

Government of Maharashtra

MMN-0719/C.R.42(Part-8)/IND-9.
Industries, Energy and Labour
Department, Mantralaya,
Mumbai 400 032.
Date: 13.09.2019

To,
✓ M/s Sunflag Iron & Steel Company Ltd.,
33, Mount Road Sadar,
Nagpur

Sub: Letter of intent with reference to e-auction dated 09 May, 2019 for grant of a mining lease for **Loharadongri Iron Ore Block for Iron Ore** in **Loharadongri Village, Bramhpuri Taluka, Chandrapur** District of Maharashtra on **35.73 Hectare Area**.

Ref: The latter dated on 11.09.2019 has been revoked and following revised compliance should be followed.

1. Background:

- 1.1. The Directorate of Geology and Mining (DGM), Government of Maharashtra, pursuant to the Mines and Minerals (Development and Regulation) Act, 1957 (the "Act") and the Mineral (Auction) Rules, 2015 (the "Auction Rules"), issued the notice inviting tender dated, 01 February, 2019 to commence the auction process for grant of mining lease for **Loharadongri Iron Ore Block** located in **Chandrapur District of Maharashtra**. The e-auction process was conducted in accordance with the tender document for the said mineral block and **M/s Sunflag Iron & Steel Company Limited** was declared as the 'Preferred Bidder' under Rule 9 (4) (b) (iii) of the Auction Rules.
- 1.2. As required under Rule 10 (1) of the Auction Rules and the tender document for the said mineral block, **M/s Sunflag Iron & Steel Company Limited** has made payment of the first instalment, being ten per cent of the upfront payment of Rs.21,45,753 (Rupees Twenty One Lakh Forty Five Thousand Seven Hundred and Fifty Three) through GRAS System dated 27.05.2019, which was received on 28.05.2019.

2. Grant of Letter of Intent

- 2.1. Accordingly, pursuant to Rule 10 (2) of the Mineral (Auction) Rules 2015, the Government of Maharashtra is issuing this letter of intent for grant of Mining

Lease for Loharadongri Iron Ore Block for Iron Ore in Loharadongri Village, Bramhpuri Taluka Chandrapur District on 35.73 Hectare Area to M/s Sunflag Iron & Steel Company Limited for a period of 50 years.

3. Conditions

- 3.1. This letter of intent and the subsequent grant of aforementioned mining lease shall be subject to the provisions of the Act and the rules made thereunder, as amended from time to time, and M/s Sunflag Iron & Steel Company Limited shall be designated as the 'successful bidder' and subsequently granted the mining lease only upon satisfactory completion of all the requirements under the Act and the rules made thereunder.
- 3.2. This Letter of Intent shall be valid only if M/s Sunflag Iron & Steel Company Limited ensures that the Bid Security is valid until the Performance Security is furnished to the Government of Maharashtra, failing which this Letter of Intent shall become invalid from the date of expiry of the Bid Security.
- 3.3. For reference, the requirements under the Auction Rules for designation M/s Sunflag Iron & Steel Company Limited as the 'successful bidder' and subsequent grant of the mining lease are reiterated below. It is clarified that the requirements mentioned below are only for reference and in the event of any change in the Act or the rules made thereunder, the requirements under the modified Act or the rules made thereunder, as the case may be, shall be applicable.

(a) Designation as the "Successful Bidder":

M/s Sunflag Iron & Steel Company Limited shall be considered to be the 'successful bidder' upon: (rule 10 (3) of Mineral (Auction) Rule, 2015)

- (i) continuing to be in compliance with all the terms and conditions of eligibility;
- (ii) payment of the second installment being ten per cent. of the upfront payment;
- (iii) furnishing performance security;
- (iv) satisfying the conditions specified in clause (b) of sub-section (2) of section 5 of the Act with respect to a mining plan;

(b) Signing of the Mine Development and Production Agreement

M/s Sunflag Iron & Steel Company Limited shall sign the Mine Development and Production Agreement with the Government of

Maharashtra upon obtaining all consents, approvals, permits, no-objections and the like as may be required under applicable laws for commencement of mining operations.

(c) Grant of mining lease

Subsequent to signing of the Mine Development and Production Agreement, M/s Sunflag Iron & Steel Company Limited shall make payment of the third installment being eighty per cent of the upfront payment and thereafter the Government of Maharashtra shall grant the aforementioned mining lease.

4. **Validity**

- 4.1. This letter of intent is valid for a period of 3 (Three) years from the date of its issuance, within which time all the above conditions must be fulfilled and the Mining Lease deed must be executed between M/s Sunflag Iron & Steel Company Limited and the Government of Maharashtra.

In case the Preferred Bidder is unable to fulfill all or any of the above conditions, then it may submit an application to the Government of Maharashtra, requesting for further extension and if the Government is satisfied that a longer period is required to enable the Preferred Bidder to satisfy all or any of the above conditions, it may extend the validity of this letter of intent for such period or periods as it may deem fit.

Kindly return the duplicate copy of this Letter of Intent duly signed by authorized signatory of the Company and furnish a suitable Board Resolution in token of having accepted the above terms and conditions. The accepted copy of Letter of Intent along with Board resolution should be submitted latest by 27.09.2019.



(Sanjay Ingle)

Deputy Secretary to
Government of Maharashtra.

Copy to:

1. Director, Directorate of Geology and Mining Nagpur.
2. Collector, collectorate Chandrapur.
3. Deputy Director, Directorate of Geology and Mining, regional office Chandrapur.
4. District Mining Officer, Chandrapur
5. Select File (Ind-9).