

**Subject: Diversion of 43.091 hectares of forest land (including Safety Zone area of 2.080 ha.) in village Kundaposi of Barbil Tahasil in Keonjhar District for mining of Iron Ore in mining lease area over 45.131 hectares by M/s. OCL Iron and Steel Ltd.**

1. Government of Odisha vide their letter no. letter No. 10F (Cons)-135/2013/6878 /F & E dated 11.04.2014 was submitted the above subject proposal to obtain prior approval of Central Government under Section 2 of the Forest (Conservation) Act, 1980.
2. Details indicated in the proposal submitted by the Forest & Environment Department, Government of Odisha are as below:

**FACT SHEET**

1.	Name of the Proposal	Diversion of 43.091 hectares of forest land (including Safety Zone area of 2.080 ha.) in village Kundaposi of Barbil Tahasil in Keonjhar District for mining of Iron Ore in mining lease area over 45.131 hectares by M/s. OCL Iron and Steel Ltd.
2	<b>Location:</b>	
	State	Odisha.
	District	Keonjhar
3.	<b>Particular of Forests</b>	
(i)	Name of Forest Division	Keonjhar Forest Division.
(ii)	Area of Forest land for Diversion	41.011 hectares
(iii)	Legal Status of Forest land	Revenue Forest: 11.954 hectares DLC Forest: 29.057 hectares Total: 41.011 hectares
(iv)	Density of Vegetation	0.40
(v)	Species-wise and diameter class wise enumeration of trees	Area proposed for diversion exceeds 10 hectares and in accordance with provision in para. 2.2 (ii) of the guidelines of Forest (Conservation) Act, 1980, sample enumeration has been carried out over 13 sample plots of 1.0 hectare each in the applied virgin forest area of 41.011 ha proposed to be used for mining purpose. In all, 2150 nos. sound of tree 94 nos. of defective 'trees have been enumerated in the 13 no of sample plots. Besides, 334 nos. of trees below 30 cm girth have also been enumerated in the sample plots or virgin area. Thus as per enumeration report, 13 sample plots having 13.00 hectares area are having

		244(2156+94) no. of trees. Considering the data of availability 172 no. of sound` trees (2244/13=172) and 26 no. of poles (334/13=26) below 30 cm girth in one hectare of forest area, proposed for diversion. Total no. of 7079 trees of above 30cm girth and 1054 no. of poles below 30cm girth is estimated to be present over the total 41.011 hectares of forest land proposed for diversion and may be required to be felled in course of operation of mines.
4.	Vulnerability of area to vegetation	Nil
5	Approximate distance of proposed site for diversion from boundary of forest	The proposed site for diversion is about 5 Kms. distance from the Baitarani Reserve Forest.
6.	Whether forms part of National Park, Wildlife Sanctuary, Biosphere Reserve, Tiger Reserve, Elephant Corridor etc. (if so, the details of the area the comments of the Chief Wildlife Warden to be annexed)	The area does not form part of any National Park/ Wildlife Sanctuary/ Biosphere Reserve. It also does not come under any wildlife corridor. But the area is coming under Elephant Habitat zone-2 as per report of ORSAC. There is movement of wild elephants often noticed in the area.
7.	Whether any rare/ endangered/ unique species of flora and fauna found in the area if so, details thereof.	There is movement of wild elephants often noticed in and around the applied area.
8.	Whether any protected archaeological/ heritage site/ defence establishment or any other important monument is located in the area. If so, the details thereof with NOC from competent authority, if required.	No monuments of any archaeological significance are found in the area.
9.	Whether the requirement of forest land as proposed by the User Agency in col.2 of Part-I is unavoidable and bare minimum for the project. If no, recommended area item-wise with details of alternatives examined.	The forest land of 41.011 hectares (VF -11.954 hectares + DLC 29.057 hectares) proposed for diversion is the minimum requirement for the project.
10.	Whether any work in violation of the Act has been carried out (Yes/ No). If yes, details of the same including period of work	No.

	done, action taken on erring officials. Whether work in violation is still under progress.	
11.	Details of Compensatory Afforestation Scheme:	<p>An area of 41.279 ha. of non-forest Govt. land has been identified in village, Chkradharpur under Harichandanpur Tahasil of Keonjhar district of Odisha in lieu of 41.0114 of forest land proposed to be used for non-forest purpose in Kundaposi Iron Ore Mine of M/s OCL Iron &amp; Steel Ltd. in Keonjhar Forest Division. Land schedule for the identified non-forest land is placed at page 194/DP. As reported by the Pr. CCF, Odisha the Compensatory Afforestation area has been jointly verified by Forest and Revenue Department and the area is found suitable for Compensatory Afforestation. The land suitability certificate of DFQ, Keonjhar, non-encroachment, and non-encumbrance certificate issued by the Tahasildar, Harichandanpur. Keonjhar District have been furnished.</p> <p>The Compensatory Afforestation Scheme has been prepared for RDF plantation for planting 300 nos. of plants per hectare over the entire identified area with a total financial—forecast of Rs. 86,08,000/- @ current wage rate of Rs. 150/- per manday with maintenance cost of 10 years. The Scheme has also provision for Soil and Moisture Conservation measures over the entire area.</p> <p>The species selected to be planted under the scheme are Bamboo (<i>Bambusa arundinaceae</i>), Sisoo (<i>Dalbergia latifolia</i>), Amla (<i>Emblica officinalis</i>), Acacia (<i>Acacia auriculiformis</i>), Chakunda (<i>Cassia-fiorida</i>), Neem (<i>Azadirachta indica</i>), Gambhar (<i>Gmelina arborea</i>), Assan (<i>Terminalis tomentosa</i>) &amp; Arjun (<i>Terminalia arjuna</i>) etc. The Addl. Pr. CCF (Forest Diversion) &amp; Nodal Officer, FC Act has accorded technical approval to the CA scheme. A copy of duly approved CA scheme is appended to the- DP The user agency has furnished an undertaking to pay cost of compensatory, afforestation and differential cost on this count. if any.</p>
12.	Status of compliance to the Forest Rights Act, 2006	<p>The proposed mining lease area Kundaposi Iron ore mines of 45.131 ha has total forest land 43.091 ha which includes 41.01 ha. of forest land for mining and allied activities and 2.080 ha forest land coming within the safety zone. The collector, Keonjhar has furnished detailed compliance required under the FRA circulars mentioned above in two phases. Collector has certified compliance regarding 41.011 ha of forest land as per FRA circular dt. 3.8.2009 on 24.11.2010 (page</p>

		<p>125/DP). Other documents like Gram Sabha resolution dt 6.6.2010 of Kundaposi village and its English version are enclosed at page 126-136/DP. Similarly, the Collector, Keonjhar has furnished required compliance of FRA circular dt. 5.7.2013 vide his certificate dt. 5.9.2013 pertaining to 2.080 ha of forest land located within the safety zone. Gram Sabha resolution dt. 5.12.2012 of Kundaposi village along with English version of Gram Sabha resolution proceedings of DLC and SDLC which are appended to the DP.</p> <p>As per the certificates issued by the collector, Keonjhar and chairman DLC, it is revealed that no primitive Tribal Groups and Pre-Agricultural-Communities are occupying forest land and further no such facilities managed by Government requiring diversion of forest land under section-3(2) if FRA-2006 exist over the forest area of 43.091 ha proposed for diversion</p>
13.	<b>Recommendation</b>	
	DFO	<p>User agency has applied for diversion of forest land of 41.011 hectares (Village Forest -11.954 hectares + DLC Forest 29.057 hectares) within the applied mining hold area of 45.131 hectares. It is recommended for seeking approval from Government of India, MoEF under section 2 of the Forest (Conservation) Act, 1980 (Amended).</p> <p>The user agency shall bear the expenses for preservation and protection of forests and Wildlife @ one man-day daily for the entire lease period and share the hire charges of vehicle engaged in protection duty with other mine owners as would be decided by the Divisional Forest Officer during the total lease period.</p>
	Regional CCF	<p>Proposal for diversion of 43.091 hectares (including safety zone – 2.080 hectares) of forest land (VF area – 12.594 hectares + DLC -30.497 hectares = 43.091 hectares) is recommended in favour of Kundaposi Iron Ore Mines by M/s. OCL Iron &amp; Steel Limited for approval under Forest (Conservation Act, 1980 (Amended) subject to standard stipulations.</p>
	PCCF	<p>Recommended for diversion of 43.091 hectares of forest land including Safety Zone area over 2.080 hectares for Iron ore mining in village Kundaposi under Barbil Tahasil of Keonjhar District under Keonjhar Forest Division in favour of M/s. OCL Iron and Steel Ltd.</p>

	State Govt.	Recommended for diversion of 43.091 hectares of forest land (including Safety Zone area of 2.080 hectares) in village Kundaposi under Barbil Tahasil in Keonjhar District, Odisha for mining of Iron Ore in mining lease area over 45.131 hectares by M/s. OCL Iron & Steel Ltd.
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3. Government of Odisha in their said letter dated 11<sup>th</sup> April 2014 submitted following additional information pertaining to the above proposal:

- (i) The Govt. of Odisha in Department of Steel & Mines vide their letter No. III (A) SM -46/02-8556 /SM dated 23.12.2008 and No. 896 dt. 4.02.2009 have granted the conditional mining lease over 45.131 ha for a period of 20 years. As per condition No. (iv) of the conditional grant order, the user agency is required to submit forest clearance under forest Conservation Act, 1980 and Environmental clearance under the Environment (Protection) Act, 1986. Details of boundary description of the proposed lease as confirmed by the Director of Mines, Odisha are enclosed.
- (ii) The proposed mining lease area Kundaposi Iron ore mines of 45.131 ha. Conditionally granted in favour of the user agency is comprised 12.594 ha. of Revenue Forest land, 30.497 ha. of DLC Forest land (total forest land 43.091 ha) and 2.040 ha. of non-forest land. The land schedule of the total ML area indicating forest kisam land specifically duly signed by the Revenue and Forest authorities is furnished in the proposal. In order to get the lease assigned in its favour, the user agency has filed proposal for diversion of entire 43.091 hectares of forest land coming within the proposed lease area.
- (iii) **According to the approved Mining Plan, mineable iron ore reserve in this mine has been estimated to be 6.227 MT. The production of iron ore as envisaged in the Mining Plan for first five years is 1.997 MT and for the next 8 years to be 4.23MT. Thus life of mines would be around 13 years.**
- (iv) The proposed mining lease area Kundaposi Iron ore mines of 45.131 hectares conditionally granted in favour of the user agency is comprised 12.594 hectares of Revenue Forest land, 30.497 hectares of DLC Forest land (total forest land 43.091 ha.) and 2.040 hectares of non-forest land.

(v) **The purpose – wise break –up of the total land required for the project is as under:**

Sl. No.	Pattern of Utilization	Forest land (in ha)			Non – forest (In ha.)		Grand Total
		Village for (Revenue Forest)	DLC for land	Total Forest	Private	Govt.	
1.	Mining	11.104	20.404	31.508	0.291	1.561	33.360
2.	Top soil	0.100		0.100	---	---	0.100
3.	Dumping overburden	0.600	2.500	3.100	---	---	3.100
4.	Sub-grade Ore	---	2.500	2.500	---	---	2.500

5.	Storing of minerals	---	1.000	1.000	---	---	1.000
6.	Processing Plant	---	1.000	1.000	---	---	1.000
7.	Infrastructure	---	1.000	1.000	---	---	1.000
8.	Construction of railway siding etc.	0.150	0.653	0.803	---	---	0.803
9.	<b>Sub – Total</b>	<b>11.954</b>	<b>29.057</b>	<b>41.011</b>	<b>0.291</b>	<b>1.561</b>	<b>42.863</b>
10.	Safety Zone	0.640	1.440	2.080	0.024	0.164	2.268
	<b>Grand Total</b>	<b>12.594</b>	<b>30.497</b>	<b>43.091</b>	<b>0.315</b>	<b>1.725</b>	<b>45.131</b>

- (vi) An area of 2.268 ha. comprising 2.080 ha. Forest Land (DLC forest 1.44ha + forest 0.64) and 0.188 ha. of non-forest land (Private-0.024 + Govt. non-forest 0.164) has been earmarked to be maintained as Safety Zone within the Mining lease area The safety zone area is to be maintained as Safety Zone area is to be maintained as a green Belt with width of 7.5mts. around the ML area. Besides this, the user agency is also required to take up afforestation over an area of 1.5 times of forest area coming within the safety zone elsewhere. The User Agency has furnished an undertaking to bear the cost of maintenance of Safety Zone and cost of Afforestation over 1.5 times the safety zone area in, degraded forest land.
- (vii) The project requires prior environment clearance as per EIA Notification, 2006 under Environment Protection Act, 1986. Also the Consent to Establish/Operate order of State Pollution Control Board is also required for this project. The user agency has applied for Environment Clearance. The user agency has taken steps for obtaining environmental clearance for the project. The State Level Expert Appraisal Committee of the State of Odisha vide letter No.218/SEAC-68 dt.22.01.2010 has prescribed Terms of References (ToR) for this project seeking ETA report The State Environment Impact Assessment Authority (SEIAA) has also recommended this project for grant of environmental clearance subject to Stage-I forest clearance.
- (viii) The Mining Scheme with progressive Mine Closure Plan has been approved by the Indian Bureau of Mines vide their letter No.MP/OTF.MECH/10-ORI/BHU/2009-10 dt.24.08.2009. According to the approved Mining Plan, mineable iron ore reserve in this mine has been estimated to be 6.227MT. The production of iron ore as envisaged in the Mining Plan for first five years is 1.997MT and for the next 8 years to be 4.23MT. Thus life of mines would be around 13 years.
- (ix) No violation of F.C. Act has been reported by Divisional Forest Officer, Keonjhar Forest, Division and RCCF, Angul in their Site Inspection Report.
- (x) The project does not involve displacement of any human habitation.
- (xi) The proposed mining lease area Kundaposi Iron ore mines of 45.131 ha has total forest land 43.091 ha which includes 41.01 ha. of forest land for mining and allied activities and 2.080 ha forest land coming within the safety zone. The collector, Keonjhar has furnished detailed compliance required under the FRA circulars mentioned above in two phases. Collector has certified compliance regarding 41.011 ha of forest land as per FRA circular dt. 3.8.2009 on 24.11.2010 (**page 176/c**). Other documents like Gram Sabha resolution dt 6.6.2010 of Kundaposi village and its English version are enclosed at **page 177-188/c**. Similarly, the Collector, Keonjhar has furnished required compliance of FRA circular dt. 5.7.2013 vide his certificate dt. 5.9.2013 (**page 186/c**) pertaining to 2.080 ha of forest land located within the safety zone. Gram Sabha

resolution dt. 5.12.2012 of Kundaposi village along with English version of Gram Sabha resolution proceedings of DLC and SDLC are given and placed in file at **page 187-234/c**. As per the certificates issued by the collector, Keonjhar and chairman DLC, it is revealed that no primitive Tribal Groups and Pre-Agricultural-Communities are occupying forest land and further no such facilities managed by Government requiring diversion of forest land under section-3(2) if FRA-2006 exist over the forest area of 43.091 ha proposed for diversion.

4. **Government of Odisha** recommended the instant proposal under section 2 of the forest conservation Act, 1980 **subject to the following conditions:**
  - (i) The user agency shall pay the evaluated royalty of trees enumerated before commencement of work on Stage-II approval and tree felling should be taken up in phases strictly as per requirement under the supervision of the divisional forest officer Keonjhar forest Division.
  - (ii) Forest area earmarked as safety zone around the ML area shall be demarcated by posting of pillars of appropriate length, protected, fenced, afforested at project cost. In no circumstances, the area earmarked as ' safety zone, shall be utilized for any other purpose
  - (iii) The user agency shall undertake demarcation of the lease area on the ground posting six feet high cement concrete pillars embedded two feet inside the soil and 4 feet above the ground with serial number, forward and backward bearings, and distance from Pillar to pillar. The user agency shall also submit the map of lease area showing different kinds of forest land using DGPS survey datas and latitude and longitude of each pillar to the Divisional Forest Officer, Keonjhar for his reference before commencement of work on to, final forest clearance.
  - (iv) The user agency shall pay the proportionate cost of implementation of Regional wildlife Management Plan. They shall also pay towards cost of implementation of Site Specific Conservation Plan duly approved by the CWLW, Odisha.
  - (v) Project proponent needs to have environmental clearance of MoEF and Consent to Establish/Operate from State Pollution Control Board, Odisha for operationalising the project with all other statutory clearances.
  - (vi) User Agency has to execute Phased Reclamation Plan at their cost.
  - (vii) The user agency shall take up plantation over 1/3 of its Industrial area. The DFO, Rourkela shall supervise the plantation work and furnish certificate regarding coverage of plantation over 1/3 area of industrial area of project proponent.
  
5. The said **proposal was placed before the Forest Advisory Committee in their meeting held on 30<sup>th</sup> May 2014** for their examination and appropriate recommendations.FAC after examination of proposal and interaction with representatives of the user agency observed as below:
  - (i) Legal status of 45.131 hectares of land located within the mining lease is 12.594 hectares of Revenue Forest land, 30.497 hectares of DLC Forest land and 2.040 hectares of non-forest land;
  - (ii) 41.011 hectares of forest land proposed to be utilised for mining and allied activities (excluding the 2.080 hectares of forest land located in safety zone) is 11.954 hectares of Revenue Forest and 29.057 hectares of DLC Forest;
  - (iii) Crown density of vegetation available in the forest land proposed to be diverted is 0.40;
  - (iv) Total 7,079 trees of above 30 cm girth and 1,054 poles below 30 cm girth is estimated standing in the 41.011 hectares of forest land proposed to be utilised for mining and allied activities;

- (v) Forest land proposed to be diverted does not fall in any National Park, Wildlife Sanctuary or Biosphere Reserve. It also does not come under any wildlife corridor. Forest land proposed to be diverted is located in Elephant Habitat Zone-2 as per report of ORSAC. Movement of wild elephants has often been noticed in and around the forest land proposed to be diverted;
  - (vi) **Compensatory afforestation is proposed to be raised over non-forest land equal in extent to the 41.011 hectares of forest land proposed to be utilised for mining and allied activities;**
  - (vii) User agency is a Company incorporated under the provisions of the Companies Act, 1956 on 20<sup>th</sup> February 2006. User agency has DRI (Direct Reduce Iron) method manufacturing unit at village Lamloi of Rajgangpur in Sundargarh district;
  - (viii) The Govt. of Odisha in Department of Steel & Mines vide their letter dated 23<sup>rd</sup> December 2008 and dated 4<sup>th</sup> February 2009 have granted the conditional mining lease in favour of the user agency over 45.131 hectares for a period of 20 years subject to a condition that the user agency is required to submit forest clearance under the Forest (Conservation) Act, 1980 and Environmental clearance under the Environment (Protection) Act, 1986;
  - (ix) The project requires prior environmental clearance as per EIA Notification, 2006 issued under the Environment (Protection) Act, 1986. User agency has applied for Environmental Clearance from the State Environmental Impact Assessment authority (SEIAA). State Level Expert Appraisal Committee of the State of Odisha vide their letter dated 22<sup>nd</sup> January 2010 has prescribed Terms of References (ToR) for the project. The SEIAA has also recommended this project for grant of environmental clearance subject to grant of stage-I forest clearance;
  - (x) The Justice M.B. Shah Commission of Enquiry for Illegal Mining of Iron Ore & Manganese in their first report on Illegal Mining of Iron and Manganese Ores in the State of Odisha recommended that iron ore production in Odisha shall be limited to 55 million tonnes per annum (MTPA). MoEF therefore, proposes to conduct a study of the carrying capacity of the area through an institute of repute which would also, inter-alia, go into the issues of depletion of ground water level, pollution of Baitarni river and maximum permissible annual production taking into consideration environmental aspects, inter-generational equity, *etc.*
6. **The FAC in its meeting held on 30.05.2014** , after detailed deliberations, **recommended** that decision on the proposal involving diversion of large area of forest land for execution of a fresh mining lease, **may be deferred till completion of the carrying capacity study proposed to be undertaken by the MoEF**. This recommendation of the FAC, with the approval of the competent authority were forwarded to the State Government vide this Ministry's letter dated 9.06.2015.
7. The State Government of Odisha, vide their letter . letter No. 10F (Cons)-217/2015/19851 /F & E dated 12.11.2015 (**pg.321-334/c**) informed that State level task Force on mining in Odisha in its meeting held on 7.05.2012 under the chairmanship of Chief Secretary, Government of Odisha have observed that restriction on production of iron ore in Joda and Koira mining circle of Odisha (Keojarh and Sundergarh District) should not be applied on captive mines and should not impact on supply of iron ore to the State industries. The restriction should apply to the mines which are primarily exporting. The State Government, along with the minutes of the said meeting was also forwarded a list of 3 mines viz. M/s Neelanchal Ispat Nigam Limited, M/s Prakash Industries Limited and **M/s OCL iron and steel** wherein, the MoEF&CC has deferred the decision for grant of in-principle approval till completion of carrying capacity study. **The State Government has also mentioned that above proposal is for captive mining and the MoEF&CC may consider grant of Stage-I approval pending receipt finalization of carrying capacity study.**



8. **Carrying Capacity Study vis-a vis instant mining lease:** It is also important to mention here that pursuant to the observation of Hon'ble Shah Commission regarding excess production than what was permissible under various statutory approvals accorded in the region, the MoEF&CC, has assigned a carrying capacity Study to the NEERI to suggest the optimum production level in the area. NEERI has submitted its interim Report and final report is yet to be received.
9. It is also mentioned here that the State Government of Odisha vide their letter No. 10F (Cons)-138/2016/23789 /F & E dated 20.12.2016 (**pg.537-539/c**) was submitted a proposal for seeking prior approval of the Central Government under **Section-2 (iii) of the Forest (Conservation) Act, 1980** .On the basis of the recommendations of the Forest Advisory Committee and approval of competent authority, approval of the Central Government was granted vide this Ministry's letter No.8-73/2016-FC dated 09.01.2017 (**pg.533-534/c**) under Section 2(iii) of FC Act, 1980 concerning application of M/s OCL Iron and Limited seeking approval of MoEF&CC under Section 2(iii) of Forest Conservation Act, 1980 over 45.029 ha. of forest land within total Mining lease area of 45.131 ha. pertaining to Iron ore mining lease area in village Kundaposiin, Keonjhar District of Odisha subject to certain conditions.

In view of above, the facts related to the proposal may be placed before FAC in its meeting scheduled to be held on 17<sup>th</sup> August, 2017 for their examination and appropriate recommendation.

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