

**Mines and Geology Department,
Haryana**

Speed Post

From

The Director General,
Mines and Geology, Haryana,
1st Floor, 30-Bays Building, Sector-17, Chandigarh-160 017

To

M/s ASD-RKC J.V.,
40 Laxmi Nagar, Near Sub City Centre,
Hiran Magari, Sector No. - 8, Udaipur - 313 002 (Rajasthan)

Memo No. DMG/HY/ML/Kheribattar-2/2015/8562
Dated Chandigarh, the 21.10.2015

Subject: **Acceptance of the highest bid in respect of minor mineral mine of "Stone alongwith Associated minor minerals" of "Kheribattar-2" having tentative area of 42.01 hectares in Tehsil Dadri, district Bhiwani, offered in e-Auction held on 07.10.2015 & 08.10.2015 and issuance of Letter of Intent (LoI) - regarding.**

You participated in the in the e-Auction held on 07.10.2015 & 08.10.2015 on the State Government web portal <https://haryanaeprocurement.gov.in> after accepting the terms and conditions of the auction notice No. DMG/HY/e-Auction/MGR/Bhi/2015/7879 dated 04.09.2015 in order to obtain mining lease of minor mineral mine in village "Kheribattar", District Bhiwani. You offered the highest bid of Rs. 41,05,00,000/- [Rupees Forty One Crores Five Lacs only] per annum, against the Reserve Price of Rs. 36,87,00,000/- per annum, for obtaining the Mining Lease of Minor Mineral mine namely "Kheribattar Plot No.-2" for extraction of "Stone alongwith Associated minor minerals" having tentative area of 42.01 hectares falling in khasra no. 139, 140, 141min.

2. You are hereby informed that the State Government has accepted the highest bid of Rs. 41,05,00,000/- [Rupees Forty One Crores Five Lacs only] per annum, offered by you in respect of the above said minor mineral mine of "Kheribattar Plot No.-2" under the provisions of the Haryana Minor Mineral Concession, Stocking, Transportation of Minerals & Prevention of Illegal Mining Rules-2012 (State Rules). Accordingly, you have become the successful bidder in respect of "Kheribattar Plot No. 2" mine of the district Bhiwani.

3. The State Government having accepted the aforementioned highest bid offered by you, the Department is pleased to issue this Letter of Intent (LoI) in your favour being

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successful bidder in respect of the Mine/area namely "Kheribattar Plot No. 2" of "Stone along with Associated Minor Minerals" subject to the following terms and conditions:-

- (i) The period of lease shall be **12 years** and the same shall commence with effect from the date of grant of environmental clearance by competent authority as required under EIA notification dated 14.09.2006 and as amended from time to time by the MoEF, GoI or on expiry of a period of 12 months from the date of this communication of acceptance of highest bid/ issuance of "**Letter of Intent**", whichever is earlier;
- (ii) You may note that the area of the mining lease is tentative and was notified on "as is where is basis" (**refer condition no. 4 of the notice**). In case of any inadvertent mistake, if any, the same would be rectified/ corrected before execution of the lease deed/agreement (**refer condition no. 3 of the notice**);
- (iii) No request regarding reduction in bid amount on account of reduction in land/area of the Mining lease, on any account including that of change in description of khasra numbers / location etc. at any stage will be entertained . This shall also include any loss/reduction of area for actual mining for want of compliance of applicable laws/restrictions for mining or part of the leased area had already been operated in the past. Needless to state that this also includes the changes, if any, as per condition no. (3) of auction notice;
- (iv) The amount of the highest bid i.e. Rs. 41,05,00,000/- [Rupees Forty One Crores Five Lacs only] per annum shall be the "Annual dead rent" payable by you in the manner prescribed in the lease deed/agreement to be executed on form ML-1 appended to the State Rules;
- (v) The above said annual dead rent shall be increased @ 25% on completion of each block of three years. Accordingly, the year-wise amount of the annual lease money shall be as per details given below:

Sr. No.	Year of the Lease Period	Annual Dead Rent (In INR)
1.	First Year	41,05,00,000/-
2.	Second Year	41,05,00,000/-
3.	Third Year	41,05,00,000/-
4.	Forth Year	51,31,25,000/-
5.	Fifth Year	51,31,25,000/-
6.	Sixth Year	51,31,25,000/-
7.	Seventh Year	64,14,06,250/-
8.	Eighth Year	64,14,06,250/-
9.	Ninth Year	64,14,06,250/-
10.	Tenth Year	80,17,57,820/-
11.	Eleventh Year	80,17,57,820/-
12.	Twelfth Year	80,17,57,820/-

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- (vi) As per the terms and conditions of the grant, you are liable to deposit Rs. 10,26,25,000/- i.e. equal to 25% of the annual bid amount as "security deposit" and Rs. 3,42,08,350/- on account of one month's advance dead rent. Out of which you have already deposited an amount of Rs. 4,10,50,000/- i.e. equal to 10% of the annual bid amount as 'initial bid security' after the conclusion of e-Auction. The balance amount of Rs. 6,15,75,000/- of the bid security i.e. 15% of the annual bid amount along with Rs. 3,42,08,350/- on account of one month's advance dead rent shall be deposited before commencement of the mining operations or before expiry of the period of 12 months, whichever is earlier;
- (vii) You shall have to execute Lease Deed in Form ML-1 appended to the Haryana Minor Mineral Concession, Stocking, Transportation of Minerals & Prevention of Illegal Mining Rules-2012 (the State Rules 2012) within a period of 90 days from the date of issuance of this communication/ grant of LoI;
- (viii) It may be pointed out that as per existing applicable rates the contract agreement had to be executed on **Non Judicial Stamp papers worth Rs. 3,55,01,850/- (Rs. Three Crores Fifty Five Lacs One Thousand Eight Hundred Fifty only)**. However, you are aware that M/s Om Minerals, one of the LoI holders (who participated in the auctions held in December 2013) has filed a CWP No. 7991 of 2014, before the Hon'ble Punjab & Haryana High Court. Further a few other similarly situated LoI holders have also filed separate CWP's before the Hon'ble Punjab and Haryana High Court challenging demand/ levy of Stamp Duty on execution of 'Contract Agreement/Lease Deed'. The said matter is still pending for adjudication. Accordingly, the present auction was conducted subject to outcome of said cases. **Therefore, the charging of stamp duty for the execution of contract agreement/Lease Deed shall be as per final outcome of the said CWP's.**
- (ix) The Lease Deed would also be required to be got registered on payment of the applicable Registration fee;
- (x) In case you fail to execute the Lease Deed within the prescribed period of 90 days, this LoI shall be deemed to have been revoked and the amount of initial bid security *deposited at the time of auction shall be forfeited. Further, the balance amount of 15% towards the bid security, amounting to Rs. 6,15,75,000/- being the 15% of the annual bid amount, shall be recovered as arrears of land revenue and, you, as the LoI holder/defaulters, shall be debarred from participation in any future auctions for a period of 5 years;*
- (xi) You shall also furnish a solvent surety for a sum equal to the amount of the annual bid for execution of the lease deed/agreement. In case the surety offered by the lessee during the subsistence of the lease is not found solvent, the lessee shall offer another solvent surety and a supplementary deed shall be executed to this effect;
- (xii) After execution of Lease Deed, either before commencement of the mining operation or before expiry of the period of 12 months from the date of issuance of this LoI, whichever is earlier, in case of failure to deposit the balance 15% amount towards security [as required under clause (vi) above] the acceptance of bid/issuance of LoI/execution of agreement shall be deemed to have been revoked and 10% amount

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deposited towards as initial bid security at the time of auction shall stand forfeited. Further, un-paid 15% amount towards security shall be recovered as arrears of land revenue and you shall be debarred from participation in any subsequent bids for a period of 5 years;

- (xiii) You shall be liable to deposit the Dead Rent in advance at monthly intervals as per provisions of lease deed/agreement i.e. from the date of commencement of the lease deed;
- (xiv) You shall be liable to pay dead rent as determined through open auction or shall pay royalty in respect of each of the minor minerals extracted or removed or consumed by you or by your agent, manager, employee etc., whichever is more. The royalty shall be payable at the rates prescribed in the First Schedule appended to the State Rules and as may be revised by the State Government from time to time.
- (xv) You shall also deposit/pay an additional amount equal to 10% of the due Dead Rent/Royalty, along with along with the monthly installments towards the '**Mines and Minerals Development, Restoration and Rehabilitation Fund**'.
- (xvi) You shall also be liable to pay advance income tax as per provisions of Section 206(c) of income tax act in addition to contract money, payable as per terms and conditions of the Lease Deed.
- (xvii) On enhancement of the annual dead rent with the expiry of every three years period, you shall deposit the balance amount of security so as to upscale the security amount equal to 25% of the revised annual dead rent as applicable for one year with respect to the next block of three years. No interest, whatsoever, shall be payable on the security amount deposited under the prescribed security head of the government;
- (xviii) You shall prepare a Mining Plan along with the Mine Closure Plan (Progressive & Final) as per chapter 10 of the State Rules for the "Mining site" and shall not commence mining operations in any area except in accordance with such Mining Plan duly approved by an officer authorized by the Director, mines & Geology, in this behalf.
- (xix) Further, the actual mining will be allowed to be commenced only after prior Environmental Clearance is obtained by you as the LoI holder/lessee for the mining lease area from the Competent Authority as required under EIA notification dated 14/9/2006 as amended from time to time by the Ministry of Environment, Forest & Climate Change, Govt. of India and guidelines/ circulars issued in this behalf;
- (xx) The Mining lessee to whom the mining rights have been granted through this lease would also be liable to pay the following to the landowners for undertaking mining operation:-
 - (a) Annual rent in respect of the land area blocked under the concession but not being operated, and
 - (b) Rent plus compensation in respect of the area used for actual mining operations.

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- (xxi) The amount of annual rent and the compensation shall be settled mutually between the landowner and the lessee. In case of non-settlement of the rent and compensation, the same shall be decided by the District Collector concerned in accordance with the provisions contained in Chapter 9 of the State Rules;
- (xxii) The total mineral excavated and stacked by the lease holder within the area granted on mining lease shall not exceed two times of the average monthly production as per approved Mining Plan at any point of time;
- (xxiii) The lessee shall not stock any mineral outside the concession area granted on mining lease, without obtaining a valid mineral dealer license as per provisions contained in Chapter 14 of the State Rules;
- (xxiv) The lessee shall not carry out any mining operations in any reserved/ protected forest or any area prohibited by any law in force in India, or prohibited by any authority without obtaining prior permission in writing from such authority or officer authorized in this behalf. In case of refusal of permission by such authority or officer authorized in this behalf, lessee(s) shall not be entitled to claim any relief in payment of contract money on this account;
- (xxv) A safety margin of two meters (2m) shall be maintained above the ground water table while undertaking mining and no mining operations shall be permissible below this level unless a specific permission is obtained from the competent authority in this behalf.
- (xxvi) The lessee shall not undertake any mining operations in the area granted on mining lease without obtaining requisite permission from the competent authority as required for undertaking mining operations under relevant laws;
- (xxvii) The lessee shall be under obligation to carry out mining in accordance with all other provisions as applicable under the Mines Act, 1952, Mines and Minerals (Development and Regulation) Act, 1957, Indian Explosives Act, 1884, Forest (Conservation) Act, 1980 and Environment (Protection) Act, 1986 and the rules made there under, Wild Life (Protection) Act, 1972, Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981;

4. Accordingly, for the time being, you are advised to submit the Draft Mining Lease deed/agreement on **Form ML-I (in Five copies)**, appended to the State Rules, 2012, on **plain papers** along with other requisite documents including a solvent surety(s) for a sum equal to the amount of the annual bid for execution of the agreement, within a period of 90 days from the date of issue of this bid acceptance letter and the LoI. You should also furnish an affidavit to the effect that you will immediately deposit the requisite stamp duty as per outcome of the related court cases as stated under para 3(viii) above.

5. You are further informed that as per condition No. 34 of the auction notice, the auction was conducted subject to final outcome of CWP No. 27700 of 2013, filed by one

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Sh. Rajbir Singh before the Hon'ble Punjab & Haryana High Court challenging (i) commencement of lease period after 12 months from the date of acceptance of highest bid/issuance of "**Letter of Intent**" or from date of obtaining of environmental clearance from competent authority whichever is earlier and (ii) payment of rent and compensation to surface right holder/land owners from where mining operations are to be carried out. Now the said case stands disposed of as the Hon'ble Punjab and Haryana High Court vide its order dated 19.10.2015 has dismissed the said writ petition.


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Mining Engineer,
for Director General, Mines & Geology,
Haryana

Endst. No. DMG/HY/ML/Kheribattar-2/2015/8563

Dated: 21.10.2015

A copy is forwarded to the following for information and necessary action:-

1. The Chairman Haryana State Pollution Control Board, Sector-6, Panchkula.
2. The Deputy Commissioner, Bhiwani.
3. The Mining Officer, Mines and Geology Department, Bhiwani.


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