

GOVERNMENT OF ODISHA
DEPARTMENT OF STEEL & MINES

No. IV(MISC)SM 53/2017 5285 /SM, Dt. 24.6.2017

From,

Sri Biranchi Narayan Rath
Additional Secretary to Government

To

Bhushan Steel Limited,
Bhushan Centre Ground Floor
Hyat Regency Complex
BhikaJI Cama Place
New Delhi-110066

Sub: Letter of Intent with reference to e-auction dt.18.05.2017 for grant of a mining lease for Kalamang West(Northern part) Block for Iron ore in Kalamong village, Koira Taluka, Sundargarh district on 92.00 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 (the "Rules"), issued the notice inviting tender dated 7.03.2017 to commence the auction process for grant of mining lease for Kalamang West(Northern part) Iron ore Block located in Sundargarh district of Odisha. The e-auction process was conducted in accordance with the tender document for the said mineral block and Bhushan Steel Limited was declared as the 'Preferred Bidder' under Rule 9(4)(b)(iii) of the Rules.
- 1.2. As required under rule 10(1) of the Rules and the tender document for the said mineral block, Bhushan Steel Limited has made payment of the first Instalment, being ten per cent of the upfront payment of Rs 4,46,69,460/- (Rupees Four Crore, Forty Six Lakh Sixty Nine Thousand Four Hundred And Sixty) in shape of e-chalan through Treasury dated 1.06.2017 which was received on dated. 1.06.2017.

2. Grant of Letter of Intent

- 2.1 Accordingly, the Government of Odisha has been pleased to issue this Letter of Intent as per Rule 10(2) of the Rules for grant of mining lease for Kalamang West(Northern part) Block for Iron in Kalamang village, Koira Taluka,

Sundargarh district on 92.00 Hectare Area Bhushan Steel Limited for a period of 50 years.

3. Conditions:

- 3.1 This Letter of Intent and subsequent grant of aforesaid mining lease shall be subject to the provisions of the Act and the Rules made there under, as amended from time to time and Bhushan Steel Limited 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 there under.
- 3.2 This Letter of Intent shall be valid only if Bhushan Steel Limited ensures that the Bid Security is valid until the Performance Security is furnished to the Government of Odisha, 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 Rules for designation of Bhushan Steel Limited 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":

Bhushan Steel Limited shall be considered to be the "Successful Bidder" upon:

- (i) Continuing to be in compliance with all the Terms and Conditions of the eligibility;
- (ii) Payment of the second instalment being 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; and

(b) Signing of the Mine Development and Production Agreement:

Bhushan Steel Limited 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:

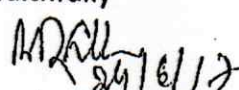
Subsequent to signing of the Mine Development and Production Agreement, Bhushan Steel Limited shall make payment of the third

instalment being 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 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 Bhushan Steel Limited and Government of Odisha. In case, the Preferred Bidder is unable to fulfill all or any of the above conditions, then it may submit an application to Government of Odisha requesting for further extension. Provided that the validity of this Letter of Intent shall be subject to Bhushan Steel Limited ensuring that the Bid Security remains valid until the Performance Security is furnished to the Government of Odisha, failing which the validity of this Letter of Intent shall expire from the date of expiry of the Bid Security.
- 4.2 If the Government of Odisha 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 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.
- 4.3 Bhushan Steel Limited 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.

Yours faithfully


Additional Secretary to Government

Memo No- 5286 Dated- 24.6.2017.

Copy forwarded to the Director. of Mines, Odisha, BBSR/ Collector, Sundargarh / DDM, Koira for information and necessary action.


Additional Secretary to Government

GOVERNMENT OF ODISHA
DEPARTMENT OF STEEL & MINES

No. IV(MISC)SM-53/2017 6287 /SM, Dt. 27.7.2017.

From,

Sri Biranchi Narayan Rath
Additional Secretary to Government

To

Bhushan Steel Limited,
Bhushan Centre Ground Floor
Hyat Regency Complex
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New Delhi-110066

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X Sub: Corrigendum regarding actual area to be 92.875 Hects. Instead of 92.00Hects.

Sir,

Inviting reference to this Department letter No-5285/SM,Dated-24.6.2017 on the subject mentioned above, it is stated here that the area mentioned in para-2 of the Letter of Intent issued vide the aforesaid letter under reference for grant of mining lease for Kalamang West(Northern part) Block for Iron ore in Kalamang village, Koira Taluka, Sundargarh district may be read as **92.875 Hectare** instead of 92.00 Hectare.

It is, therefore, requested to take further action accordingly.

Yours faithfully


Additional Secretary to Government

Memo No-

6288

Dated-

27.7.2017

Copy forwarded to the Director of Mines, Odisha, BBSR/ Collector, Sundargarh / DDM, Koira for information and necessary action with reference to this Department Memo No-5286/SM, dated-24.6.2017.


Additional Secretary to Government