

ANNEXE 2.1

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F.No. S-63/2007-FC
Government of India
Ministry of Environment and Forests
(F.C. Division)

Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi - 110 003.
Dated: 19th September, 2008.

To
The Principal Secretary (Forests),
Government of Orissa,
Bhubaneswar.

Sub: Diversion of 1253.225 ha of forest land for establishment of Integrated Steel Plant and Captive Port by POSCO-India Pvt. Ltd., Jagatsinghpur district of Orissa.

Sir:

I am directed to refer to the State Government's letter No. 10F(Cons)-54/20076-10240/F&E dated 26.06.2007 on the above mentioned subject, wherein prior approval of the Central Government for the diversion of 1253.225 ha of forest land for establishment of Integrated Steel Plant and Captive Port by POSCO-India Pvt. Ltd., Jagatsinghpur district of Orissa, was sought, in accordance with Section 2 of the Forest (Conservation) Act, 1980. The said proposal has been examined by the Forest Advisory Committee constituted by the Central Government under Section 3 of the aforesaid Act.

2. After careful consideration of the proposal of the State Government of Orissa and on the basis of the recommendations of the Forest Advisory Committee, the Central Government hereby agrees in-principle for the diversion of 1253.225 ha of forest land for establishment of Integrated Steel Plant and Captive Port by POSCO-India Pvt. Ltd., Jagatsinghpur district of Orissa, subject to the fulfillment of the following conditions:-

1. (i) The User Agency shall identify and acquire 1156.681 ha of revenue forest land and 127.4 ha of non-forest land for Compensatory Afforestation, which shall be mutated in favour of the State Forest Department.
 - (ii) The land identified for the purpose of CA shall be clearly depicted on a Survey of India toposheet of 1:50,000 scale.
 - (iii) The CA scheme will have maintenance component for five years instead of proposed three years.
 - (iv) The User Agency shall transfer the cost of Compensatory Afforestation to the State Forest Department.
 - (v) The revenue forest land and non-forest land identified for raising Compensatory Afforestation shall be notified by the State Government as RF under Section-4 of the Indian Forest Act, 1927 or under the relevant Section(s) of the local Forest Act, as the case may be within a period of six months. The Nodal Officer (Forest Conservation) shall report compliance in this regard.
2. Massive social forestry programme be initiated in Jagatsinghpur district and Erasama Block in Particular, at the cost of the project.
 3. Wherever possible and technically feasible, the User Agency shall undertake by involving local community, the Afforestation measures in the blanks within the lease area, as well as along the roads outside the lease area diverted under this approval, in consultation with the State Forest Department at the project cost.
 4. The State Government shall charge the Net Present Value (NPV) for the

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- 1253.225 ha forest area to be diverted under this proposal from the User Agency as per the orders of the Hon'ble Supreme Court of India dated 30.10.2002, 01.08.2003, 28.03.2008 and 09.05.2008 in IA No. 566 in WP (C) No. 202/1995 and as per the guidelines issued by this Ministry vide letters No. 5-1/1998-FC (Pt. II) dated 18.09.2003, as well as letter No. 5-2/2006-FC dated 03.10.2006 in this regard.
5. At the time of payment of the Net Present Value (NPV) at the present rate, the User Agency shall furnish an undertaking to pay the additional NPV, if so determined as per the final decision of Hon'ble Supreme Court of India.
 6. All the funds received from the User Agency under the project shall be transferred to in Account No. 344901010070128 of Union Bank of India, Sunder Nagar, New Delhi-110003.
 7. The resettlement and rehabilitation for project affected families will be as per the R&R Policy 2006 of the Government of Orissa and as per orders of Hon'ble Supreme Court in W.P.(civil) No. 202 of 1995. The affected families to be suitably compensated.
 8. Sufficient funds as per scheme to be prepared by Forest Department be provided for the conservation of marine fauna will be provided by the User Agency.
 9. The fishing community of Noljasaahi will be given financial aid and access to sea by the User Agency.
 10. After receipt of the compliance report on fulfillment of the conditions mentioned above, the proposal shall be considered for final approval under Section-2 of the Forest (Conservation) Act, 1980.
 11. The recommendations of the committee constituted by Hon'ble Supreme to examine mitigative measures to be taken to protect this area from cyclone and other natural calamities shall be implemented as and when available at the user agency's cost.
 12. Transfer of forest land shall not be affected till final approval is granted by the Central Government in this regard.
 13. Any other condition that the CCF (Central), Regional Office, Bhubaneswar / the State Forest Department may impose from time to time for protection and improvement of flora and fauna in the forest area, shall also be applicable.
 14. All other conditions under different rules, regulations and regulations including environmental clearance shall be complied with before transfer of forest land.
 15. The present forest clearance will be subject to the final outcome of the Writ Petition No. 202 of 1995 from the Hon'ble Supreme Court.

Yours faithfully,

B.K. Singh

(B.K. Singh)
Sr. Assistant Inspector General of Forests

Copy to:

1. The PCCF, Government of Orissa, Bhubaneswar.
2. The Nodal Officer, O/o PCCF, Bhubaneswar.
3. The Chief Conservator of Forests (Central), Regional Office, Bhubaneswar.
4. The User Agency.
5. The Monitoring Cell, FC Division, MoEF, New Delhi.
6. Guard File.

(B.K. Singh)
Sr. Assistant Inspector General of Forest