

Urgent
by e-mail/Fax

Government of Odisha
Steel & Mines Department

No. *367/M* /SSM, Bhubaneswar dated the *18th Mar' 2020*
IV (Misc.) SSM-66/2014 (P-I)

From

Smt. Manjulata Swain, OAS
Joint Secretary to Government

To

M/s Patnaik Minerals (P) Ltd.
Bantikela, Joda, Keonjhar-758038
E-mail-*mpleauction@gmail.com*

Subj:-

Letter of Intent with reference to e-auction dt.08.02.2020 for grant of a mining lease for Mahulsukha Block for Iron Ore & Manganese in villages Randa, Rantha & Bhutuda under Tahasil- Lahunipada of Sundargarh district over 390.317 Hectare Area.

1. Background:

- 1.1. Government of Odisha, pursuant to the Mines and Minerals (Development & 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 06.12.2019 to commence the auction process for grant of mining lease for Mahulsukha Iron Ore & Manganese Block located in Sundargarh district of Odisha. The e-auction process was conducted in accordance with the tender document for the said mineral block. M/s Patnaik Minerals (P) Ltd. was declared as the 'Preferred Bidder' under Rule 9(9)(iii) of Mineral Auction Rules, having quoted a Final Price Offer of 92.70%.
- 1.2. As required under rule 10(1) of the Rules and the tender document for the said mineral block, M/s Patnaik Minerals (P) Ltd. has made payment of the first installment, being 10% (ten percent) of the upfront payment of Rs. 2,01,80,194/- (Rupees Two Crore One Lakh, Eighty Thousand One Hundred Ninety Four) in shape of Treasury Challan vide e-Challan

to
B. MOHAPATRA
GENERAL MANAGER (P & C)
M/S. PATNAIK MINERALS PVT. LTD.

No.10125 dtd.26/02/2020 at Cyber Treasury, Dist.- Sundergarh, which was received on dated. 26/02/2020.

2. Grant of Letter of Intent

2.1 Accordingly, pursuant to Rule 10(2) of the Auction Rules and the terms of the Tender documents, the Government of Odisha is issuing this Letter of Intent for grant of mining lease for Mahulsukha for Iron and Manganese Ore in villages- Randa, Rantha & Bhutuda of Sundergarh district over 390.317 Hectare Area to M/s. Patnaik Minerals Pvt. Ltd. for a period of 50 years.

3. Conditions:

3.1 This Letter of Intent and subsequent grant of aforementioned mining lease shall be subject to the provisions of the Act and the Rules made there under, as amended from time to time and M/s. Patnaik Minerals Pvt. 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 there under. 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

3.2 For reference, the requirements under the Rules for designation of M/s. Patnaik Minerals Pvt. Ltd. as the "Successful Bidder" and subsequent grant of 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 there under, the requirements under the modified Act or the Rules made there under, as the case may be, shall be applicable.

(a) Designation as the "Successful Bidder":

M/s. Patnaik Minerals Pvt. Ltd. shall be considered to be the "Successful Bidder" upon:

- (i) Continuing to be in compliance with all the Terms and Conditions of the eligibility;


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- (ii) Payment of the second installment being 10% (ten percent) 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. Patnaik Minerals Pvt. 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.

(i) The Preferred Bidder/ Successful Bidder shall not:

- (a) apply for environmental clearance for production of quantity of mineral which is less than the authorized annual quantity in the environmental clearance valid as on date of expiry of the immediately preceding mining lease of the said Mineral Block;
- (b) seek approval for a Mining Plan for production of quantity of mineral which is less than the authorized annual quantity in the mining plan valid as on date of expiry of the immediately preceding mining lease granted in respect of the said Mineral Block:

Provided that these requirements may be relaxed by the State Government if it is satisfied that the quantity of mineral to be applied for grant of the environmental clearance or the mining plan, as the case may be, is less than the authorized annual quantity as aforesaid, entirely for reasons beyond the control of the Preferred Bidder/ Successful Bidder.

- (ii) Subject to the terms and conditions of the Mining Plan and such other clearances as may be obtained by the lessee, the lessee shall be bound, during the first 2 (two) years of the


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Mining Lease, to produce at least 80% (eighty percent) of the average annual production of the mine computed on pro-rata basis for the last 2 (two) years of the immediately preceding mining lease of the said Mineral Block, and this will be incorporated in the MDPA as the Minimum Production Requirement:

Provided that this requirement may be relaxed by the State Government if it is satisfied that such relaxation is justified for the reasons entirely beyond the control of the lessee:

Provided further that, in case of failure to comply with this requirement, without prejudice to any other rights available to it under applicable laws and /or this MDPA, including recovery of such amount as applicable for failure to achieve the Minimum Production Requirement, the lessee may be debarred from participating in the future auction of mineral blocks conducted by the State Government for 3 (three) years from the date of such debarment.

(c) Grant of mining lease:

Subsequent to signing of the Mine Development and Production Agreement, M/s. Patnaik Minerals Pvt. Ltd. shall make payment of the third installment being 80% (eighty percent) of the upfront payment and thereafter the Government of Odisha shall grant the aforementioned mining lease.

4. Validity:

4.1 This Letter of Intent shall be valid only if M/s. Patnaik Minerals Pvt. Ltd. ensures that the Bid Security is valid until the Performance Security is furnished to the Government of Odisha.

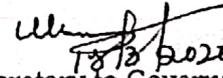
4.2 M/s. Patnaik Minerals Pvt. Ltd. shall fulfill all the above conditions and must execute the Mining Lease deed with the Government of Odisha at the earliest and in any case not later than such period as may be notified in the relevant laws in this regard. In case there is a delay in execution of

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B. MOHAPATRA Mining Lease Deed due to reasons beyond the control of the Preferred
GENERAL MANAGER (P. & C)
M/S. PATNAIK MINERALS PVT. LTD. Bidder, then it may submit an application to Government of Odisha as per

the applicable provisions of relevant laws in this regard, requesting for further extension. Such application will be dealt in accordance with the provisions of relevant laws.

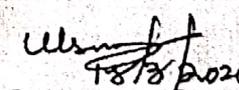
- 4.3 In case the Preferred Bidder/ Successful Bidder is not able to execute the mining lease deed within the period mentioned in Clause 4.2 above, the Bid Security or the Performance Security, as the case may be, and any installments of upfront payment paid shall be forfeited. Further, the Preferred Bidder/ Successful Bidder may be debarred from participating in the future auction of mineral blocks conducted by the State Government for 3 (three) years from the date of such debarment.
- 4.4 M/s. Patnaik Minerals Pvt. Ltd. shall furnish acceptance of the terms and conditions of Letter of Intent with Board Resolution within 15 (fifteen) days from the date of issue of this letter.
- 4.5 This Letter of Intent is subject to the result of the Writ Petition (Civil) No.25085 of 2019 (Er. Rainy Rose- Vrs.- Union of India and Others, pending before Hon'ble High Court of Orissa as ordered vide its Interim Order dtd.02/01/2020.

Yours faithfully


18/3/2020
Joint Secretary to Government

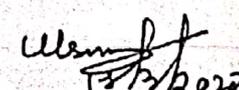
Memo No 3014 /S&M, Bhubaneswar dated the 18th Mar' 2020

Copy forwarded to the Director of Mines, Odisha, BBSR with reference to his letter No.1918/DM dtd.26/02/2020 and memo No.1653 dt.22.2.2020 for information and necessary action.


18/3/2020
Joint Secretary to Govt

Memo No 3015 /S&M, Bhubaneswar dated the 18th Mar' 2020

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


18/3/2020
Joint Secretary to Govt.


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