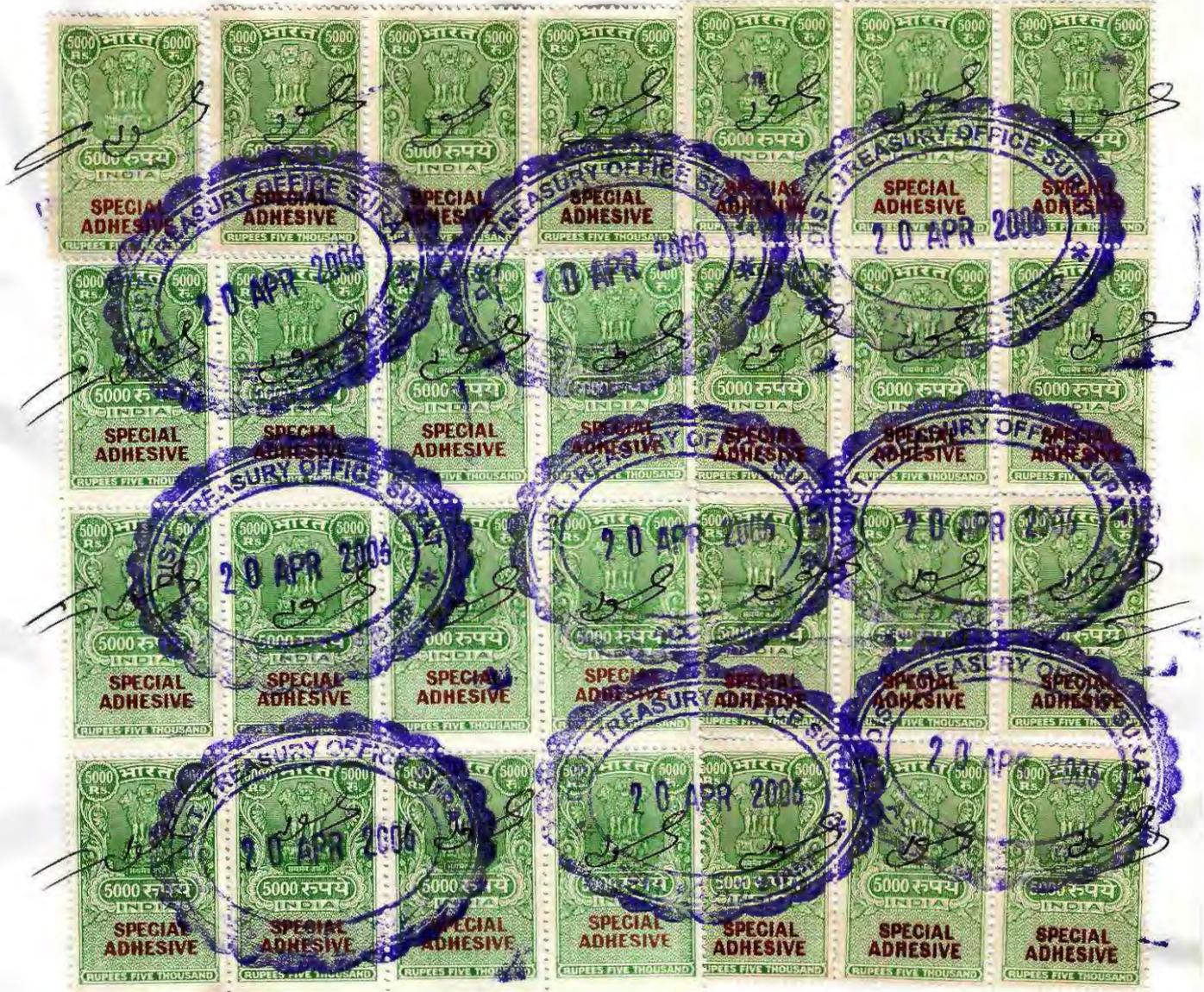
WHEREAS THE lessee/lessees has/have applied to the State Government in accordance with the Mineral Concession Rules, 1960 (hereinafter referred to as the said Rules) for a mining lease for 1209.83.40 Hectares of Lignite in respect of the lands described in Part I of the



Rs. (140000/-) one lac forty thousand only among of Rs. 2281100/-

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BY. ACCOUNTANT
DIST. TREASURY OFFICE
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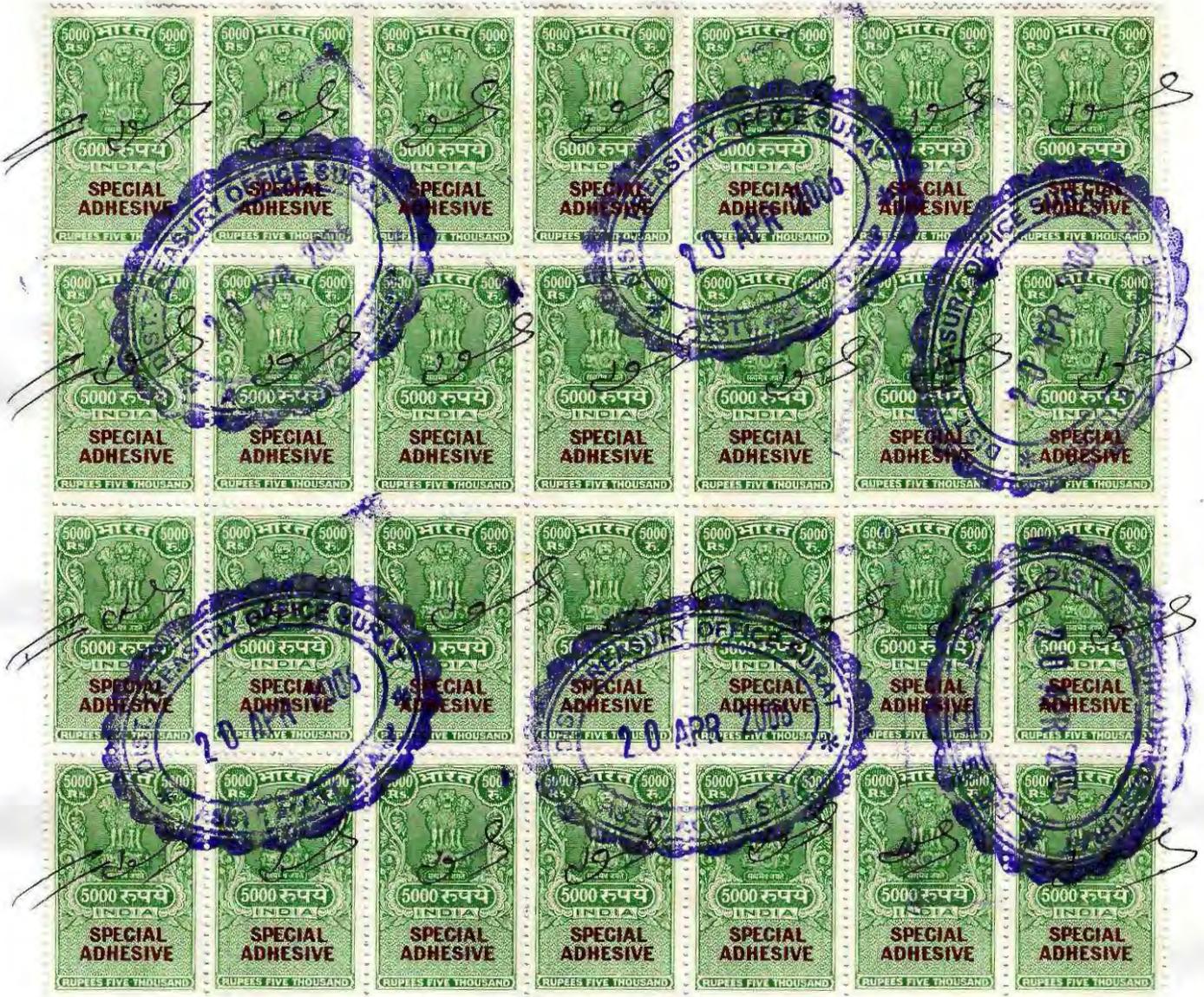
Schedule hereunder written and has/have deposited with the State Government the sum of Rs 2000/- as security and the sum of Rs 1000/- for meeting the preliminary expenses for a mining lease and WHEREAS the Central Government has approved the grant of lease



Rs (4000/-) one lac forty thousand only amount of Rs. 2361100/-

Handwritten signature
BY. ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.

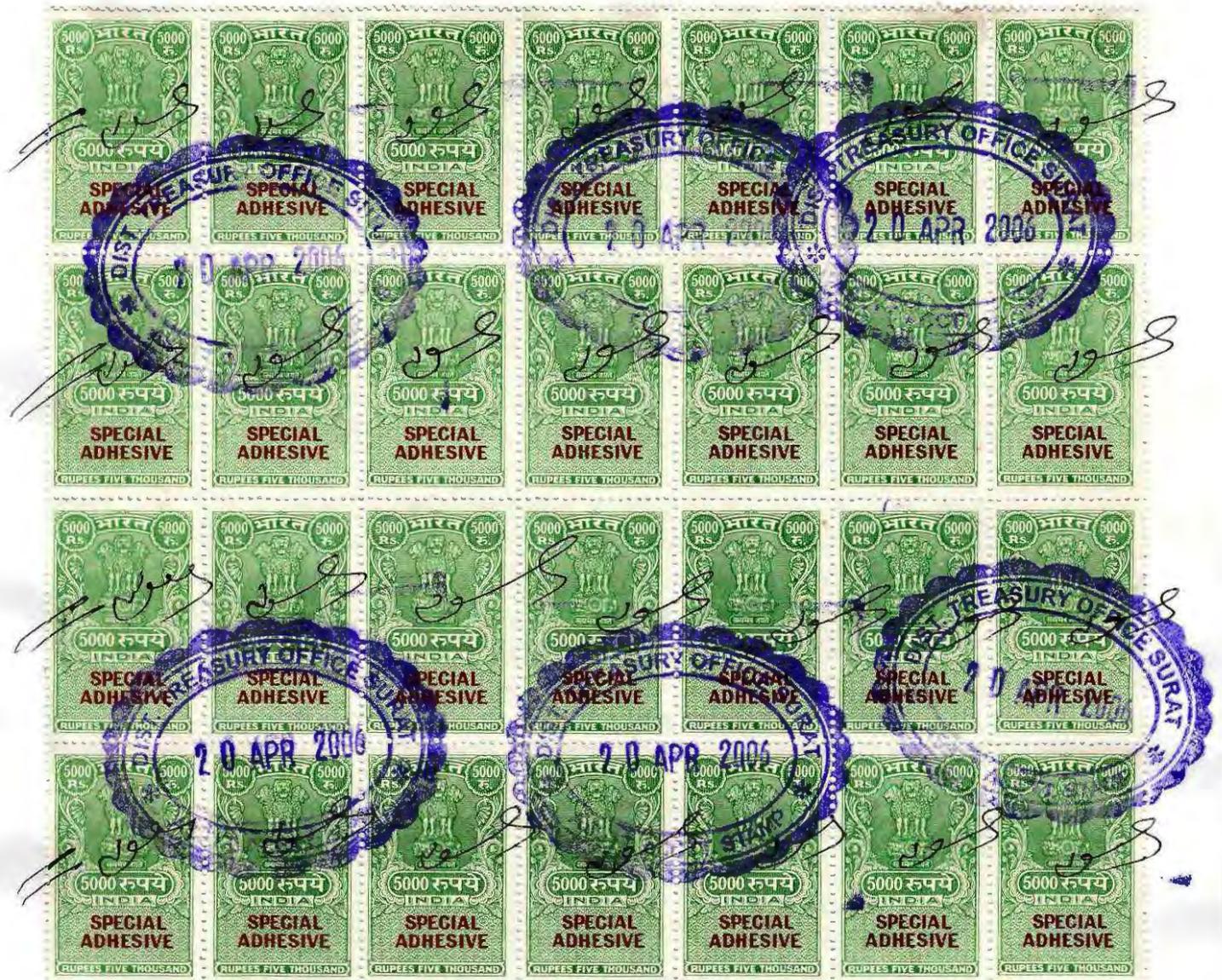
WITNESSETH that in consideration of the rents and royalties, covenants and agreements by and in these presents and the Schedule hereunder written reserved and contained and on the



Rs. ~~200~~ (140,000/-) one lac fourty thousand only amount of
Rs. 2381100/-

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DY. ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.

part of the lessee/lessees to be paid observed and performed, the State Government with the approval of the Central Government hereby grants and demises...



Rs. (140000/-) one lac forty thousand only of Rs. 2361100/-

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DY. ACCOUNTANT
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SURAT.

All those the mines beds/veins seams of **LIGNITE** (here state the mineral or minerals)
(hereinafter and in the Schedule referred to as the said minerals) situated lying and being in or



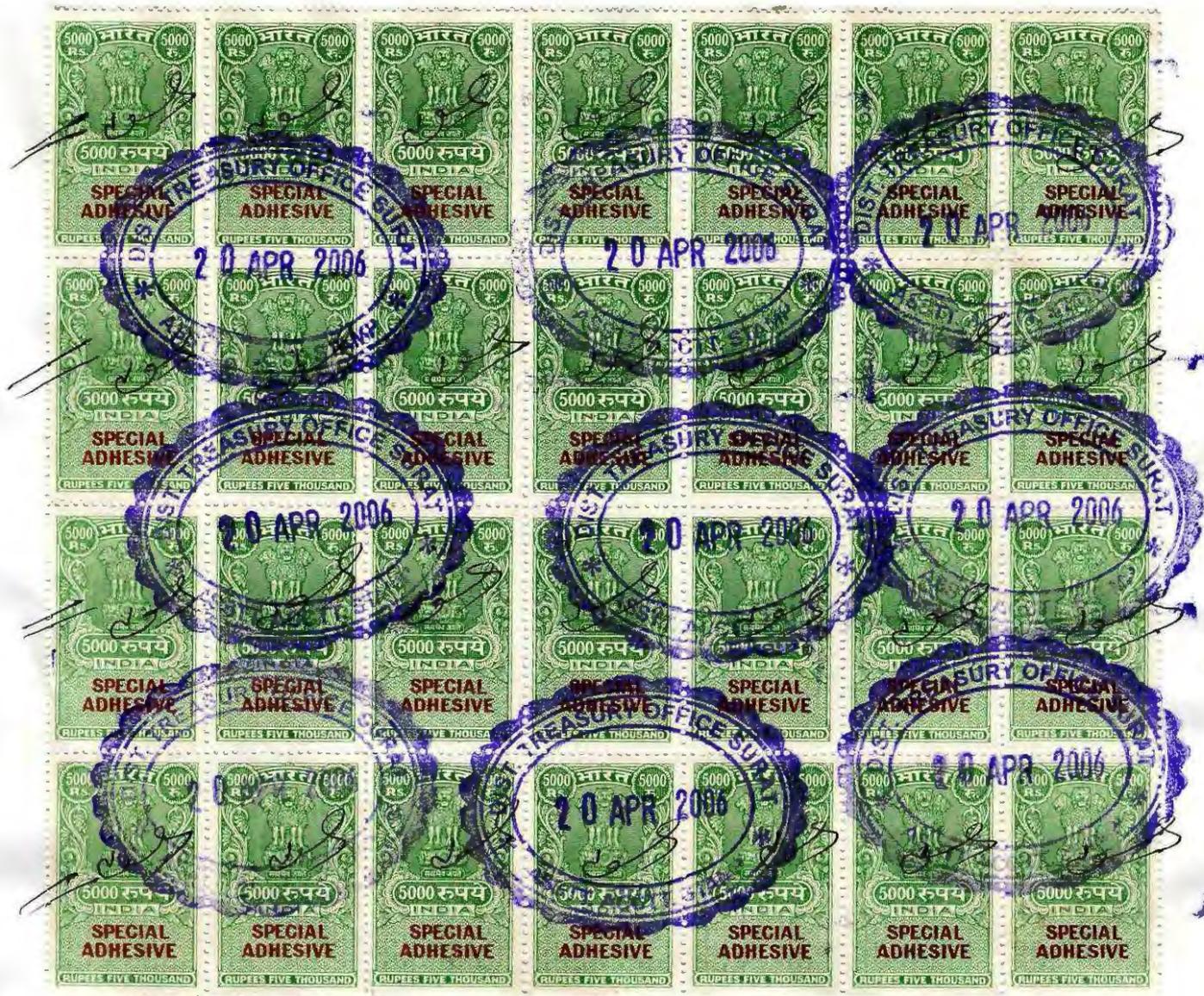
Rs. (140000/-) one lac forty thousand only amount of

BY ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.

Rs. 2381100/-

under the lands which are referred to in Part I of the said Schedule, together, with the liberties,

and privileges to be exercised or enjoyed in connection herewith which are mentioned in



Rs. (140000/-) one lac forty thousand only amount of
Rs. 2381100/-

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DY. ACCOUNTANT
DIST. TREASURY OFFICE
SURAT.



Rs (140000/-) one lac forty thousand only amount
of Rs 2381100/-

Chase
BY ACCOUNTANT
DIST. TREASURY OFFICE
SURAT



Rs. (141100/-) one lac four thousand one hundred only among of
 2000/-
 (2381100/-) Twenty three lac eighty one thousand one hundred only.

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 BY ACCOUNTANT
 DIST. TREASURY OFFICE
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mentioned in Part IV of the said Schedule TO HOLD the premises hereby granted and demised
 unto the lessee/lessees from the 24th day APRIL 20 06 for the term of 20

years thence next ensuing YIELDING AND PAYING therefore unto the State Government the several rents and royalties mentioned in Part V of the said Schedule at the respective times therein specified subject to the provisions contained in Part VI of the said Schedule and the lessee/lessees hereby covenants/ covenant with the State Government as in Part VII of the said Schedule is expressed and the State Government hereby covenants with the lessee/lessees as in Part VIII of the said Schedule as expressed AND it is hereby mutually agreed between the parties hereto as in Part IX of the said Schedule is expressed.

IN WITNESS WHEREOF these presents have been executed in manner hereunder appearing the day and year first above written.

The Schedule above referred to.

PART I

The Area of this Lease

Location and area of the lease:-

All that tract of lands situated at. **Mangrol, Mosali, Harsani, Shah, Cheratha, Amendara and Nani Pardi** (Description of area or areas) **MANGROL TALUKA**. in (Pargana) in.....the Registration District of. **SURAT** Sub-District. **MANGROL** and Thana bearing Cadestral survey Nos. Various (List enclosed) containing an area of 1209.83.40 Hectares .or thereabouts delineated on the plan hereto annexed and thereon coloured and bounded as follows:-

On the North by
On the South by
On the East by
and
On the West by

AS PER ENCLOSED MAP

hereinafter referred to as "the said lands". Government of Gujarat (Industries and Mines Dept), Gandhinager order No. MCR-1092-(G-8)-3826-CHH-1 dated 25/10/2005



PART II

Liberties, powers and privileges to be exercised and enjoyed by the lessee/lessees subject to the restrictions and conditions in Part III.

To enter upon land and search for, win, work etc.

1. Liberty and power at all times during the term hereby demised to enter upon the said lands and to search for mine, bore, dig, drill for, win, work, dress, process, convert, carry away and dispose of the said mineral/minerals.

To sink, drive and make plus, shafts and inclines etc.: -

2. Liberty and power for or in connection with any of the purposes mentioned in this part to sink drive make maintain and use in the said lands and pits shafts inclines drifts levels waterways airways and other works (and to use maintain deepen or extent any existing works of the like nature in the said lands).

To bring and use machinery equipment etc.: -

3. Liberty and power for or in connection with any of purposes mentioned in this part to erect, construct, maintain and use on or under the said lands any engines, machinery, plant, dressing floors, furnaces, coke ovens, brick-kilns, workshops, store-houses, bungalows, godowns, sheds, and other buildings and other works and conveniences of the like nature on or under the said lands.

To make roads and ways etc. and use existing roads and ways: -

4. Liberty and power for or in connection with any of the purposes mentioned in this part to make any tramways, railways, roads, aircraft landing grounds and other ways in or over the said lands and to use maintain and go, and repass with or without horses, cattle, wagons, aircrafts, locomotives, or other vehicles over the same (or any existing tramways roads and other ways in or over the said lands) on such conditions as may be agreed to.

To get building and road materials, etc.: -

5. Liberty and power for or in connection with any of the purposes mentioned in this part to quarry and get stone gravel and other building and road materials and clay and to use and employ the same and to manufacture such clay into bricks or tiles and to use such bricks or tiles but to sell any such material bricks or tiles.

To use waterfront streams etc:-

6. Liberty and power for or in connection with any of the purpose mentioned in this part but subject to the right of any existing or future lessees and with the written permission of Deputy



Commissioner/Collector to appropriate and use water from any streams water-courses springs or other sources in or upon the said lands and to divert step up or dam any such stream or water course and collect or impound any such water and to make construct and maintain any watercourse culverts, drains or reservoirs but not as so to deprive any cultivated lands, villages, buildings or watering places for livestock of a reasonable supply of water as before accustomed nor in any way to foul or pollute any stream or springs. Provided that the lessee/lessees shall not interfere with the navigation in any navigable stream nor shall divert such stream without the previous written permission of the State Government.

To use land for stacking, heaping, depositing purposes:-

7. Liberty and power to enter upon and use a sufficient part of the surface of the said lands for the purpose of stacking, heaping, storing or depositing therein any produce of the mines or works carried on and any tools, equipment, earth and materials and substances dug or raised under the liberties and powers mentioned in this part.

Beneficiation and conveying away of production:-

8. (a) Liberty and power to enter upon and use a sufficient part of the said lands to beneficiate any ore produced from the said lands and to carry away such beneficiated ore.

To make coke (to be used in case of coal only):-

(b) Liberty and power upon the said lands to convert into coke any coal or coal dust produced from the said lands and to carry away such coke.

To clear brushwood and to fell and utilise trees, etc.:-

9. Liberty and power for or in connection with any of the purposes mentioned in this part and subject to the existing rights of others and save as provided in clause 3 of Part III of this Schedule to clear undergrowth and brushwood and to fell and utilise any trees or timber standing or found on the said lands provided that the State Government may ask the lessee/lessees to pay for any trees or timber felled and utilised, by him/her at the rates specified by the Deputy Commissioner/Collector or the State Government.

PART III

Restrictions and Conditions as to the exercise of the Liberties, Powers and Privileges in Part-II.

No building etc. upon certain places:-

1. No building or thing shall be erected, set up or placed and no surface operations shall be carried on in or upon any public pleasure ground, burning or burial ground or place, held sacred by any class of persons or any house or village site, public road or other place which the State



Government may determine as public ground nor in such a manner as to injure or prejudicially effect any buildings works property or rights of other persons and no land shall be used for surface operations which is already occupied by persons other than the State Government for works or purposes not included in this lease. The lessee/lessees shall not also interfere with any right of way, well or tank.

Permission for surface operations in a land not already in use:-

2. Before using for surface operations any land which has not already been used for such operations, the lessee/lessees shall give to Deputy Commissioner/Collector of the District two calendar months previous notice in writing specifying the name or other description of the situation and the extent of the land proposed to be so used and the purpose for which the same is required and the said land shall not be so used if objection is issued by the Deputy Commissioner/Collector within two months after the receipt by him of such notice unless the objections so stated shall on reference to the State Government be annulled or waived.

To cut trees in unreserved lands: -

3. The lessee/lessees shall not without the express sanction of the Deputy Commissioner/Collector cut down or injure any timber or trees on the said lands but may without such sanction clear away any brushwood or undergrowth which interferes with any operations authorised by these presents. The Deputy Commissioner/Collector or the State Government may require the lessee/lessees to pay for any trees or timber felled and utilised by him/them at the rates specified by the Deputy Commissioner/Collector of the District.

To enter upon reserved forests:-

4. Notwithstanding anything in this Schedule contained the lessee/lessees shall not enter upon any reserved forest included in the said lands without previous sanction in writing of the District Forest Officer nor fell, cut and use any timber or trees without obtaining the sanction in writing of that Officer nor otherwise than in accordance with such conditions as the State Government may prescribe.

No mining operations within 50 metres of public works etc:-

5. The lessee/lessees shall not work or carry on or allow to be worked or carried on any mining operations at or to any point within a distance of 50 metres from any railway line except with the previous written permission of the Railway Administration concerned or under or beneath any rope way or any ropeway trestle or station, except under and in accordance with the written permission of the authority owning the ropeway or from any reservoir, canal or other public works such as public roads and buildings or inhabited site except with the previous written permission of the Deputy Commissioner/Collector or any other officer authorised by the State



Government in this behalf and otherwise than in accordance with such instructions, restrictions and conditions either general or special which may be attached to such permission. The said distance of 50 metres shall be measured in the case of railway, reservoir or canal horizontally from the outer toe of the bank or the outer edge of the cutting as the case may be and in case of a building horizontally from the plinth thereof. In the case of village roads no working shall be carried on within a distance of 10 metres of the outer edge of the cutting except with the previous permission of the Deputy Commissioner/Collector or any other officer duly authorised by the State Government in this behalf and otherwise than in accordance with such directions, restrictions and additions, either general or special, which may be attached to such permission.

Explanation:-For the purposes of the clause the expression 'Railway Administration' shall have the same meaning as it is defined to have in the Indian Railways Act. 1890 by clause (6) of section 3 of that Act. 'Public Road' shall mean a road which has been constructed by artificially surfaced as distinct from a track resulting from repeated use. Village road will include any track shown in the Revenue record as village road.

Facilities for adjoining Government licences and leases:-

6. The lessee/lessees shall allow existing and future holders of Government licences or leases, over any land which is comprised in or adjoins or is reached by the land held by the lessee/lessees reasonable facilities of access thereto:

PROVIDED THAT no substantial hindrance or interference shall be caused by such holders of licences or leases to the operations of the lessee/lessees under these presents and fair compensation (as may be mutually agreed upon or in the event of disagreement as may be decided by the State Government) shall be made to the lessee/lessees for loss or damage sustained by the lessee/lessees by reason of the exercise of this liberty.

PART IV

Liberties, Powers and Privileges reserved to the State Government

To work other minerals:-

1. Liberty and power for the State Government, or to any lessee or persons authorised by it in that behalf to enter into and upon the said lands and to search for, win, work, dig, get, raise, dress, process, convert and carry away minerals other than the said minerals and any other substances and for those purposes to sink, drive, make erect, construct, maintain and use such pits, shafts, inclines, drifts, levels and other lines, waterways, airways, water courses, drains, reservoirs, engines, machinery, plant, buildings, canals, tramways, railways, roadways and other works and conveniences as may be deemed necessary or convenient.



PROVIDED THAT in the exercise of such liberty and power no substantial hindrance or interference shall be caused to or with the liberties, powers and privileges of the lessee/lessees under these presents and that fair compensation (as may be mutually agreed upon or in the event of disagreement as may be decided by the State Government) shall be made to the lessee/lessees for all loss or damage sustained by the lessee/lessees by reason or in consequence of the exercise of such liberty and power.

To make railways and roads: -

2. Liberty and power for the State Government or any lessee or person authorised by it in that behalf to enter into and upon the said lands and to make upon over or through the same any railways, tramways, roadways or pipelines for any purpose other than those mentioned in Part II of these presents and to get from the said land, stones, gravel, earth and other materials for making maintaining and repairing such railways, tramways and roads or any existing railways and roads and to and repass at all times with or without horses, cattle or other animals, carts, wagons, carriages, locomotives or other vehicles over or along any such railways, tramways, road lines and other wages for all purposes and as occasion may require, provided that in the exercise of such liberty and power by such other lessee or person no substantial hindrance or interference shall be caused to or with the liberties, powers and privileges of the lessee/lessees under these presents and that fair compensation as may be mutually agreed upon or in the event of disagreement as may be decided by the State Government shall be made to the lessee/lessees for all loss or damage substantial hindrance or interference shall be caused to or with the exercise by such lessee or person of such liberty and power.

PART V

Rents and royalties reserved by this lease

To pay dead rent or royalty whichever is higher: -

1. The lessee shall pay, for every year except the first year of the lease, dead rent as specified in clause 2 of this Part:

Provided that, where the holder of such mining lease becomes liable under section 9 of the Act, to pay royalty for any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee, from the leased area. he shall be liable to pay either such royalty or the dead rent in respect of that area, whichever is higher.

Rate and mode of payment of dead rent.-

2. Subject to the provisions of clause of this Part, during the subsistence of the lease, the lessee/lessees shall pay to the State Government annual dead rent for the lands demised and



described in Part I of this Schedule at the rate of the time being specified in the Third Schedule to the Act, in such manner as may be specified in this behalf by the State Government.

(ii) For the Third Schedule, the following Schedule shall be substituted, namely :-

"THIRD SCHEDULE
(See section 9A)

DEAD RENT

(1) The rates of dead rent applicable to the leases other than those obtained for supply of raw material to the industry owned by the concerned lessee:

As per Notification G.S.R. 678 (E) of Central Government of 14th October, 2004
(RATES OF DEAD RENT IN RUPEES PER HECTARE PER ANNUM)

First two years of lease	3 rd year onwards
100/-	400/-

(2) In the case of lease obtained for the supply of raw material for the industry owned by the concerned lessee, the rates of dead rent would be applicable as given in respect of item No.1 above, irrespective of the lease area.

Rate and mode of payment of royalty:-

3. Subject to the provision of clause I of this part, the lessee/lessees shall during the subsistence of this lease pay to the State Government at such times and in such manner as the State Government may prescribe royalty in respect of any mineral/minerals removed by him/them from the leased area at the rate for the time being specified in the Second Schedule to the Mines and Minerals (Regulation and Development) Act, 1957. **Advance royalty to be paid as per Govt. of Gujarat GR NO. PRCH-112000-1427-CHH, DATED: 22. DEC. 2000.**

Payment of surface rent, and water rate:-

4. The lessee/lessees shall pay rent and water rate to the State Government in respect of all parts of the surface of the said lands which shall from time to time be occupied or used by the lessee/lessees under the authority of these presents at the rate of Rs..... and Rs..... respectively per annum per hectare of the area so occupied or used and so in proportion for any area low then a hectare during the period from the commencement of such occupation or used until the area shall cease to be so occupied or used and shall as far as possible restore the, surface land so used to its original condition. Surface rent and water rate shall be paid as hereinbefore detailed in clause 2: PROVIDED THAT NO such rent/water rate shall be payable in respect of the occupation and use of the area comprised in any roads or ways to which the public have full right of access.



PART VI

Provisions relating to the rents and royalties

Rent and royalties to be free from deduction etc.:-

1. The rent, water rate and royalties mentioned in Part V of this Schedule shall be paid free from any deduction to the State Government at **SURAT** and such manner as the State Government may prescribe PROVIDED ALWAYS and it is hereby agreed that Rs the balance standing to the credit of the lessee/lessees on account of the deposit made by him/them as a licensee/licensees over an area which included the said lands shall be retained and accepted by the State Government in satisfaction of the rents and royalties mentioned in Part V until they reach that amount.

Mode of computation of royalty:-

2. For the purposes of computing the said royalties the lessee/lessees shall keep a correct account of them mineral/minerals produced and despatched. The accounts as well as the weight of the mineral/minerals in stock or in the process of export may be checked by an officer authorised by the Central or State Government.

Here specify the mode of arriving at sale price/prices at pits mouth of mineral/minerals.
Course of action if rents and royalties are not paid in time:-

3. Should any rent, royalty or other sums due to the State Government under the terms and conditions of these presents be not paid by the lessee/lessees within the prescribed time the same, together with simple interest due thereon at the rate of twenty-four per cent per annum may be recovered on a certificate of such officer as may be specified by the State Government by general or special order, in the same manner as an arrear of land revenue.

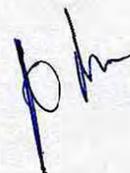
PART VII

The Covenants of the Lessee/Lessees

Lessee to pay rents and royalties, taxes, etc.:-

1. The lessee/lessees shall pay the rent, water rate and royalties reserved by this lease at such times and in the manner provided in PARTS V and VI of these presents and shall also pay and discharge all taxes, rates, assessments and impositions whatsoever being in the nature of public demands which shall from time to time be charged, assessed or imposed by the authority of the Central and State Governments upon or in respect of the premises and works of the lessee/lessees in common with other premises and works of a like nature except demands for land revenues.

To maintain and keep boundary marks in good order:-



2. The lessee/lessees shall at his/their own expense erect and at all times maintain and keep in repair boundary marks and pillars according to the demarcation to be shown in the plan annexed to this lease. Such marks and pillars shall be sufficiently clear of the shrubs and other obstructions as to allow easy identification.

To commence operations within a year and work in a workman-like manner:-

3. [Omitted] The lessee/lessees shall commence operation within one year from the date of execution of the lease and shall thereafter at all times during the continuance of his lease search for, win, work and develop, the said minerals without voluntary intermission in a skilful and workman-like manner and as prescribed under clause 12 hereinafter without doing or permitting to be done any unnecessary or avoidable damage to the surface of the said lands or the crops buildings structures or other property thereon. For the purposes of this clause operations shall include the erection of machinery, laying of a tramway or construction of a road in connection with the mine.

To indemnify Government against all claims:-

4. The lessee/lessees shall make and pay such reasonable satisfaction and compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury or disturbance which may be done by him/them in exercise of the powers granted by this lease and shall indemnify and keep indemnified fully and completely the State Government against all claims which may be made by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith.

To secure and keep in good condition pits, shafts, etc.:-

5. The lessee/lessees shall during the subsistence of this lease well and sufficiently secure and keep open with timber or other durable means all pits, shafts and workings that may be made or used in the said lands and make and maintain sufficient fences to the satisfaction of the State Government round every such pit, shaft or working whether the same is abandoned or not and shall during the same period keep all workings in the said lands except such as may be abandoned accessible free from water and foul air as far as possible.

To strengthen and support the mine to necessary extent: -

6. The lessee/lessees shall strengthen and support to the satisfaction of the Railway Administration concerned or the State Government, as the case may be any part of the mine which in its opinion requires such strengthening or support for the safety of any railway, reservoir, canal, road and any other public works or structures.



To allow inspection of workings: -

7. The lessee/lessees shall allow any officer authorised by the Central Government or the State Government in that behalf to enter upon the premises including any building, excavation or land comprised in the lease for the purpose of inspecting, examining, surveying, prospecting and making plans thereof sampling and collecting any data and the lessee/lessees shall with proper person employed by the lessee/lessees and acquainted with the mines and work effectually assist such officer, agents, servants and workmen in conducting every such inspection and shall afford them all facilities, information connected with the working of the mines which they may reasonably require and also shall and will conform to and observe all orders and regulations which the Central and State Governments as the result of such inspection or otherwise may, from time to time, see fit to impose.

To report accident:-

8. The lessee/lessees shall without delay send to the Deputy Commissioner/Collector a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of the operations under this lease.

To report discovery of other minerals:-

9. The lessee/lessees shall report to the State Government the discovery in the leased area of any mineral not specified in the lease within sixty days of such discovery along with full particulars of the nature and position of each such find. If any mineral not specified in the lease is discovered in the leased area, the lessee/lessees shall not win and dispose of such mineral unless such mineral is included in the lease or a separate lease is obtained therefor.

To keep records and accounts regarding production and employees etc.:-

10. The lessee/lessees shall at all time during the said term keep or cause to be kept at an office to be situated upon or near the said lands correct and intelligible books of accounts which shall contain accurate entries showing from time to time:-

- (1) Quantity and quality of the said mineral/minerals realised from the said lands.
- (2) Quantity of the various qualities of ores beneficiated or converted (for example coal converted into coke).
- (3) Quantities of the various qualities of the said mineral/minerals sold and exported separately.
- (4) Quantities of the various qualities of the said mineral/minerals otherwise disposed of and the manner and purpose of such disposal.
- (5) The prices and all other particulars of all sales of said mineral/minerals.



(6) The number of persons employed in the mines or works or upon the said lands specifying nationality, qualifications and pay of the technical personnel.

(7) Such other facts, particulars and circumstances as the Central or the State Governments may from time to time require and shall also furnish free of charge to such officers and at such times as the Central and State Governments may appoint true and correct abstract of all or any such books of accounts and such information and returns to all or any of the matters aforesaid as the State Government may prescribe and shall at all reasonable times allow such officers as the Central Government or State Government shall in that behalf appoint to enter into and have free access to the said officers, for the purpose of examining and inspecting the said books of accounts, plans and records and to make copies thereof and make extracts therefrom.

To maintain plans, etc:-

11. The lessee/lessees shall at all times during the said term maintain at the mine office correct intelligible up-to-date and complete plans and sections of the mines in the said lands. They shall show all the operations, and workings and all the trenches, pits and drillings made by him/them in the course of operations carried on by him/them under the case, faults and other disturbances encountered and geological data and all such plans and sections shall be amended and filled up by and from actual surveys to be made for that purpose at the end of twelve months of any period specified from time to time and the lessee/lessees shall furnish free of charge to the Central and State Governments true and correct copies of such plans and sections whenever required. Accurate records of all trenches, pits and drillings shall show: -

(a) The subsoil and strata through which they pass.

(b) Any mineral encountered.

(c) Any other matter of interest and all data required by the Central and State Governments, from time to time.

The lessee/lessees shall allow any officer of the Central or the State Government, authorised in this behalf by the Central Government, to inspect the same at all reasonable times. He/they shall also supply when asked for by the State Government/the Coal Controller the Director-General, Geological Survey of India the Controller General, Indian Bureau of Mines a composite plan of the area showing thickness, dip, inclination etc. of all the seams as also the quantity of reserves quality-wise.

11A. The lessee shall pay a wage, not less than the minimum wage prescribed by the Central or State Government from time to time.

11B. The lessee shall comply with provisions of the Mines Act, 1952 and the rules made there under

11C. The lessee shall take measures for the protection of environment like planting of trees, reclamation of land, use of pollution control devices, and such other measures as may be prescribed by the Central or State Government, from time to time at his own expense.

11D. The lessee shall pay compensation to the occupier of the land on the date and in the manner laid down in these rules.

11E. The lessee shall, in the matter of employment, give preference to the tribals, and to the persons who become; displaced-because of the taking up of mining operations.]

Act 67 of 1957:-

12. The lessee/lessees shall be bound by such rules as may be issued from time to time by the Government of India under section 18 of the Mines and Minerals (Regulation and Development) Act, 1957 (Act 67 of 1957) and shall not carry on mining or other operations under the said lease in any way other than as prescribed under these rules.

To provide weighing machine:-

13. Unless specifically exempted by the State Government the lessee/lessees shall provide and at all times keep at or near the pit head or each of the pit heads at which the said minerals shall be brought to bank a properly constructed and efficient weighing machine and shall weigh or cause to be weighed thereon all the said minerals, from time to time, brought to bank, sold, exported and converted and also the converted products and shall at the close of each day cause the total weights, ascertained by such means of the said minerals, ores products raised, sold, exported and converted during the previous twenty-four hours to be entered in the aforesaid books of accounts. The lessee/lessees shall permit the State Government at all times during the said term to employ any person or persons to be present at the weighing of the said minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the lessee/lessees. The lessee/lessees shall give..... days previous notice, in writing to the Deputy Commissioner/Collector of every such measuring or weighing in order that he or some officer on his behalf may be present thereat.

To allow test of weighing machine:-

14. The lessee/lessees shall allow any person or persons appointed in that behalf by the State Government at any time or times during the said term to examine and test every weighing machine to be provided and kept as aforesaid and the weights used therewith in order to ascertain whether the same respectively are correct and in good repair and order and if upon any such examination or testing any such weighing machine or weights shall be found incorrect or out of repair or order the State Government may require that the same be adjusted, repaired



and put in order by and the expense of the lessee/lessees and if such requisition be not complied with within fourteen days after the same shall have been made, the State Government may cause such weighing machine or weights to be adjusted, repaired, and put in or order and the expense of so doing shall be paid by the lessee/lessees to the State Government on demand and if upon any such examination or testing as aforesaid any error shall be discovered in any weighing machine or weights to the prejudice of the State Government such error shall be regarded as having existed for three calendar months, previous to the discovery thereof or from the last occasion of so examining and testing the same weighing machine and weights in case such occasion, shall be within such period of three months and the said rent and royalty shall be paid and accounted for accordingly.

To pay compensation for injury of third parties:-

15. The lessee/lessees shall make and pay reasonable satisfaction and compensation for all damage, injury or disturbance or person or property which may be done by or on the part of lessee/lessees in exercise of the liberties and power granted by these presents and shall at all times save harmless and keep indemnified the State Government from and against all suits, claims and demands which may be brought or made by any person or persons in respect of any such damage, injury or disturbance.

Not to obstruct working of other minerals:-

16. The lessee/lessees will exercise the liberties and powers hereby granted in such a manner as to offer no unnecessary or reasonably avoidable obstruction or interruption to the development and working within the said lands of any minerals not included in this lease and shall at all times afford to the Central and State Government and to the holders of prospecting licences or mining leases in respect of any such minerals or any minerals within any land adjacent to the said lands as the case may be reasonable means of access and safe and convenient passage upon and across the said lands to such minerals for the purpose of getting working, developing and carrying away the same provided that the lessee/lessees shall receive reasonable compensation for any damage or injury which he/they may sustain by reason or in consequence of the use of such passage by such lessees or holders of prospecting licences.

Transfer of lease:-

17. (1) The lessee/lessees shall not, without the previous consent in writing of the State Government, [Omitted]

(a) assign, sublet, mortgage, or in any other manner, transfer the mining lease, or any right, title or interest therein, or



(b) enter into or make any arrangement, contract or understanding whereby the lessee/lessees will or may be directly or indirectly financed to a substantial extent by, or under which the lessee's operations or undertakings will or may be substantially controlled by, any person or body of persons other than the lessee/lessees:

Provided that the State Government shall not give its written consent unless-

(a) the lessee has furnished an affidavit along with his application for transfer of the mining lease specifying therein the amount that he has already taken or proposes to take as consideration from the transferee;

(b) the transfer of the mining lease is to be made to a person or body directly undertaking mining operations.

(2) Without prejudice to the above provisions the lessee/lessees may, subject to the conditions specified in the proviso to Rule 35 of said Rules, transfer this lease or any right, title or interest therein, to a person who has filed an affidavit stating that he has filed up-to-date income tax returns, paid income tax assessed on him and paid the income tax on the basis of self-assessment as provided in the Income-Tax Act, 1961 (43 of 1961), on payment of five hundred rupees to the State Government:

Provided that the lessee/lessees shall make available to the transferee the original or certified copies of all plans of abandoned workings in the area and in a belt 65 metres wide surrounding it.

Provided further that where the mortgagee is an Institution or a Bank or a Corporation specified in Schedule V, it shall not be necessary for any such Institution or Bank or Corporation to meet with the requirement relating to income tax and the said valid clearance certificate.

(3) The State Government, may by order in writing, determine the lease at an time if the lessee/lessees has/have in the opinion of the State Government, committed a breach of any of the above provisions or has/have transferred the lease or any right, title or interest therein otherwise than in accordance with clause (2):

Provided that no such order shall be made without giving the lessee/lessees a reasonable opportunity of stating his/their case.

Not to be financed or controlled by a Trust, Corporation, Firm or person:-

18. The lease shall not be controlled and the lessee/lessees shall not allow themselves to be controlled by any Trust, Syndicate, Corporation, Firm or person except with the written consent of the Central Government. The lessee/lessees shall not enter into or make any arrangement



compact or understanding whereby the lessee/lessees will or may be directly or indirectly financed by or under which the lessee's/lessees' operations or undertakings will or may be carried on directly or indirectly by or for the benefit of or subject to the control of any Trust, Syndicate, Corporation, Firm or person unless with the written sanction given prior to such arrangement compact or understanding being entered into or made of the Central Government and any or every such arrangement compact or understanding as aforesaid (entered into or made with such sanction as aforesaid) shall only be entered into or made and shall always be subject to an express condition binding upon the other party or parties thereto that on the occasion of a state of emergency of which the President of India in his discretion shall be the sole judge it shall be terminable if so required in writing by, the State Government and shall in the event of any such requisition being made be forthwith, thereafter determined by the lessee/lessees accordingly.

Lessee shall deposit any additional amount necessary:-

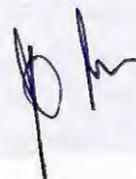
19. Whenever the security deposit of Rs.2,000/1,000 or any part thereof or any further sum hereafter deposited with the State Government in replenishment thereof shall be forfeited or applied by the Central or State Government pursuant to the power in hereinafter declared in that behalf the lessee/lessees shall deposit with the State Government such further sum as may be sufficient with the unappropriated part thereof to bring the amount in deposit with the State Government up to the sum of Rs. 1,000/500.

Delivery of workings in good order to State Governments after determination of lease: -

20. The lessee/lessees shall at the expiration or sooner determination of the said term or any renewal thereof deliver up to the State Government all mines, pits, shafts, inclines, drifts, levels, waterways, airways and other works now existing or hereafter to be sunk or made on or under the said lands except such as have been abandoned with the sanction of the State Government and in any ordinary and fair course of working all engines, machinery, plant, buildings, structures, other works and conveniences which at the commencement of the said term were upon or under the said lands and all such machinery set up by the lessee/lessees below ground which cannot be removed without causing injury to the mines or works under the said lands (except such of the same as may with the sanction of the State Government have become disused) and all buildings and structures of bricks or stone erected by the lessee/lessees above ground level in good repair order and condition and fit in all respects for further working of the said mines and the said minerals.

Right of pre-emption:-

21 (a) The State Government shall from time to time and all times during the said term have the right (to be exercised by notice in writing to the lessee/lessees) of pre-emption of the said

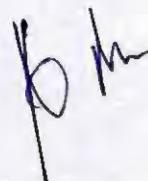


minerals (and all products thereof) lying in or upon the said lands hereby demised or elsewhere under the control of the lessee/lessees and the lessee/lessees shall with all possible expedition deliver all minerals or products or minerals purchased by the State Government under the power conferred by this provision in the quantities at the times in manner and at the place specified in the notice exercising the said right.

(b) Should the right of pre-emption conferred by this present provision be exercised and a vessel chartered to carry the minerals or products thereof procured on behalf of the State Government or the Central Government be detained on demurrage at the port of loading the lessee/lessees shall pay the amount due for demurrage according to the terms (The charter party of such vessel unless the State Government shall be satisfied that the delay is due to causes beyond the control of the lessee/lessees.

(c) The price to be paid for all minerals or products of minerals taken in pre-emption by the State Government in exercise of the right hereby conferred shall be the fair market price prevailing at the time of pre-emption PROVIDED THAT in order to assist in arriving at the said fair market price the lessee/lessees shall if so required furnish to the State Government for the confidential information of the Government, particulars of the quantities descriptions and prices of the said minerals or products thereof sold to other customers and of charters entered into for freight for carriage of the same and shall produce to such officer or officers as may be directed by the State Government original or authenticated copies of contracts and charter parties entered into for the sale or freightage of such minerals or products.

(d) In the event of the existence of a state of war or emergency (of which existence and President of India shall be the sole judge and a notification to this effect in the Gazette of India shall be conclusive proof), the State Government with the consent of the Central Government shall from time to time and all times during the said term have the right (to be exercised by a notice in writing to the lessee/lessees forthwith take possession and control of the works, plant, machinery and premises of the lessee/lessees on or in connection with the said lands or operations under this lease and during such possession or control the lessee/lessees shall conform to and obey all directions given by or on behalf of the Central Government or State Government regarding the use or employment of such works, plants, premises and minerals: PROVIDED THAT fair compensation which shall be determined in default of agreement by the State Government shall be paid to the, lessee/lessees for all loss or damage sustained by him/them by reason or in consequence of the exercise of the powers conferred by this clause and PROVIDED ALSO that the exercise of such powers shall not determine the said term hereby granted or affect the terms and provisions of these presents further than may be necessary to give effect to the provisions of this clause.



Employment of foreign national:-

22. The lessee/lessees shall not employ, in connection with the mining operations any person who is not an Indian national except with the previous approval of the Central Government.

Recovery of expenses incurred by the State Government:-

23. If any of the works or matters which in accordance with the covenants in that behalf hereinbefore contained are to be carried or performed by the lessee/lessees be not so carried out or performed with in the time specified in that behalf, the State Government may cause the same to be carried out or performed and the lessee/lessees shall pay the State Government on demand all expenses which shall be incurred in such carrying out or performance of the same and the decision of the State Government as to such expenses shall be final.

Furnishing of geophysical data:-

24. The lessee/lessees shall furnish:

(a) all geophysical data relating to mining fields, or engineering and ground water surveys, such as anomaly maps, sections, plans, structures, contour maps, logging, collected by him/them during the course of mining operations to the Director-General, Geological Survey of India, Calcutta,

(b) all information pertaining to investigations of radioactive minerals collected by him/them during course of mining operations to the Secretary, Department of Atomic Energy, New Delhi.

Data or information referred to above shall be furnished every year reckoned from the date of commencement of the period of the mining lease.

PART VII

The Covenants of the State Government

Lessee/lessees may hold and enjoy rights quietly:-

1. The lessee/lessees paying the rents, water rate and royalties hereby reserved and observing and performing all the covenants and agreements herein contained and on the part of the lessee/lessees to be observed and performed shall and may quietly hold and enjoy the rights and premises hereby demised for and during the term hereby granted without any unlawful interruption from or by the State Government, or any person rightfully claiming under it.

Acquisition of land of third parties and compensation thereof:-

2. If in accordance with the provision of clause 4 of Part VII of this Schedule the lessee/ lessees shall offer to pay to an occupier of the surface of any part of the said lands compensation for any damage or injury which may arise from the proposed operations of the lessee/lessees and

the said occupier shall refuse his consent to the exercise of the right and powers reserved to the State Government and demised to the lessee/lessees by these presents and the lessee/lessees shall report the matter to the State Government and shall deposit with it the amount offered as compensation and if the Central/State Government is satisfied that the amount of compensation offered is fair and reasonable or if it is not so satisfied and the lessee/lessees shall have deposited with it such further amount as the State and Central Government shall consider fair and reasonable the State Government shall order the occupier to allow the lessee/lessees to enter the land and to carry out such operations as may be necessary for the purpose of this lease. In assessing the amount of such compensation the State Government shall be guided by the principles of the Land Acquisition Act.

To renew:-

3. The mining lease is renewable in terms of the provisions of the Act and the rules made thereunder.

Provided that the State Government may for reasons to be recorded in writing reduce the area applied for.

If the lease is in respect of minerals specified in the First Schedule to the Act, renewal will be subject to the prior approval of the Central Government.

If the lessee/lessees be desirous of taking a renewed lease of the premises hereby demised or of any parts of them for a further term from the expiration of the term hereby granted and is otherwise eligible, he/they shall prior to expiration of the last mentioned term give to the State Government twelve calendar months previous notice in writing and shall pay the rent, rates and royalties hereby reserved and shall observe and perform the several covenants and agreements herein contained and on the part of the lessee/lessees to be observed and performed up to the expiration of the term hereby granted. The State Government on receipt of application for renewal, shall consider it in accordance with the provisions of the Act and the rules made thereunder and shall pass orders as it deems fit. If renewal is granted, the State Government will at the expense of the lessee/lessees and upon his executing and delivering to the State Government if required a counterpart thereof execute and deliver to the lessee/lessees a renewed lease of the said premises or part thereof for the further term of **THIRTY** years at such rents, rates and royalties and on such terms and subject to such rents, rates and royalties and on such terms and subject to such covenants and agreements, including this present covenant to renew as shall be in accordance with the Mineral Concession Rules, 1960, applicable to **LIGNITE** (name of minerals) on the day next following the expiration of the term hereby granted.

Liberty to determine the lease:-



4. The lessee/lessees may at any time determine this lease by giving not less than 12 calendar months notice in writing to the State Government or to such officer, or authority as the State Government may specify in this behalf and upon the expiration of such notice provided that the lessee/lessees shall upon such expiration render and pay all rents, water rates, royalties, compensation for damages and other moneys which may then be due and payable under these presents to the lessor or any other person or persons and shall deliver these presents to the State Government then this lease and the said term and the liberties, powers and privileges hereby granted shall absolutely cease and determine but without prejudice to any right or remedy of the lessor in respect of any breach of any of the covenants or agreements contained in these presents.

4A. The State Government may on an application made by the lessee permit him to surrender one or more minerals from his lease which is for a group of minerals on the ground that deposits of that mineral have since exhausted or depleted to such an extent that it is no longer possible to work the mineral economically, subject to the condition that the lessee-

(a) Makes an application for such surrender of mineral at least six months before the intended date of surrender; and

(b) Gives an undertaking that he will not cause any hindrance in the working of the mineral so surrendered by any other person who is subsequently granted a mining lease for that mineral.

Refund of security deposits:-

5. On such date as the State Government may elect within 12 calendar months after the determination of this lease or of any renewal thereof, the amount of the security deposit paid in respect of this lease and then remaining in deposit with the State Government and not required to be applied to any of the purposes mentioned in this lease shall be refunded to the lessee/lessees. No interest shall run on the security deposit.

PART IX

General Provisions

Obstructions to inspection :-

1. In case the lessee/lessees or his/their transferee/assignee does/do not allow entry or inspection by the officers authorised by the Central or State Government under clauses (i), (j) or (l) of sub-rule (1) of rule 27 of said Rules, the State Government shall give notice in writing to the lessee/lessees requiring him/them to show cause within such time as may be specified in the notice why the lease should not be determined and his/their security deposit forfeited; and if the lessee/lessees fails/fail to show cause within the aforesaid time to the satisfaction of the



State Government, the State Government may determine the lease and forfeit the whole or part of the security deposit.

Penalty in case of default in payment of royalty and breach of covenants:-

2. If the lessee/lessees or his their transferee or assignee makes/make any default in payment of rent or water rate or royalty as required by section 9 of the Act or commits a breach of any of the conditions and covenants other than those referred to in covenant 1 above, the State Government shall give notice to the lessee/lessees requiring him/them to pay the rent, water rate, royalty or remedy the breach, as the case may be, within sixty days from the date of receipt of the notice and if the rent, water rate and royalty are not paid or the breach is not remedied within such period, the State Government without prejudice to any proceedings that may be taken against him/them, determine the lease and forfeit the whole or part of the security deposit.

Penalty for repeated breaches of covenants:-

3. In case of repeated breaches of covenants and agreements by the lessee/lessees for which notice has been given by the State Government in accordance with clauses (1) and (2) aforementioned on earlier occasion, the State Government without giving any further notice, may impose such penalty not exceeding twice the amount of annual dead rent specified in clause 2, Part V.

Failure to fulfil the terms of leases due to "Force Majeure":-

4. Failure on the part of the lessee/lessees to fulfil any of the terms and conditions of this lease shall not give the Central or State Government any claim against the lessee/lessees or be deemed a breach of this lease, in so far as such failure is considered by the said Government to arise from force majeure, and if through force majeure the fulfilment by the lessee/lessees of any of the terms and conditions of this lease be delayed, the period of such delay shall be added to the period fixed by this lease. In this clause the expression "Force Majeure" means act of God, war, insurrection, riot, civil commotion, strike, earth quake, tide, storm, tidal wave, flood, lightning, explosion, fire, earthquake and any other happening which the lessee/lessees could not reasonably prevent or control.

Lessee/lessees to remove his/their properties on the expiry of lease:-

5. The lessee/lessees having first paid discharged rents, rates and royalties payable by virtue of these presents may at the expiration or sooner determination of the said term or within six calendar months thereafter (unless the lease shall be determined under clauses 1 and 2 of this Part and in that case at any time not less than three calendar months nor more than six



calendar months after such determination) take down and remove for his/their own benefit all or any [ore mineral excavated during the currency of lease] engines, machinery, plant, buildings structures, tramways, railways and other works, erections and conveniences which may have been erected, set up or placed by the lessee/lessees in or upon the said lands and which the lessee/lessees is/are not bound to deliver to the State Government under clause 20 of Part VII of this Schedule and which the State Government shall not desire to purchase.

Forfeiture of property left more than six months after determination of lease: -

6. If at the end of six calendar months after the expiration or sooner determination of the said term under the provision contained in clause 4 of Part VIII of this Schedule become effective there shall remain in or upon the said land any [ore or mineral] engines, machinery, plant, buildings structures, tramways, railways and other work, erections and conveniences or other property which are not required by the lessee/lessees in connection with operations in any other lands held by him/them under prospecting licence or mining lease the same shall if not removed by the lessee/lessees within one calendar month after notice in writing requiring their removal has been given to lessee/lessees by the State, Government be deemed to become the property of the State Government and may be sold or disposed of in such manner as the State Government shall deem fit without liability to pay any compensation or to account to the lessee/lessees in respect thereof.

Notices. -

7. Every notice by these presents required to be given to the lessee/lessees shall be given in writing to such person resident on the said lands as the lessee/lessees may appoint for the purpose of receiving such notices and if there shall have been no such appointment then every such notice shall be sent to the lessee/lessees by registered post addressed to the lessee/lessees at the address recorded in this lease or at such other address in India as the lessee/lessees may from time to time in writing to the, State Government designate for the receipt of notices and every such service shall be deemed to be proper and valid service upon the lessee/lessees and shall not be questioned or challenged by him/them.

Immunity of State Government from liability to pay compensation:-

8. If in any event the orders of the State Government are revised, reviewed or canceled by the Central Government in pursuance of proceedings under Chapter VII of the Mineral Concession Rules, 1960, the lessee/lessees shall not be entitled to compensation for any loss sustained by the lessee/lessees in exercise of the powers and privileges conferred upon him/them by these presents.



8A. The lease is executed at **SURAT** the capital town of the State of **GUJARAT** (name of the State) and subject to the provision of Article 226 of the Constitution of India, it is hereby agreed upon by the lessee and the lessor that in the event of any dispute in relation to the area and lease, condition of lease, the dues realisable under the lease and in respect of all matters touching the relationship of the lessee and the lessor, the suits (or appeals) shall be filed in the, civil courts at (name of the city) and it is hereby expressly agreed that neither party shall be competent to file a suit or bring any action or file any petition at any place other than the courts named above.)

9. For the purpose of stamp duty the anticipated royalty from the demised land is
Rs 200 Lakh per year

IN WITNESS WHEREOF these presents have been executed in the manner hereunder appearing the day and year first above written.

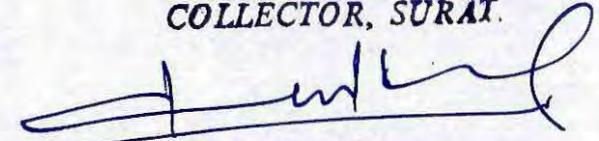
Signed by

for and on behalf of the Governor of Gujarat


COLLECTOR, SURAT.

in the presence of :

1) K. M. Patel.


Geologist, Surat.

2) J. N. Jadhav.

J. N. Jadhav.

On behalf of **GUJARAT INDUSTRIES POWER CO. LTD.**


N. A. Mahesh
Sr. Manager (mines)

GUJARAT INDUSTRIES POWER COMPANY LIMITED

For and on behalf of (name of lessee/lessees): **GUJARAT INDUSTRIES POWER COMPANY LIMITED**

In presence of:

1) Shri. S. L. Bose
General Manager, G.I.P.C.L.,
Nami-Naroli - Dist. SURAT.



2) K. Tamra
Manager, G.I.P.C.L., Nami-Naroli
Dist. SURAT.

