



KASHVI POWER & STEEL PVT. LTD.

Regd. Office : 1234-P, Gobindprasad, Bomikhal, Bhubaneswar - 751010, Odisha, India
Tel/Fax : 0674-2549944, E-mail : groupkashvi@gmail.com
CIN : U40100OR2009PTC011341

FORM-'A'

Form For seeking prior approval under section 2 of the proposal by the state Government and other authorities.

1. Project details:

i) Short narrative of the proposal and project/scheme for which the forest land is required.

Pursuant to the Mines and Minerals (Development and Regulation) ACT, 1957 and The Mineral (Auction) Rules, 2015, Govt of Odisha issued the notice inviting tender dated 07.07.2021 for commencement of the auction process to grant the mining Lease for **Dholta Pahar iron ore Block** located in Koira Tahasil of Sundargarh district of Odisha. The e-auction process was conducted in accordance with the tender document and the mineral auction rule, 2015 for said mineral block and **M/s Kashvi Power & Steel pvt Ltd** was declared as the **preferred Bidder under Rule 9(9) (iii) or Rule 10(A) of Auction Rules having quoted a final price offer of 126.55%.**

Further, **M/s Kashvi Power & Steel pvt Ltd** has made payment of **Rs 6,99,89,587** (Rupees Six crore Ninety Nine lakhs Eighty Nine thousand Five hundred Eighty seven only) through treasury challan on dated 21.10.2021 against the first instalment being twenty percent of the upfront money. Accordingly, the Government of Odisha has issued letter of Intent under Rule 10(2) of Mineral Auction Rules 2015 to **M/s Kashvi Power & Steel pvt Ltd** for grant of Mining Lease for **Dholta Pahar Block for iron ore over an area of 60.508Ha** near Dengula village, Koira Tahasil of Sundargarh district of Odisha for a period of 50 years.

This letter of intent is valid subject to the provision of the Act and the Rules made there under as amended from time to time and **M/s Kashvi Power & Steel pvt Ltd** shall be designated as the **Successful Bidder** and the **subsequently granted the mining lease** only upon satisfactory completion of all the requirements under the Act and Rules made there under.

M/s Kashvi Power & Steel pvt Ltd shall be considered to be successful bidder upon

- (i) Continuing to be in compliance with all the terms and conditions of eligibility.
- (ii) Payment of second instalment being twenty percent of the upfront payment.
- (iii) Furnishing an irrevocable and unconditional performance security to the state govt from an acceptable Bank and Payable at Bhubaneswar, Odisha pursuant to the Auction Rule.
- (iv) Satisfying the conditions specified in clause (b) of sub section (2) of section 5 of the Act with respect to Mining Plan.

(A) Signing of Mine Development and Production Agreement (MDPA)

M/s Kashvi Power & Steel pvt Ltd shall sign the **Mine Development and Production Agreement (MDPA)** with the Government of Odisha upon obtaining all consents, approvals, permits, NOC and the like as may be required under applicable laws for commencement of Mining operation

(B) Grant of Mining Lease



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Subsequent to signing of the **MDPA**, **M/s Kashvi Power & Steel pvt Ltd** shall make payment of the third installment being the sixty percent of the upfront value and thereafter Government of Odisha shall grant the said Mining Lease.

Hence, it is worth mentioning here that the successful bidder i.e. **M/s Kashvi Power & Steel pvt Ltd** is required to obtain following statutory clearances for signing of **MDPA** and grant of Mining Lease.

Name of the statutory clearances	Authority from which clearances to be obtained
Approval of Mining Plan	Indian Bureau of Mines, GOI
Forest Clearance	Ministry of Environment and Forest, GOI
Environment Clearance	Ministry of Environment, Forest & Climate Change GOI
Surface Right	Collector, Sundargarh
Consent to Establish	State Pollution Control Board, Odisha
Consent to Operate	State Pollution Control Board, Odisha

The estimated geological resource of Iron ore is calculated 23.92 Million tons established under G2 level as per Geological Report provided by State Govt. as per present available borehole data, which is likely to increase after detailed exploration under G1 level. Considering the 2.0 million ton production of Iron ore per annum the life of the mines 12 years from the of execution of mines. As per the Rule 12 (3) of MCDR, 2017 the holder of mining lease shall carry out detail exploration (G-1level) over entire lease area within a period of 5 years from date of opening of the mine.

The lease area has been earmarked in Topo sheet No. F45N1 (73-G/1) on a scale of 1:50,000 shown in Plate No.-I. The location of Boundary pillars as per the DGPS

Pillar No.	Pillar Latitude (dd:mm:ss.ss)	Pillar Longitude (dd:mm:ss.ss)
1	N21°50'11.13855"	E85°10'43.73375"
2	N21°50'34.08851"	E85°10'43.53749"
3	N21°50'34.57854"	E85°11'14.26145"
4	N21°50'12.91054"	E85°11'14.63431"
5	N21°50'12.19012"	E85°10'58.24071"
6	N21°50'12.06361"	E85°10'57.81967"

The block is lying within Sarkunda R.F. The forest area involved in this lease does not include any National Park, Sanctuary or Biosphere reserve, Tiger reserve or Elephant reserve. No monument intended to be preserved from archaeological point of view lies in the lease area.

About 250 no of persons with different skill sets are likely to be employed in this mine. In addition there will be large number of local people, who will get indirect employment in ancillary services including transportation of product.

ii) **MAP SHOWING THE REQUIRED FOREST LAND, BOUNDARY OF ADJOINING FOREST ON A 1:50,000 SCALE MAP,**



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The following maps have been submitted.

Sl. No	Particulars	Scale	Reference
01	Location Map of Projected Area Shown in Topo Sheet	1: 50,000	Plate-I
02	DGPS Map showing Allotted Mining Lease Block and Forest land involved within the allotted area	16"=1Mile	Plate – II
03	Geological Plan provided by State Govt	1:2000	Plate – III
04	Safety Zone Map	1: 4000	Plate-IV
05	Proposed Land use Map	1: 4000	Plate-V
06	Phase Reclamation Plan	1: 4000	Plate-VI

iii) COST OF THE PROJECT

The estimated cost of the project is Rs. 125.19 Crore, which includes all statutory payments.

Broad areas of Capex are,

A.	Cost of Infrastructure	8.00 crore
B	Cost on Establishment	3.00 crore
C	Pre Operation Cost	25.00 crore
D	Closure Cost	5.00 crore
	Total	Rs 41.00 Crore

B. Statutory payments to be made to the Forest Dept.

Cost of NPV(Approx)	Rs	4,85,87,924.00
Cost on Comp. affn. Over 60.508 ha @ 165000/- per ha. :	Rs.	99,83,820.00
Possession value of the forest land 30% OF NPV	Rs	1,45,76,377.2
Cost of Maintenance of Safety Zone over 2.335 @ 40000/- per ha:	Rs	93,400.00
Cost on affn. over 1.5 times safety zone i.e. 3.5025 ha in degraded forest land @ 40000/- per ha	Rs.	1,40,100.00
Cost of Bio-diversity study	Rs	10,00,000.00
Cost on Regional Wildlife Management:	Rs	26,01,844.00
Cost of Site specific wildlife conservation plan	Rs.	1,50,00,000.00
Performance security Deposit to the State Govt	Rs	35,00,00,000.00
Stamp Duty	Rs	40,00,00,000.00
Total	Rs	84,19,83,465.2 Say 84.19 Cr

iv. Justification for locating the project in Forest area.

M/s Kashvi Power & Steel Pvt. Ltd. has been declared as preferred bidder for grant of Mining Lease of Dholtapahar Iron Ore Mines. The Letter of Intent has been issued by Government of Odisha, Steel & Mines Department vide letter No. 8725/SM, Bhubaneswar, dated 28.10.2021 (Copy enclosed as Annexure-I). As per the data provided by Directorate of Mines, Steel & Mines Department. Government



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of Odisha, the total mining lease DGPS surveyed area is 60.508 Ha. The total areas comes under reserve forest.

As per the Geological report provided by the Directorate of Mines, Steel & Mines Department, Government of Odisha, the net insitu iron ore resources of Dholta pahar iron ore block (Fe content is >55% and Fe content varies between 55% and 45%). This ore body needs to be judiciously exploited in view of systematic mining with optimum exploitation of ore to meet the growing demand of raw materials for indigenous steel plant, sponge iron plant, pellet plants etc. for ultimate production of Steel and also for export to earn foreign exchange for development of our country.

Now for grant of Mining lease of Dholtapahar Iron Ore Block and use of 60.508Ha of forest land for the milling and ancillary purpose. we need to apply for diversion of the forest land under section 2(ii) of the Forest Conservation Act, 1980, for approval of the Central Government.

Hence Diversion of 60.508 Ha forest land under section 2(ii) of the Forest Conservation Act, 1980 is very much essential for grant of Mining lease of Dholtapahar Iron Ore Block. Sundergarh district, Odisha and for systematic and scientific mining as well as optimum exploitation of iron ore in the project area.

(v) Cost benefit analysis

S.N o	PARAMETERS	REMARKS
1.	Ecosystem service losses due to Proposed forest diversion.	Ecosystem service losses due to diversion of forest land are equal to the Net Present value (NPV) of the forest land being diverted as prescribed by the Central Government (MoEF & CC). Approximately Rs 4,85,87924.00 will be the cost towards NPV for diversion of 60.508 Ha forest land (NPV @ Rs 8, 03,000/Ha). ## Considering Eco Class III of Dense Forest.
2.	Loss of animal husbandry productivity. Including loss of fodder.	NOT APPLICABLE
3.	Cost of human resettlement.	NOT APPLICABLE
4.	Loss of public facilities and Administrative infrastructure (roads, buildings, schools, dispensaries, electric lines, railways. etc.) on forest land or which would require forest land, if these facilities were diverted due to the project.	NOT APPLICABLE



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5.	Possession value of the forest land Diverted.	30% OF NPV that is Rs 14576377.2
6	Cost of Suffering to oustees.	NOT APPLICABLE
7	Habitat fragmentation cost.	50% OF NPV that is Rs 24293962
8	Compensatory afforestation and soil Moisture conservation cost.	Cost of Compensatory afforestation & Soil Moisture conservation @ Rs 165000/Ha. Hence total cost is Rs165000 x 60.508 = Rs 9983820.00

SN	PARAMETERS	Benefit in lakhs for the project
1	Increase in productivity attribute to the specific project.	Rs 69977.24
2	Benefits to the economy due to specific project	Rs 103433.61
3	No.of population benefited due to specific project	250
4	Economic benefits due to direct and indirect employment due to the project	Rs 4784.32
5	Economic benefits due to compensatory afforestation	Rs 3176.67

SN	Description	Amount in lakhs
1	Total loss per annum due to loss of timber, fire wood and minor forest produce and environmental loss due to loss of forest.	974.42
2	Total benefit to the economy due to the project.	181371.84
3	Hence, the cost-benefit ratio of the mining project is (Loss: Benefit) _	1:186

(vi) Employment likely to be generated

About 250 no of persons with different skill sets are likely to be employed in this mine. In addition there will be large number of local people, who will get indirect employment in ancillary services including transportation of product.



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2. Purpose wise breakup of the total land required:-

The total forest lands required for this project is 60.508 ha. including safety zone in forest land over 2.335 ha. The item wise break up of total land including forest and non-forest is furnished below:-

TABLE-1

SI No	Particulars	Reserve Forest (Ha)	Non-forest (Ha)	Total area (Ha)
1	Mining including mines road and mineral processing unit	40.201	0	40.201
2	Waste dump with safeguard measures like retaining wall, garland drain and settling pond, check dam etc.	7.265	0	7.265
3	Mineral stacking yard	6.021	0	6.021
4	Road	0.657	0	0.657
5	Infrastructure (Office, work shop, fuel station, parking plaza etc.)	1.498	0	1.498
6	Crushing and screening area	1.281	0	1.281
7	Magazine with safety zone	1.250	0	1.250
8	Entry and exit within safety zone area	0.004	0	0.004
	Sub Total	58.177	0	58.177
9	Safety zone around ML boundary	2.331	0	2.331
	Grand Total	60.508	0	

Safety Zone Details (Table – 2)

Sl. No	Particulars	Reserve Forest	Non-Forest	Total
1	7.5m. Safety zone along the ML Boundary	2.335	0	2.335

Note: Out of 2.335Ha about 0.004Ha will be utilised for Entry and exit of vehicles to the mines

3. Details of displacement of people due to the project, if any:-

- (i) Number of families: Nil
- (ii) Number of SC/ST families-Nil
- (iii) Rehabilitation plan (To be enclosed) - Not required.

4. Whether clearance under Environment (protection) Act, 1986 required ?

Yes, Term of Reference (ToR) is in the process for application.

5. Undertaking to bear the NPV, cost of raising and maintenance of Compensatory Afforestation and/Penal Compensatory Afforestation as well as cost for protection and regeneration of safety Zone. Wildlife management plan (If required) etc. as per the scheme prepared by the state Govt.

An undertaking has been furnished to bear the NPV, cost of raising and maintenance of Compensatory Afforestation and cost for protection and regeneration of safety Zone. Wildlife Management Plan etc. is enclosed vide **Annexure – VII**.



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6 Details of Certificates/Documents Enclosed as Required Under the Instructions:

Following Certificates and documents are enclosed for better Comprehension and Clarity.

SI No	List of Documents	Annexure
1	Copy of Letter of Intent	I
2	Authorization letter for signing the Forest Diversion Proposal documents	II
3	Copy of Land Schedule	III
4	Copy regarding Approval of Mining Plan along with Undertaking	
5	Justification for locating the project in Forest Land	IV
6	Undertaking for Compensatory Afforestation	V
7	Parameter for evaluation of benefit not withstanding loss of forests	VI
8	Undertaking to NPV, cost of raising and maintenance of Compensatory Afforestation and cost for protection and regeneration of safety Zone, Wildlife Management Plan etc.	VII
9	Copy of a note in Use of Mineral	VIII
10	Undertaking for DGPS	IX
11	Undertaking for conducting FRA	X
12	Phase Reclamation Plan with schedule	XI

Thus, the User Agency requests the State Govt. in Forest & Environment Dept. for diversion of forest land over 60.508 ha under Sec. 2(ii) of F. C. Act, 1980 including 2.335 ha forest land abide for Safety Zone along the Lease boundary. FC Act, 1980 for diversion, under the same proposal for a period of 50 years under Section 8(A) 2 of MMDR Amendment Act, 2015. in favour of M/s Kashvi Power and Steel Ltd.

For Kashvi Power And Steel Pvt. Ltd.


Authorised Signatory
General Manager (Liasoning)

For Kashvi Power & Steel Pvt.Ltd