Mineral Block Auction in Odisha

Queries & Responses
to
Tender Documents
dated March 07, 2017

Phase - III

Directorate of Mines
Steel & Mines Department
Government of Odisha

24 April, 2017

A. Queries and Responses to Tender Documents of Limestone and Iron Ore Mineral Block Auction

S. No.	Query	Responses
1	**Clause 2.24** The IBM does not declare separate prices of Blue dust which shall be part of the production. Will the blue dust be clubbed with fines? A clarification on this issue would eliminate any confusion.	Yes, Blue Dust has been clubbed with fines
2	**Clause 2.19 & 5(c)** What is the definition of iron & steel plant? It is recommended to use the phrase, "Integrated Steel plant" instead of "iron and steel plant".	As per Tender Document
3	**Clause 3.5** i. Whether independent Sponge Iron Plants and Pellet Plants selling Sponge Iron & Pellets will be eligible to participate in auction? ii. Whether a bidder having Integrated Steel Plant and also a SI Plant/ Pellet Plant will be allowed to use the sponge iron/ pellets in its own steel plant and also to sell in the market? To have clarity on the issue?	(i) Yes, since as per clause 2.19 of the Tender Document, “Specified End Use Plant” shall mean a plant engaged in the production of iron and steel owned by the Bidder and located in India. (ii) Please refer Sub Rule (4) of Rule 6 of the Mineral (Auction) Rules, 2015. Accordingly, lease holder shall utilise mineral solely for specified end use and mineral shall not be sold or transferred or disposed of, either directly or indirectly

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4	**Clause 5(b)** What is value of Estimated Resources as per the State Govt. for Netrabandha Iron Ore Block? Value of Estimated Resources to be declared by the State Govt. To ascertain eligibility and decide Initial Price Offer	The value of estimated resource has been computed as per sub-rule (m) of Rule 2 of Mineral (Auction) Rules, 2015, i.e. it has been estimated based on the average price per metric tonne of relevant grades of iron ore as published by Indian Bureau of Mines for Odisha for a period of twelve months immediately preceding the month of issuance of tender document and the relevant grade of iron ore as per the Geological Report. The values such as net worth requirement for ascertaining eligibility, upfront payment and performance security etc. which are linked to value of estimated resource have been provided in block specific tender document, which may be downloaded by bidders on payment of requisite tender fee.
5	**Clause 5 (b)** In case both the blocks are allotted to a single bidder, what should be the net worth requirement of the bidder?	As per the tender document. Bidders are required to meet the eligibility conditions including the net worth requirement, as stated in the block specific tender documents individually.
6	**Clause 5(b)** (a)Whether a Joint Venture company is allowed to participate?	The Tender Document and the Mineral (Auction) Rules, 2015 permit any company, be it a joint venture company or otherwise, to participate in the auction provided it satisfies the eligibility criteria.

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7	**Clause 5(b)** a) Is it necessary to provide net worth of holding company if a subsidiary company fulfills net worth criteria on its own? b) Whether a Joint Venture company can bid on the strength of its JV partners? c) How will the net worth of a JV company will be determined?	(a) It is not necessary to provide the net worth of a holding company if the subsidiary company, on its own, fulfills the net worth criteria. (b) In case of a joint venture company, the Mineral (Auction) Rules, 2015 stipulate that the Net worth shall be the sum of paid up share capital and the free Reserves as per the audited Balance Sheet of the immediately preceding financial year. As per the Mineral (Auction) Rules, 2015 a joint venture company (which is not a subsidiary of any company) cannot rely on the strength of its JV partners. However, in case the bidding joint venture company is a subsidiary of another company, it can, on account of being a subsidiary company, consider the net worth of its holding company. (c) The net worth of a JV company (having no holding company) shall be determined solely on the basis of the sum of paid up share capital and free reserves of the JV company as per the audited balance sheet of the immediately preceding financial year. In case of a joint venture company having a holding company, the net worth may be computed taking into account the net worth of the holding company also.
8	**Clause 5(b)(1)** Can group entities (group companies/ firms) apply jointly if they are not 'holding' and subsidiaries but share the same directors/partners? A clarification on provisions of eligibility of a JV, group companies/firms, and consortium may please be furnished.	The Tender Document and the Mineral (Auction) Rules, 2015 do not, permit group companies to apply jointly. Bids are required to be made by a single company.

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	A clarification on provisions of eligibility of a JV, group companies/firms, and consortium may please be furnished.	
9	**Clause 5(b)(2)** Can an applicant show its net worth as on date for the running year or is it mandatory that net worth for the immediately preceding year will only be considered?	Refer to explanation no. (2) of Schedule I of the Mineral (Auction) Rules, 2015.
10	**Clause 5(b)(1)** The Net worth shall be as per the audited Balance Sheet of the immediately preceding financial year of the NIT date or Bid Due Date. Latest available audited balance sheet is for year ended March 2016	Refer to explanation no. (2) of Schedule I of the Mineral (Auction) Rules, 2015. For the purpose of evaluation of technical bids, net worth as per the audited Balance Sheet of the financial year immediately preceding the date of issuance of the tender document will be considered. However, as per sub-rule (3) of Rule 10 of the Mineral (Auction) Rules, 2015, the preferred bidder shall be considered to be the "successful bidder" upon, (a) continuing to be in compliance with all the terms and conditions of eligibility;
11	**Clause 5(b)(2)** Whether preceding financial statements relate to bid due date or date of notice inviting tender document or both will be acceptable ?	Refer to explanation no. (2) of Schedule I of the Mineral (Auction) Rules, 2015. For the purpose of evaluation of technical bids, net worth as per the audited Balance Sheet of the financial year immediately preceding the date of issuance of the tender document will be considered. However, as per sub-rule (3) of Rule 10 of the Mineral (Auction) Rules, 2015, the preferred bidder shall be considered to be the "successful bidder" upon, (a) continuing to be in compliance with all the terms and conditions of eligibility;

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12	**Clause 6.2** (a) Suppose a mineral is discovered in the lease which cannot be utilized in specified end use plant of the lessee. Whether lessee will be allowed to dispose that mineral in the market? (a)The lessee shall be allowed to dispose the discovered mineral in the market as per the terms & condition set by the State Govt. (b) The lessee cannot be expected to establish an end use plant for a discovered mineral unless it is economically feasible.	Please refer Sub Rule (4) of Rule 6 of the Mineral (Auction) Rules, 2015
13	**Clause 8.1(A)(b)(vi)** Can a bidder bid for a mineral block individually as well as in Joint Venture with another eligible company.	The Tender Document and the Mineral (Auction) Rules, 2015 permit any company, be it a joint venture company or otherwise, to participate in the auction.
14	**Clause 9.1(i)** Will the quantity of the mineral to be despatched in a month be specified by the Lessor (State Government) during the signing of MDPA (Mine Development and Production Agreement)? The successful bidder has to plan the mining operations accordingly.	As per the approved Mining Plan

S. No.	Query	Responses
15	**Clause 11** Can the bidders attend or be present at the time of opening of technical bid? So as to know who the technically qualified bidders are	Yes, authorized representative of the Bidders, who have submitted technical bids, shall be allowed to be present. Technically Qualified Bidders shall be notified subsequently by the State Government after evaluation of Bids.
16	**Clause 11** What is the maximum time limit allowed for submission of mine plan along with second instalment Mine plan approval takes time. Sufficient time should be given for this. Mine plan once prepared, it has to be approved by the IBM. Process of approval takes long time.	Stage II of the Time Table mentioned in Clause 11 of the Tender Document, commences from T1. T1 would get crystallized after fulfilment of all conditions as specified in Rule 10 (3) of the Mineral (Auction) Rules, 2015 to become Successful Bidder. Further, the validity of the LoI has been as stated in "Schedule VI- Indicative Format of Letter of Intent for Mining Lease" The bidder may obtain all necessary clearances, approvals etc. within this period.
17	**Clause 11** Time period show in the time table is only 20 days from submission of second instalment and mine plan. This time period is irrelevant. It requires no less than 24 months to get all approval. Time period for signing MDPA should be after 24 months from submission of Mine Plan Env. Clearance and forest clearance starts after mine plan approval. Both are time taking process. It cannot be completed in 20 days' time.	Stage II of the Time Table mentioned in Clause 11 of the Tender Document commences from T1. T1 would get crystallized after fulfilment of all conditions as specified in Rule 10 (3) of the Mineral (Auction) Rules, 2015 to become Successful Bidder. Further, the validity of the LoI has been as stated in "Schedule VI- Indicative Format of Letter of Intent for Mining Lease" The bidder may obtain all necessary clearances, approvals etc. within this period.

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18	**Clause 11** What is the time period between issuance of letter of intent by State Govt. and obtaining of all approvals / permissions / clearances e.g. approval of Mining Plan, obtaining of Environment Clearance, Obtaining of Forest Clearance, Wild life Clearance, Consent to Establish, Consent to operate, permission for mine opening etc. as given in Summary of the Mineral Block Specific time period to be given for obtaining of all permissions / approvals / clearance etc. Time period to be declared for obtaining of all permissions / clearances / approvals etc. required under different statutes for opening of mine	Stage II of the Time Table mentioned in Clause 11 of the Tender Document commences from T1. T1 would get crystallized after fulfilment of all conditions as specified in Rule 10 (3) of the Mineral (Auction) Rules, 2015 to become Successful Bidder. Further, the validity of the LoI has been as stated in "Schedule VI- Indicative Format of Letter of Intent for Mining Lease" The bidder may obtain all necessary clearances, approvals etc. within this period.
19	**Clause 11** What is the time limit between issuance of LOI and T1? For the sake of more clarity.	Stage II of the Time Table mentioned in Clause 11 of the Tender Document commences from T1. T1 would get crystallized after fulfilment of all conditions as specified in Rule 10 (3) of the Mineral (Auction) Rules, 2015 to become Successful Bidder. Further, the validity of the LoI has been as stated in "Schedule VI- Indicative Format of Letter of Intent for Mining Lease" The bidder may obtain all necessary clearances, approvals etc. within this period.
20	**Clause 11** Is there possibility of simultaneous e-forward auction of the two blocks? Participation with single registration/ DSC in both the blocks wouldn't	State Government shall announce the dates of the forward electronic auction for specific blocks at appropriate time

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	be possible.	
21	**Clause 12.1** The clause provides for the fact that the Upfront Payment paid by the Successful Bidder shall be adjusted in full against the amount payable in accordance with the percentage of Value of Mineral Despatched quoted as the Final Price Offer within the first 5 years of commencement of production of mineral(s) as specified in MDPA. What if there are conditions which emerge and lead to the amount not getting adjusted There should be provisions for carry forward of the unadjusted portion of the Upfront Payment beyond 5 years, in case they are justified by circumstances	As per Rule 11 of the Mineral (Auction) Rules, 2015, Upfront Payment shall be adjusted in full against the amount paid under sub-rule (3) of rule 8, within the first five years of commencement of production of mineral as specified in the tender document. Consequently, in case the Upfront Payment is not adjusted fully within 5 years, the remaining amount will not be adjusted/ returned.
22	**Clause 12.1** (a) What if the upfront amount cannot be adjusted in 5 years? Whether it can be adjusted after 5 year? The upfront amount shall be adjusted till its exhaustion irrespective of number of years.	As per Rule 11 of the Mineral (Auction) Rules, 2015, Upfront Payment shall be adjusted in full against the amount paid under sub-rule (3) of rule 8, within the first five years of commencement of production of mineral as specified in the tender document. Consequently, in case the Upfront Payment is not adjusted fully within 5 years, the remaining amount will not be adjusted/ returned.
23	**Clause 12.1**	As per Rule 11 of the Mineral (Auction) Rules, 2015, Upfront Payment shall be adjusted in full against the amount paid

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	If upfront money is not adjusted within the 1st 5 years of commencement of production, what will be the time frame of return/adjustment?	under sub-rule (3) of rule 8, within the first five years of commencement of production of mineral as specified in the tender document. Consequently, in case the Upfront Payment is not adjusted fully within 5 years, the remaining amount will not be adjusted/ returned.
24	**Clause 12.2** This clause provides that a holder of mining lease shall make such payments as specified in rule 13 of the Mineral (Auction) Rules, 2015. What are the provisions to indemnify the bidder from subsequent changes in duties/taxes It is only fair that in order to make a realistic assessment of the duties/taxes during the period of the contract, the bidder should be indemnified from subsequent changes in duties/taxes by the State Government This practice is prevalent in many countries such as Australia and imparts fiscal stability to the project	As per the tender document
25	**Clause 12.3** The clause provides that the State Government shall charge simple interest at the rate of twenty four per cent per annum on any payment due to State Government which is delayed beyond sixty days from the due date. Only the 'undisputed amount' of the dues should be taken into	As per the tender document

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	consideration for the same There can be scenarios where there are disputes related to payments	
26	**Clause 13.1.1 (e)** Provides that, In case of Bidder being a company, the technical bid shall comprise, duly certified copy of the corporate authorization, such as board resolution to participate in the tender process and submit a bid Please clarify if a general resolution passed by the Board of Directors to enable the company to participate in and bid for projects, shall suffice Given the continuous and on-going nature of business development activities, there can be a situation where, a bidder would have got an enabling resolution passed by the Board of Directors	The Power of attorney would have to be specific to the mineral block and as per the format specified in the tender document. The Board Resolution however may be generic in nature.
27	**Clause 13.1** Whether the board resolution to participate in mineral block auction in all states will meet the requirement or specific resolution required for Odisha auction is required? A general board resolution authorizing participation in mineral block auction should suffice the need. Auction of mineral blocks are very frequent so separate authorization	The Power of attorney would have to be specific to the mineral block and as per the format specified in the tender document. The Board Resolution however may be generic in nature.

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	for each state is unnecessary duplication of work.	
28	**Clause 13.1** Format of corporate authorization / Board Resolution Request to provide format of corporate authorization, such as board resolution to participate in the tender process and submit a bid To maintain uniformity from all bidders and to avoid conflict as to language	The authorization should clearly specify the purpose and persons authorized
29	**Clause 13.1** Apart from these documents is it necessary for bidders to submit token of acceptance for tender documents such as like corrigendum, addendum & pre-bid replies.	Corrigendum, addendum, written responses to queries relating to tender document become part of tender document. Further, Format of Bid Letter provided as Annexure I to the Tender Document, states: "We have reviewed the terms of the Tender Document and hereby unconditionally and irrevocably accept, agree and acknowledge the terms thereof." Submission of the Bid Letter is therefore, an acceptance of tender document including corrigendum, addendum and

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		written responses to queries relating to tender document, by the bidder.
30	**Clause 13.1.2** The bidder can be allowed to be submitted in physical copies of bid documents in the Office of the directorate of mines by hand against an acknowledgement.	Yes, bidder may submit physical copies in the office of Directorate of Mines at the address specified in the Tender Document.
31	**Clause 13.1.2** Acknowledgement copy of the same whether will be given to the bidder by Govt	Yes.
32	**Clause 13.7.2** Please clarify whether on the happening of an event as mentioned under clause 13.7.2, a cure period shall be provided to the Bidder to rectify the default. A cure period of the 10 days is sought in order to rectify the happening of events mentioned in 13.7.2 The Bidder requires a cure period so that the default can be rectified	As per the tender document

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	and Bidder can still be part of the auction process	
33	**Clause 14.6 (c)** (a) What if a bidder is not interested to extend his bid security after completion of initial period and wants to withdraw his bid due to delay? Bidder should be given the flexibility to withdraw his bid after initial period of validity of bid security.	As per the tender document
34	**Annexure I: Format of Bid Letter** This clause provides for the bidder declaration that it has not been convicted of illegal mining. This should be amended so as to exclude cases which are the subject matter of litigation. This should be amended so as to exclude cases which are the subject matter of litigation	As per the tender document
35	**Annexure II (Format of Bid Security)** (i) Point No. 7 - In order to give full effect to this Guarantee, The State Govt. shall be entitled to treat the Bank as the principal debtor under the guarantee. ("under the guarantee" should be added in the specified format). (ii) Point No. 8 - Any notice by way of request, demand or otherwise	As per the tender document

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	hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein. (Instead of courier, Registered post along with duly acknowledged by Bank should be added in the specified format) (i) "under the guarantee" should be added in the specified format (ii) Instead of courier, Registered post along with duly acknowledged by Bank should be added in the specified format	
36	**Schedule I: Format of Technical Bid (Part C)** The Bid Security must be stamped in accordance with Applicable Law Please clarify whether it should be as per law prevailing in Odisha or the state where the BG is executed	As per prevailing law in the state where Bank Guarantee is executed
37	**Clause 10.3 & 10.4** a) How much Stamp duty is to be paid during the execution of MDPA or ML b) Methodology for calculation of Stamp Duty and Registration Fee may please be shared. Will help in estimation of project economics	The stamp duty on the MDPA and Mining Lease shall be payable in accordance with the provisions of the Indian Stamp Act, 1899 as applicable to the state of Odisha.

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38	**Clause (MDPA) 7.1** Please clarify whether payment of bid amount would attract Service Tax and or GST? Also clarify if there is delay in handing over the ST land to the successful bidder, how the minimum production requirement shall be met with?	As per applicable law relating to GST.
39	**Clause (MDPA) Schedule D** Please clarify whether there would be any binding or minimum mandatory quantity on sale of iron ore from the mines to State units This clarification is must to know the financial implications of bid	As per the tender document and applicable laws.
40	**Clause (MDPA) Schedule E** Minimum production is linked to % of production approved as per mining plan. What will happen, if there is a cap on production imposed by State government? Minimum production requirement shall be % of lower of the EC or approved mining plan or any cap in production imposed by State Government There may be restriction on production capacity due to cap in production imposed by State Government.	As per the approved Mining Plan and applicable laws

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41	**Clause (MDPA) 6.1** Whether the iron ore mined from this block can be exported? Is there any restriction on sale ore in domestic market? Many states have restriction on export of mineral. State Govt had issued advisory earlier for sale of 50% production within the State. Clarification required for estimation of financial impact.	As per applicable laws
42	**Clause (MDPA) Schedule D** 1. In Schedule D, the time line given in terms of 1st year, 2nd year etc. From what time these years will be calculated. 2. Whether the given limit will be governed by the production cap imposed in Koira region. It should be from signing of MDPA after all clearance, and grant of lease. If the production cap on mining is already being met by present miner than how this mines production will be adjusted. Clarity of time calculation is not there. Clarity on production limit is needed?	1. As specified in Schedule D of MDPA, 'Year' would be computed since commencement of mining lease 2. As per the approved Mining Plan and applicable laws
43	**Summary Of The Mineral Block : Part B** Whether any Nodal agency is appointed to facilitate all necessary permissions	Obtaining of all statutory approvals, permits etc. are the sole responsibility of the preferred bidder. However, the Govt. of Odisha will render all possible assistance in this regard under the extant law.

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44	**General Query** ML is granted for a period of 50 yrs. Can we exhaust the mineral in less than 50 yrs with higher production levels ?	As per the approved mining plan
45	**General Query - Auction Rule (8)** Value of mineral dispatched is calculated as product of mineral dispatched and Sale price as per IBM. In the event that we do not dispatch mineral and covert the same to sponge or pellet within the lease hold area, how the mineral value is calculated?	Value of mineral despatched as computed for the purpose of royalty will be as per Rule 39 of the Mineral (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016
46	**General Query - Bid Letter (End Use of Mineral)** Our End use plant is Sponge Iron. At the moment iron ore lumps only will be consumed. Till our proposed Pellet plant comes into operation, we have to stack the Iron ore Fines in the mine. Kindly confirm that we have to pay final price on dispatched quantity of lumps only and not on iron ore fines produced.	Please refer Sub Rule (4) of Rule 6 of the Mineral (Auction) Rules, 2015. Accordingly, lease holder shall utilise mineral solely for specified end use and mineral shall not be sold or transferred or disposed of, either directly or indirectly. Further, the bidder shall have to meet the minimum production requirement as stipulated in Clause 8 of the MDPA
47	**General Query - Minimum production Rate** Minimum production rate from the block shall be indicated. Minimum production rate from the block area shall be […MTPA]. This will ensure optimal utilisation of resource avoiding resource blockage	As per the approved Mining Plan

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48	**General Query** Please clarify how the stamp duty shall be worked out on MDPA and Lease Deed Agreement. Relevant provisions from the Odisha stamp duty Act & Rules thereof may be provided Clarification on Stamp duty on MDPA and Lease Deed Agreement is required to assess the financial implications.	The stamp duty on the MDPA and Mining Lease shall be payable in accordance with the provisions of the Indian Stamp Act, 1899 as applicable to the state of Odisha.
49	**General Query : Digital Signature Certificate** Can a bidder bid with a single DSC for two blocks simultaneously given the fact that auction date of both the iron ore blocks is same as per the Tender Document Auction date for two iron ore blocks shall be kept on different days to avoid such problem	State Government shall announce the dates of the forward electronic auction for specific blocks at appropriate time
50	**General Query** Whether scanning shall be black & white or colour?	Either may be submitted
51	**General Query** The blocks that are reserved for end use has severe restrictions. Matching a mine production, its grade etc. and other complexity with that of a plant has huge challenges and certainly affects viability. Plant owners are not necessarily expert in mining. But say a few plant owners could float a common mining company which could participate in auction and supply requirements of those few plants. This would not only provide professional mining company with all mineral conservation & environment management concepts and best of technology to operate and be a viable entity. But this is not possible in existing scheme	Any such change is not under the purview of the State Government.

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	of things. I am sure after learning lessons in time to come serious review would confirm my point. Is there a chance for rule makers to review and bring modifications to make auction route allocation truly successful?	
52	**General Query** Electrosteel Castings has one plant at Kharada and another subsidiary "Shree Kalahasti Pipes" in Andhra requiring 6 lakh tons and 4 lakh tons of iron ore respectively. Our promoted company ESL (Electrosteel Steels Ltd) requires 2.25 million tons iron ore annually. Can ECL participate as bidder to supply to all three plants listed above or each company has to participate as bidder. Matching an end use plant and the mine will be stupendous task reflecting on its viability.	Pursuant to sub-rule (3) and sub-rule (4) of Rule 6 of the Mineral (Auction) Rules, 2015, where a mineral block is reserved for specified end use, the minerals extracted under the mining lease shall: i. be utilised solely for the Specified End Use; and ii. not be sold or transferred or otherwise disposed of, either directly or indirectly. Further, Clause 6.2 of the Mine Development and Production Agreement stipulates that the Successful Bidder shall ensure that all minerals (including the Minerals) extracted under the Mining Lease shall be utilised solely for the Specified End Use. Accordingly, in the instant case, both companies would have to bid separately for a mineral block that is reserved for specified end use. However, where the mineral block is not reserved for specified end use, the above restriction will not apply.
53	**Geological Report provided with Model Tender Document** Can portions of borehole cores of all boreholes drilled by GSI and Directorate of Geology be handed over to bidder for their own analysis?	DG(O) and GSI have preserved all cores which shall be handed over to the successful bidder.
54	**Clause (MDPA) Schedule E** A warranty is sought from the bidder that "There are no actions, suits proceeding or investigations threatened against the Successful Bidder", please clarify the meaning of "threatened against the Successful Bidder". (ii) In the warranty it is mentioned that " outcome of which may constitute an event of default", please clarify what is the meaning of	(i) Broadly, the term 'threatened against the Successful Bidder' implies a situation where an action, suit, proceeding or investigation has not actually been initiated against the Successful Bidder but the Successful Bidder has orally or in writing, received a warning / intimation from a third party regarding potential commencement of an action, suit, proceeding or investigation against the Successful Bidder.

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	“outcome of which may constitute an event of default”?	(ii) The Successful Bidder is required to represent that "there are no actions, suits, proceedings or investigations pending or to the Successful Bidder’s knowledge threatened against it at law or in equity before any court or before any other judicial, quasi judicial or other authority, the outcome of which may constitute an event of default hereunder". The words "the outcome of which may constitute an event of default" mean that outcomes/ orders in such actions, proceedings or investigations against the Successful Bidder may ultimately result in the Successful Bidder breaching any term or provisions of the MDPA or its representations and warranties under the MDPA becoming incorrect or untrue. e.g. if any action is threatened against the Successful Bidder or any suit has been initiated against the Successful Bidder, the outcome of which may involve a huge financial payout by the Successful Bidder, such a threatened action or suit could result in the Successful Bidder misrepresenting that it has the financial standing and capacity to undertake mining operations at the lease area in accordance with the production requirement and thus, may constitute an event of default under the MDPA. An event of default would ideally result in a breach of the MDPA. Clause 4.3.1 of the MDPA stipulates that "any other breach or non-compliance with any of the provisions of this Agreement, including in case of the Warranties being untrue or misleading or incorrect in any manner whatsoever may result in appropriation of such proportion of the Performance Security as may be determined by the State Government in its sole discretion."