

URGENT
By E-mail

Government of Odisha
Steel & Mines Department

No 8719 /SM, Bhubaneswar, Dated the 28.10.2021
IV(B)SM-50/2021

From

Sri A. K. Pattanaik,
Additional Secretary to Government.

To,

Rungta Mines Ltd.,
At/Po.- Chaibasa,
West Singhbhum, Jharkhand,
Email- rmlbd@rungtamines.com

Sub: Letter of intent with reference to e-auction dated 26.09.2021 for grant of a mining lease for Chandiposhi Block for Iron Ore located 8 Km from Koira village, Koira tahasil, Sundergarh district on 131.580 Hectare Area.

Background:

- 1.1 Government of Odisha, pursuant to the Mines and Minerals (Development and Regulation) Act, 1957 (the "**Act**") and the Mineral (Auction) Rules, 2015 as amended from time to time (the "**Auction Rules**"), issued the notice inviting tender dated 07.07.2021 to commence the auction process for grant of mining lease for Chandiposhi Iron Ore Block located in Sundergarh dist of Odisha. The e-auction process was conducted in accordance with the tender document for the said mineral block and Rungta Mines Ltd. was declared as the 'Preferred Bidder' under Rule 9(9)(iii) or Rule 10 (1A) of Auction Rules, having quoted a Final Price Offer of 113.10%.
- 1.2 As required under Rule 10(1) of the Auction Rules and the tender document for the said mineral block, Rungta Mines Ltd. has made payment of the first instalment, being 20% (twenty percent) of the upfront payment of Rs. 12,90,68,460/- (Twelve Crore Ninety Lakh Sixty Eight Thousand Four Hundred Sixty) only through Treasury Challan vide e-challan no. 0853/1870 dated 08.10.2021 at Cyber Treasury, Dist- Sundergarh.

1. Grant of Letter of Intent

- 1.1. Accordingly, pursuant to Rule 10(2) of the Auction Rules and the terms of the Tender Document, the Government of Odisha is pleased to issue this letter of intent for grant of Mining Lease for



Chandiposhi Block for Iron Ore Ore located 8 Km from Koira village, Koira tahasil, Sundergarh district on 131.580 Hectare Area to Rungta Mines Ltd. for a period of 50 (fifty) years.

2. Conditions

- 2.1. 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 the Rungta Mines Ltd. shall be designated as the 'successful bidder' and subsequently granted the mining lease only upon satisfactory completion of all the requirements under the Acts and Rules made thereunder.

The State Government may impose such other conditions in the Mine Development and Production Agreement (MDPA) and/or Mining Lease as may be considered by the State Government to be in the interest of mineral development and in public interest.

Rungta Mines Ltd. shall be bound by (i) the enactment, bringing into effect, adoption, promulgation, amendment, modification or repeal of any Applicable Laws (including the Act and Rules) occurring at any time, including prior to or after the Bid Due Date; (ii) any amendments made by the State Government to this effect in the Tender Document, the letter of intent, the MDPA and/or the mining lease deed at any time, including prior to or after the Bid Due Date.

- 2.2. For reference, the requirements under the Auction Rules for designation of Rungta Mines Ltd. 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":

Rungta Mines Ltd. shall be considered to be the "successful bidder" upon:

- (i) continuing to be in compliance with all the terms and conditions of eligibility;
- (ii) payment of the second instalment being 20% (twenty per cent.) of the upfront payment;
- (iii) furnishing an irrevocable and unconditional performance security to the State Government from an Acceptable Bank and payable at Bhubaneswar, Odisha, pursuant to the Auction Rules;
- (iv) satisfying the conditions specified in clause (b) of sub-section (2) of Section 5 of the Act with respect



to a mining plan; and

(b) Signing of the Mine Development and Production Agreement

Rungta Mines Ltd. shall sign the Mine Development and Production Agreement with the Government of Odisha 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, Rungta Mines Ltd. shall make payment of the third instalment being 60% (sixty per cent) of the upfront payment and thereafter the Government of Odisha shall grant the aforementioned mining lease.

3. Validity

3.1. This Letter of Intent shall be valid only if Rungta Mines Ltd. ensures that the Bid Security is valid until the Performance Security is furnished to the Government of Odisha.

3.2. 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 the Rungta Mines Ltd. and the Government of Odisha. In case there is a delay in execution of Mining Lease Deed due to reasons beyond the control of the Preferred Bidder, then it may submit an application to Government of Odisha, requesting for further extension.

3.3. If the Government of Odisha is satisfied that there is a delay in execution of Mining Lease Deed due to reasons beyond the control of the Preferred Bidder and 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 the Government of Odisha may specify. Provided that: (a) this letter of intent shall be extended for a maximum period of 2 (two) years; and (b) the total period for which this letter of intent would remain valid must not exceed 5 (five) years from the date of issuance.

3.4. The holder of the Letter of Intent shall comply with the terms and conditions of this Letter of Intent, including executing the Mining Lease within the period referred to in Sub-rule 6 of Rule 10 of the Auction Rules, failing which:


(a) this Letter of Intent shall be revoked; and



- (b) the Bid Security or the Performance Security, as the case may be, and any instalment of Upfront Payment paid, shall be forfeited and appropriated in full by the State Government.

Rungta Mines Ltd. shall furnish acceptance of the terms and conditions of Letter of Intent within 15 (fifteen) days from date of issue of this letter.

Yours faithfully,


Additional Secretary to Government

Memo No. 8720 /SM, dated

28.10.2021


Copy forwarded to Director of Mines, Odisha with reference to his letter no. 7954/DM dated 21.10.2021 for kind information and necessary action.


Additional Secretary to Government

Memo No. 8721 /SM, dated

28.10.2021

Copy forwarded to the Collector, Sundergarh/ DDM, Koira for kind information and necessary action.


Additional Secretary to Government