

GOVERNMENT OF KARNATAKA

ಪ್ರಧಾನ ಮುಖ್ಯ ಅರಣ್ಯ ಸಂರಕ್ಷಣಾಧಿಕಾರಿ
(ಅರಣ್ಯ ಪಡೆ ಮುಖ್ಯಸ್ಥರು) ರವರ ಕಚೇರಿ

Office of
Principal Chief Conservator of Forests
(Head of Forest Force)



ಅರಣ್ಯ ಭವನ, 18ನೇ ಅಡ್ಡ ರಸ್ತೆ,
ಮಲ್ಲೇಶ್ವರಂ ಬೆಂಗಳೂರು-560 003.

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No. A5(1).MNG.CR.02/2017-18

Date: 20-01-2018

Encl:

To,

Additional Chief Secretary to Government
Department of Forest, Ecology and Environment
M. S. Building, Bengaluru

Madam,

Sub: Diversion of 133.58 hectare of forest land (comprising of 130.53 hectare for iron ore mining in erstwhile ML No. 2365 of M/s Tungabhadra Minerals Pvt Ltd and 3.05 hectare for approach road) in Donimalai Block, Sandur Taluk, Ballari District in favour of M/s JSW Steel Ltd. Toranagallu, Ballari District.

Online proposal No. FP/KA/MIN/25219/2017 dated: 06-04-2017.

- Ref: 1. Online proposal submitted by User Agency on 06-04-2017 & hard copy of the proposal submitted on 11-05-2017.
2. LetterNo.M1/MNG/Bhadra/MLNo.2365/2016-17 dated: 27-09-2017 & 17-10-2017 of the Deputy Conservator of Forests, Ballari Division [uploaded the proposal in the web-portal on 01-10-2017 and online reply dated 21-10-2017 to Circle query].
3. Letter No. M1/MNG/TML/TRF/M.L.2365/CR-3/2017-18 dated: 28-11-2017 of the Chief Conservator of Forests, Ballari Circle [uploaded the proposal in the web-portal on 05-12-2017].
4. Letter No. JSW/Bhadra/2365/2017-18 dated 28-12-2017 & 03-01-2018 (offline mode) of M/s JSW Steel Ltd. Bengaluru.

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1. The online proposal (FP/KA/MIN/25219/2017 dated: 06-04-2017-reference-1) for diversion of 133.58 hectare of forest land in Donimalai

Block, Sandur Taluk, Ballari District for mining & other allied activities submitted by M/s JSW Steel Ltd. Ballari was forwarded to the Deputy Conservator of Forests, Ballari Division and Deputy Commissioner, Ballari District through online on 24-05-2017 for further processing. In response, the Deputy Conservator of Forests, Ballari Division after processing the said proposal, has submitted the same to the Chief Conservator of Forests, Ballari Circle vide his letter dated 17-10-2017 (reference-2) duly recommending the proposal. Further, the Chief Conservator of Forests, Ballari Circle, Ballari vide his letter dated 28-11-2017 (reference-3) has submitted the proposal to this office with the following facts and recommendation.

- i. **MMRD lease (earlier):-** The mining lease area of M/s Tungabhadra Minerals Pvt Ltd. M.L. No. 2365, now cancelled as it was categorized under C-category mines by the Hon'ble Supreme Court, is located in Donimalai Block of Sandur Taluk of Ballari district. The Mining lease was originally sanctioned vide M.L.No.823/1646 during the year 1968 (18.04.1968) over an area of 728.44 hectare in Donimalai Block, Sandur Taluk in favour of M/s Tungabhadra Minerals Pvt Ltd. for a period of 30 years (valid upto 29-07-1998). Subsequently, the Mining lease was renewed by the Commerce and Industries Department, Bengaluru over an extent of 125.58 hectare with the new M.L.No. 2365 during the year 2002 for a period of 20 years w.e.f. 30-07-1998 (valid upto 29-07-2018).
- ii. **FC lease (earlier):-** The Forest clearance (FC) for the lease (ML No.2365) was approved in favour of M/s Tungabhadra Minerals Pvt Ltd. by the Government of India, Ministry of Environment, Forest and Climate Change, New Delhi vide letter No. 8-46/96-FC dated 24-04-1999 and by Government of Karnataka vide order No. FEE 38 FFM 98 dated 09-06-1999 and the FC approval was granted for a period of 10 years over an extent of 125.58 hectare. Thus, the Forest Clearance lease period expired on 08-06-2009 itself.
- iii. **E-auction of Mining Lease:-** The 'C' category mining lease no.2365 of M/s Tungabhadra Minerals Pvt Ltd. was cancelled as per the Hon'ble Supreme Court order and the mining lease area was e-auctioned by the Department of Mines & Geology as per the direction of the Hon'ble Supreme Court vide its order dated 18-04-

- ix. **Environmental Clearance (EC):-** EC granted earlier to M/s Tungabhadra Minerals Pvt Ltd. has been transferred in favour of M/s JSW Steel Limited by State Level Environment Impact Assessment Authority-Karnataka vide letter No. J-11015/16/2007-IA.II (M) Dated 08-02-2017.
- x. **Mining Plan:-** The New Mining Plan has been approved by Indian Bureau of Mines, Bengaluru vide letter No. 279/1091/2017/BNG/453 dated 11-07-2017 as submitted by the User Agency M/s. JSW Steel Limited.
2. The Deputy Conservator of Forests, Belagavi Division vide his letter dated 25-09-2017 has reported to this office that the ownership of 66.78 hectare land in Sy.No.71 & 72 of Gavali village identified by User Agency for CA purpose is under question. Thus, the said lands for CA can not be accepted at present. However, the User Agency vide their letter dated 28-12-2017 and 03-01-2018 have agreed to provide alternate CA land for an extent of 66.78 hectare i.e., Patta lands in different Survey numbers of Halabhavi and Bailagudda villages in Raichur District with whom they have entered in to agreement for purchase of said lands for CA purpose (copies enclosed). They have also submitted an Undertaking that all the connected documents with suitability certificate will be furnished at the earliest (copy enclosed).
3. Further, the Chief Conservator of Forests, Ballari Circle has inspected the mining lease area on 22-11-2017 and recommended the proposal in Part-III for consideration for renewal of M.L.No. 2365 as per the provisions of Forest (Conservation) Act, 1980.
4. **Further, the following opinion of this office may be noted regarding the instant proposal.**
- a. The proposal for grant of mining lease [ML No. 2365 of erstwhile lessee M/s Tungabhadra Minerals Pvt Ltd] in favour of M/s JSW Steel Ltd. over an extent of 133.58 hectare of forest land has been recommended by both the field officers (Deputy Conservator of Forests, Ballari Division & Chief Conservator of Forests, Ballari Circle) vide their letters dated 27-09-2017 & 28-11-2017, respectively.
- b. **NPV:-** The Forest Clearance (FC) in favour of erstwhile Lessee M/s Tungabhadra Minerals Pvt Ltd was granted in the year 1999. As the

2013. M/s JSW Steel Ltd. has been declared as successful bidder of M.L.No. 2365 (C-category mine) through e-auction over an extent of 130.53 hectare (as per CEC sketch). Further, the Commissioner, Department of Mines and Geology, Bengaluru has on 26-10-2016 issued a Letter of Intent over an extent of 130.53 hectare for a lease period of 50 years.

- iv. **Net Present Value (NPV):-** The Forest Clearance (FC) in favour of M/s Tungabhadra Minerals Pvt Ltd was granted in the year 1999. As the lease was approved before introduction of Net Present Value (NPV), the NPV was not paid by the previous user agency i.e., M/s Tungabhadra Minerals Pvt Ltd. Therefore, now M/s JSW Steel Ltd. is required to pay the NPV for the mining lease area of 130.53 hectare in order to get the lease renewed in favour of them.
- v. **Safety Zone:-** The Safety zone extent is 7.38 hectare as per the Reclamation and Rehabilitation (R&R) plan approved by the CEC. M/s JSW Steel Ltd. have provided an undertaking to pay the cost of afforestation in degraded forest land on 1½ time of safety zone area.
- vi. **Compensatory Afforestation (CA):-** The joint survey conducted on 02-06-2017 has revealed an unbroken area (virgin-area) of 63.73 hectare for mining and 3.05 hectare for approach road totaling to 66.78 hectare. Accordingly, M/s JSW Steel Ltd. had identified the non-forest land in Sy No. 71 of Gavali Village, Khanapura Taluk, Belagavi District over an extent of 66.78 hectare.
- vii. **Boundary Pillars:-** The corner boundary pillars for the C-category mines have to be erected by the Department of Mines & Geology. However, in this case only one boundary pillar (marked as LBS-1 on joint survey map) is marked on the ground. Due to high slope, the Department of Mines & Geology has not erected corner pillar as per specification. This corner pillar and intermediary pillars at distance of 20 meter are required to be erected before the handing over the mining lease area.
- viii. **FRA compliance:-** Certificate in Form-II under Forest Rights Act, 2006 from the Deputy Commissioner, Ballari District is yet to be submitted by the User Agency.


lease was approved before introduction of Net Present Value (NPV), the NPV was not paid by the previous user agency i.e., M/s Tungabhadra Minerals Pvt Ltd. Therefore, now M/s JSW Steel Ltd. is required to pay the NPV for the entire extent of 133.58 hectare (130.53 hectare for mining lease and 3.05 hectare for approach road) in order to get the FC lease granted in favour of them.

- c. **Safety Zone:-** The Safety zone extent is 7.38 hectare as per the Reclamation and Rehabilitation (R&R) plan approved by the CEC. Hence, M/s JSW Steel Ltd. have to pay the cost of afforestation in degraded forest land on 1½ time of safety zone area.
- d. **Compensatory Afforestation (CA):-** As previous FC lease has already expired on 08-06-2009 and this C-category mining lease area has been e-auctioned by the Government of Karnataka for a fresh period of 50 years, there is a long gap of 8½ years. Further, the mine lease holding has also undergone change owing to e-auction conducted by Mines and Geology Department, Bengaluru. Renewal of an existing FC lease is possible only if the lease holder remains the same. Similarly, transfer of FC lease can take place from one entity to another only when the FC lease is in currency. On account of these two reasons, the instant case of seeking FC lease is neither a case of renewal nor transfer and needs to be treated as a case of fresh lease altogether and equivalent non-forest land (for entire extent of 133.58 hectare) needs to be provided by the User Agency, even though a penal CA charge for double the extent i.e., $2 \times 125.58 = 251.16$ hectare has been recovered from the previous lease holder at the time of grant of previous FC approval. An appropriate decision on the issue of CA may be taken by the Government.

In light of the facts stated above, it is requested to move this online proposal with the Government of India for according 'in-principle' (Stage-I) approval for diversion of 133.58 hectare of forest land for mining and approach road in Donimalai Block, Sandur Taluk, Ballari District in favour of M/s JSW Steel Limited, Toranagallu, Ballari District, subject to final decision of the Government with regard to CA land as referred in para 4 (d) above, submission of FRA compliance and the conditions specified in Annexure 'A'.

The hard copy of the proposal along with the relevant documents in 3 sets is submitted herewith for further needful.

Yours faithfully


Principal Chief Conservator of Forests
(Head of Forest Force)

Copy to the Chief Conservator of Forests, Ballari & Kalaburagi Circles for information and necessary action.

Copy to the Deputy Conservator of Forests, Ballari Division for information and necessary action. In your letter dated 27-09-2017 you have reported that FOC No. 43/08-09 dated 31-05-2008 against the previous Lessee i.e., M/s Tungabhadra Minerals Pvt Ltd is pending. Necessary and decisive action may be taken regarding the said Forest Offence Case and report may be submitted to this office through the Chief Conservator of Forests, Ballari circle within four weeks.

Copy to the Deputy Conservator of Forests, Raichur Division for information and necessary action with regard to non-forest land identified in Raichur Division.

Copy to M/s JSW Steel Ltd. Vijayanagara works, P.O. Vidyanagar, Toranagallu – 583 275, Sandur Taluk, Ballari District for necessary action.

ANNEXURE - 'A'

Enclosure to letter No. A5(1).MNG.CR.02/2017-18

dated: 20-01-2018

1. The User Agency shall pay Net Present Value (NPV) for the forest land to be diverted to the extent i.e. 133.58 hectare.
2. The User Agency shall get the compensatory afforestation land mutated in favour of the Forest Department for this project in order to get the CA land notified as Protected/ Reserved Forest and the user agency shall pay CA charges as applicable.
3. With regard to the safety zone, the User Agency shall pay the cost of afforestation charges in degraded forest as directed by the Ministry of Environment and Forests, Government of India.
4. User agency shall ensure demarcation of boundary of safety zone (7.5 metre strip all along the outer boundary of the mining lease area), and its protection by erecting adequate number of 4 feet high RCC boundary pillars inscribed with DGPS coordinates and deploying adequate number of watchers under the supervision of the State Forest Department.
5. In case of mining leases adjoining the habitation stretch of the boundary of the safety zone of the lease adjacent to the habitation / roads should be properly fenced by the user agency at the project cost to protect the vegetation / regeneration activities in the safety zone.
6. Safety zone shall be maintained as green belt around the mining lease and to ensure dense canopy cover in the area, regeneration shall be taken in this area by the user agency at the project cost under the supervision of State Forest Department.
7. User agency either itself or through the State Forest Department shall undertake gap planting and soil and moisture conservation activities to restock and rejuvenate the degraded open forests (having crown density less than 0.4), if any located in the area within 100 m. from outer perimeter of the mining lease.
8. No labour camp shall be established on the forest land.
9. The boundary of the mining lease and safety zone shall be demarcated on ground at the project cost, by erecting four feet high reinforced cement concrete pillars, each inscribed with its serial number, forward and back bearing and distance from pillar to pillar, before Stage-II approval.
10. Adequate care shall be taken to check any rolling of over-burdens / dumps beyond diverted area and also to check soil erosion caused due to mining activities.
11. The user agency shall provide fuel preferably alternate fuel to the labourers and the staff working at the site so as to avoid any damage and pressure on the nearby forest areas.
12. The layout land use plan of the proposal shall not be changed without the prior approval of the Central Government.

13. The forest land proposed to be diverted shall under no circumstances be transferred any other agency, department or person without prior approval of the Central Government.
14. No damage of the flora and fauna of the adjoining areas shall be caused.
15. Any tree felling shall be done only when it is unavoidable and that too under strict supervision of the State Forest Department.
16. Wherever possible and technically feasible, the user agency in consultation with State Forest Department shall undertake afforestation measures in the blanks within the lease area, as well as along the roads outside the lease area diverted under this approval, at the project cost.
17. The user agency should prepare a land surrender schedule specifying the year for surrendering the mined out and biologically-reclaimed forest land as per the mining plan and progressive mine closure plan and submit an undertaking that the biologically-reclaimed land will be handed over to the State Forest Department as per this surrender schedule.
18. The forest area shall be used for the purpose of mining, storage of materials and OB dumps only. No permanent buildings or labour sheds should be constructed in the leased area.
19. Violation of any of the conditions shall invite penal action, as deemed fit by the Addl. Principal Chief Conservator of Forests (Central), Regional Office, Bengaluru.
20. The user agency shall take up the de-silting of the village tanks within one km area from the mine lease boundary as a Corporate's social responsibility so as to mitigate the impact of siltation of such tanks if any.
21. Adequate fire protection measures, including employment of fire watchers and maintenance of the fire line, etc. shall be undertaken by the user agency in and around the project area at its own cost.
22. The lessee shall not carry out any mining operation after 7.00 PM and before 6.00 AM.
23. The lessee shall abide by the provisions of all the laws for the time being in force relating to working of minerals and matters affecting safety, health and convenience of the Lessee's employees or of the public doing execution of his work.
24. The Lessee shall strictly abide by the provisions of the Karnataka Forest Act, 1963 and the Karnataka Forest Rules, 1969, the Karnataka Forest Manual, 1976 and other Rules and Regulations.
25. If any dispute arises on the interpretation and implementation of above conditions and working difficulty the matter will be referred to the Government of Karnataka and its decisions thereon shall be binding on both the parties.
26. Conservation plan for wildlife shall be prepared in consultation with Chief Conservator of Forests, Ballari Circle. The plan shall also consist of inbuilt monitoring and evaluation mechanism. The said plan shall be implemented at the project cost.

27. Any other conditions that the State Government or the Addl. Principal Chief Conservator of Forests (Central), Regional Office / Principal Chief Conservator of Forests, Bengaluru may impose from time to time in the interest of conservation, protection and development of forests.

Principal Chief Conservator of Forests
(Head of Forest Force)

PART - IV


(To be filled in by the Nodal Officer or Principal Chief Conservator of Forests or Head of Forest Department)

<p>Detailed opinion & specific recommendation of the State Forest Department for acceptance or otherwise of the proposal with remarks.</p> <p>(While giving opinion, the adverse comments made by concerned Conservator of Forests or Deputy Conservator of Forests should be categorically reviewed and critically commented upon).</p>	<p>Recommended the proposal for according 'in-principle' (Stage-I) approval for diversion of 133.58 hectare of forest land for mining and approach road in Donimalai Block, Sandur Taluk, Ballari District in favour of M/s JSW Steel Limited, Toranagallu, Ballari District, subject to final decision of the Government with regard to CA land as referred in para 4(d) of this office letter, submission of FRA compliance and the conditions specified in Annexure 'A'.</p>
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Signature:

Name:

Designation:


ANIL KUMAR RATAN IFS
Chief Conservator of Forests
(Forest Conservation) Additional charge of
Addl. Principal Chief Conservator of Forests
(Forest Conservation) and
Nodal Officer(FCA)

Counter signed by :

Name:

Designation:


A.K. GARG IFS
Principal Chief Conservator of Forests
(Head of Forest Force)

(Official Seal):

N.D.O. No: 37 /2017-18

Date: 20 -01-2018