

एन एम डी सी लिमिटेड N M D C Limited (भारत सरकार का उद्यम / A Govt. of India Enterprise) दोणिमलै लौह अयस्क खान / Donimalai Iron Ore Mine

Donimalai Township – 583 118, Dist: Ballari, Karnataka.

Phones: 08395 – 274654 / 274618, Fax : 08395 – 274687 /274654

Date:04.07.2022

DNM/EMC/235.648Ha/2022/2542

Tο

The Deputy Conservator of Forests,

Ballari Circle,

Ballari.

Sub:-Submission of clarifications regarding diversion of 235.648Ha (revised from 96.87Ha) of forest land outside the Mining Lease (M.L.No.2396) of Donimalai (DM) Block forest (Near Narsingapura village) in favour of Executive Director, M/s NMDC Limited, Donimalai Township, Sandur Taluk, Ballari.

Ref:-1) FC online proposal no. FP/KA/Others/17464/2016 (Form-A).

2) Your kind letter no. M1/MNG/NMDC/Infrastructure/ 2018-19dt. 22.03.2022

Respected Sir,

With reference to above mentioned subject, NMDC Ltd., Donimalai would like to submit the compliance to the shortcomings in respect of the above proposal. The corrected information in Part-I from NMDC Ltd is as follows:-

Following are the revised details of Part-I & part-II:-

S.No.	Clarification sought by PCCF(FC), Bengaluru	Clarifications by NMDC Ltd.
1)	Corrections need to be carried	out by the User agency
a.	Form-A Column No. D: Justification is not uploaded in the item (However, justification uploaded in the additional details is not sufficient. Hence, User Agency need to upload a proper justification note in column D of part-I giving all background details of the project and also the following information for seeking ex-post facto approval form the Government of India. 1. The name and designation of authority issuing the civil work order;	As sought, NMDC Ltd., Donimalai has prepared the updated justification for locating the project in the forest area. The same has been uploaded in the column-D of Part-I detailing about the background of the project by the User agency. Details sought in point no.1 & 2 are not available as the work was commenced in the year 1977 and exact period of execution of work in forest land is not known at this time i.e. in the year 2022. However, the entire

S.No.	Clarification sought by	Clarifications by NMDC Ltd.
, , , , , , , ,	PCCF(FC), Bengaluru	J
	2. The exact period of execution of work in forest land;	civil works related with iron ore beneficiation plant were completed on 30.09.1977. The production & dispatch of iron ore from Donimalai Iron Ore Mine (M.L.No.2396) started from 01.10.1977. In this connection, we are herewith submitting a copy of the certified audit report for the year 1977-78 as a proof which is enclosed as Annexure-1 . The details of royalty paid for the year 1977-78 to 1979-80 are also enclosed as Annexure-2 for your ready reference please. We have also submitted, the fixed asset card statement of the said Ore dressing plant which is enclosed as Annexure-3 for kind reference and record please. From these documents, it can be determined that the construction of ore dressing plant and associated infrastructures were completed in the year 1977 and thereafter production activities were started.
	3. Detailed valid reasons for taking up work on forest land without obtaining prior approval under the FC Act, 1980.	Valid reason for locating the project in the forest area:- We wish to inform you that the Donimalai Iron Ore Mine, granted mining lease under MMDR Act in the year 1968 bearing ML No. 839 (New ML No.2396) for an area of 2013.35 Ha for a period of 20 years i.e. 1968-1988. The copy of the first lease is enclosed as Annexure-4. At the time of inception of mining operations in the year 1977, the grade of saleable iron ore should be more than 55% of iron content. Hence, the ore dressing plant was utmost required for beneficiation of iron ore and to produce finished products i.e. lump ore and fine ore from Donimalai Iron Ore Mine (M.L.No.2396). Hence, these ancillary structures were constructed in the that time mine lease (M.L.No.839) to use the gravitational force for smooth transportation of iron ore and harness the advantage of strategic locations. These locations were techno-economic and efficient utilization of the available land that time. In the year 1988, Donimalai Iron Ore Mine surrendered an area of 1405.35Ha stating that the area was low mineral bearing zone at the time of first lease renewal and kept 608Ha area as present mine lease. By analyzing the Annexure-4, it is observed that all these existing infrastructures were falling in the surrendered area. The surrendered area of 1405.35 Ha which were part of mine lease in the year 1968, became part of forest land after this surrender. In the year 1968, the Forest Conservation Act, 1980 was not in force.

S.No.	Clarification sought by	Clarifications by NMDC Ltd.								
~	PCCF(FC), Bengaluru	We wish to inform that these ancillary structures were								
	// 8	We wis	h to inform that th	ese and	illary structures were					
		constructed in the vicinity of existing mine lease o								
		Donimalai Iron Ore Mine (M.L.No.2396) to use the								
		gravitat	ional force for sn	nooth t	ransportation of iron					
					of strategic locations.					
					onomic and efficient					
		utilizati	on of the available	land th	at time.					
		Donima	alai Iron Ore Mi	ne (M.	L.No.2396) is fully					
					duction capacity of 7					
		MTPA.	To achieve the p	producti	ion targets following					
			-		structed at the time of					
		inceptio	on of mine: -							
		S.No.	Name	S.No.	Name					
		1.	Roads	2.	Stock Yards					
		3.	Interlocked Forest	4.	Water Tank Area					
		5.	Lands Tailings Dam	6.	Water Pipe Lines area					
		7.	Screening Plant	8.	Water Treatment Plant					
		9.	Control Room	10.	Conveyor Gallery					
		11.	Tunnels	12.	Bore Well Area					
		13.	Railway Line	14.	Auto Garage					
		15.	Power Lines	16.	Valley Stores					
		17.	Mechanical Office	18.	Stock Yard					
		Later, the FC Act, 1980 came in to force and to comply with this, we have applied for regularization of the 235.648Ha forest land. Further, we wish to inform that the 235.648Ha forest land is inclusive of 96.87Ha built-up area and interlocked virgin forest land patches of 138.778Ha. We have also informed that these virgin forest land patches have been included on the instructions of Karnataka State Forest department.								
b.	Form-A column no. G, Cost benefit analysis is not uploaded in the item of Part-I instead it has been uploaded in the additional details, please upload in the relevant column.			he Colu	umn-G of Form-A in					
c.	Form-A, Column no. L: The UA has not uploaded the CA land details in the column L of Part-I but the DCF, Ballari has uploaded the CA land details in the Part-II. The same needed to be uploaded in this column.	uploading the CA land details in the form-A of Part-I, the respective column (L) is in hidden/un-editable mode as NMDC Ltd. is a PSU. On enquiry, it has been told to us that for PSU & State								

S.No.	8 .	Clarifications by NMDC Ltd.
	PCCF(FC), Bengaluru	
		Hence, in view of above technical reasons, it is requested to please consider the uploaded CA land details irrespective of the column.
d.	The UA has to provide mine plan in Additional Column of Part-I.	As desired, the copy of the mine plan is uploaded in the additional column of Part-I.

In view of the above submissions, NMDC Ltd., Donimalai is hereby submitting the details against the queries/clarifications sought by the PCCF(FC) Nodal Officer, Bangalore. We are hereby once again requested to consider the above submissions in lieu of processing of our FC proposal for regularization of 235.648Ha for ancillary activities at Donimalai Iron Ore Mine.

Submitted for kind consideration and process our application please.

Thanking you,

Encl.: As Above.

Yours Sincerely,

Chief General Manager Donimalai Complex मुख्य महाप्रवंधक

Chief General Manager

एन.एम.डी.सि.लिमिटेड / NMDC Limited

दोणिमले लीह अयस्क खान / Donimalai Iron Ore Mine

Phone No. 180
Car Street.
BELLARY.

AUDITOR'S REPORT

Donimalai Iron Ore Project and Pellet Plant of National Mineral Development Corporation Ltd. as at 30th April 1978 and the annexed Profit & Loss Accounts of the Donimalai Iron Ore Project and Pellet Plant for the period ended 30th April 1978, and have to report that:-

- 1. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- 2. In our opinion, proper books of accounts as required by 1 w, have been kept by the Project so far as it appears from our examin stion.
- 5. The said Balance Sheets and Profit & Loss Accounts dealt with by this report are in agreement with the books of account.
- 4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read in conjunction with the schedules and notes annexed thereto, give the information required by the Companies act, 1956 in the manner so required and give a true and fair view;
 - a) In the case of Balance Sheets of the state of affairs of Donimal at Iron Ore Project and Pellet Plant as at 30th April 1978; and
 - b) In the case of Profit & Loss Account of Donimalai Iron Ore Project of the loss for the period ended 30th April 1978 and in the case of Profit & Loss Account of Pellet Plant of the expenditure for the period ended 30th April 1978.

The statement of matters to be included in this report under Section 227(4-A) is separately appended.

for D. V. SAROVAR & COMPANY

(M.V.Ramachar), Chartered Accountants.

Date 9-6-1978.

MATTERS FORMING PART OF AUDITOR'S REPORT DATED 9TH JUNE 1978 UNDER SEC. 227 (4-A) OF COMPANIES ACT.

Development Corporation Limited, the construction of which was completed on 30th September 1977, started production from 1st October 1977.

- (1) The company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets and these fixed assets have been physically verified by the Management and no serious discrepancies were noticed on such verification.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) Physical verification has been conducted by the management at reasonable periods in respect of stores, spare parts and discrepancies noticed on such verification as compared to book records have been properly dealt with in the books of account. The valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the earlier years.
- (iv) The company has taken unsecured loans from SAIL and Government of India. The rate of interest and the terms and conditions of such loans are prima facie not prejudicial to the interests of the company.
 - (v) No loans or advances in the nature of loans, have been given by the company in the year of accounts.
- (vi) There is adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials, components, plant and machinery, equipment and other assets.
- (vii) The company during the year purchased components exceeding Rs.10,000/- from the firms or companies in which the Directors are interested and the prices paid for such items are reasonable as compared to the prices of similar items supplied by other parties.

(contd..2)

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CHARTERED ACCOUNTANTS.
Mallikatjun Cinema Compound
HUBLI, (Dist. Dharwar)

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- (viii) There are no unserviceable or damaged stores or raw materials, but provision has been mide in the accounts for unserviceable spare parts.
 - (ix) There are no fixed deposits accepted by the company from the public.
 - (x) The construction of the plant was completed on 30th September 1977 and from 'st October 1977 production has started. There are no sales or disposal of realisable by-products and scraps of significant value.
 - (xi) The company has internal audit system compensurate with its size and nature of business.
- (xii) No cost-records have been prescribed by the Central Government under Sec. 209(1) (d) of Companies Act, 1956.
- (xiii) The company is regular in depositing Provident Fund dues with the appropriate authority.
- (xiv) The company is a mining company.

FOR D. V. SAROV AR & COMP MY

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(M.V.Ramachar), Charterd Accountants, CHARTERED ACCOUNTANTS.
Malliketjun Cinema Compound,
tritini I. (Dist. District)

Townships on the year ended 31st	March 1977 E. March 1977 E. March 1977 23.06.611	43,30,588	37,02,444 13,42,581 4,58,566 73,06,031 22,30,701 1,44,600	1,5	For D. C. Sarovar & Co., Dec. 2
AND LOSS ACCOUNT FOR THE FERIOD ENDING 30TH AFRIL 1978 DEGENORGE OF STREET OF THE FERIOD ENDING 30TH AFRIL 1978 Schedule For the year ended 30th	M. M	21,92,812 1,52,56,637 (-) 3,78,716	42,79,917 45,83,798 11,05,363 99,02,235 42,57,468 7,78,919	11,300	GENERAL MANAGER PONIMALAI INON ORE PROJECT
#OWENT AND LINES ACCOUNT FOR THE FER IOD ENDING BOTH AIR IL 1978 **COUNT FOR THE FER IOD ENDING HOUSE ORGANISHOND HOUSE OF THE FOR THE FOR THE PER IOD ENDING HOUSE ORGANISHOND HOUSE ORGANISHOUSE ORGANISH AIR IL 1978 **Schedule** **Schedu	408090womomomomomomomomomomomomomomomomomomom		3. Consumption of Stores and Spares 4. Power and Electricity 5. Payments and Benefits to Employees 6. Repairs and Haintenance 7. Royalty and Cess	9. Interest 10. Other Expenses 10. Other Expenses 10. Other Expenses 10. Other Expenses	TOWN TO TOWN TOWN

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	Transfer to from other units	-				(-) 46321				(-) ZZ	(-) 10095430	(-) 23961		110	1	(-) (5065	99 (-)	(-) 10183580	Of paranti,
	Deductions add- ustments during the year.	4		ACI		320715	58 159			182	9964	32608	0"	171		15662(11682) (-)	73693	696605	2 2 Operanti, CHARTERED ACCOUNTANTS.
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Gross Block agon 20,4,78	strong/Adj- stronts during the year	3	699		7434491	384739	107 1564	1042000	7 1059 18 34.55 129	205114031	22123905	196483	- Cont	Th	4363439	6900876	(512519) 522519	266913791	hunder
Gross Bloo	As at 31st March 1977	2	510265	3241196	13823346	729465	187,3085	17 267 38	7676406		41391721 Asmor	1280985	110	ntl	4465303		-	82458406	GENERAL SANAGER CONTRACT NON OR PROTECT
		a) Land (Freehold)	b) Land (Leasehold)	e) Roads, Bridges & Carlverts q	Manufacture of the Parket of t	f) Dans, Wells & Pools	Adit & Funnel	Railway siding	Plant & Machinery (a)			Vehioles	Cess Fund Vehicles	Electrical water	Sabitary & water arrely (asternation	q) Other Assets	-	The state of the s	Financial Adviser Donimalai iron Ore Project

the period 1st May 1978 to 31st Margn 1979	Schedule Es. For the year For the year anded 31st March Es. ended 30th April 1979 1979 18. For the year anded 31st March Es. ended 30th April 18.	Lier years: 17 1,76,88,224 2,71,28,063 1,13,99,459 1,56,88,224 69,75,224 21,92,812 21,92,812 21,92,812 21,92,812 21,92,812 21,92,813 1,52,56,637	stock is 29 1 charges 1 ch
Profit a		odf: sales Other income Adjustment relating to earlier years: less - transfer to 1.E.D.C Total :::	Increase(-)/pecrease(+) in stock agising and transportation charges Consumption of Stores & Spares Power & Electricity Rayment & Mars Henefits to Employees Repairs & Maintenance Royalty & Cess Royalty & Cess Interest Other expenses

4.				
For the year ended	271;28;063 210,04,906 481,32,969	(~32,70,476	80,22,048 IT,52,980 ID3,777,467 72,38,496 19,55,941	&
Forthe year ended 31st March 180	367,40;911 227,93,162 595,34,093	3,84,931	18,2,563 131,42,577 94,49,875 27,24,530 1,61,128	For PARKEA & CO EUARTHERD ACCOUNTANTS CHARTERED ACCOUNTANTS CHARTERED 24.6-80 PARTHER.
2		9) \$ 21,237	29,30,000	GENERAL MANAGER
Schedulo	Salos Othor Incomo Total	Expenses: Increase(-)/Decrease(*) in stock Raising and Transportation charges Consumption of stores and spares Provision fof Replacement of conveyor beats	Power and Electricity Payment and benefits to employees Repairs and Maintenance Royalty and Coss Selling expenses	Propert Advisor Donimalai Iron Ore Project GENE

N M D C Limited DONIMALAI COMPLEX Fixed Assert Card

Page : 1

Run Date : 01-01-2022

Project Code : 0501 DONIMALAI IRON ORE MINE Year: 01-04-1977 to 31-03-1978 Major Code (GL): 1440 F.A-GENERAL-PLANT AND MACHINERY Status : ACTIVE Sub-Major Code: MO2 MINING EQUIPMENT- GENERAL Minor Code : M02001 MINING EQUIPMENT- GENERAL Sub-Minor Code: Asset Id Code: 0501/1440/00296 CostCentre Code: 16 : C IT Group LOADING PLANT (ELECTRICAL) Location Code :16 IT Sub-group : C14 Description : ORE DRESSING PLANT Short Name : ORE DRESSING PLANT Parent Code : P Engine No : NONE Proj.Id No : 0350 No.of Units : Chassis No: NONE Balance Qty : Model No : NONE Date of Commissiong: Mine Life Restriction: Status changed Date: 01-10-1977 RESTRICTED Normal Life : 180 Gross Block : 22,86,17,959 Remarks: Deprciable Life : 180 Adj. Gross Block : 22,86,17,959 Adj.Depr Life : 180 Effect Adj Date : Signature: (in months) Designation: Year Block: 01-04-2020 to 31-03-2021 Gross Block Depreciation Net Block Op. Gross block 22,86,17,959 Op.Depcn block: 22,86,17,959 Addition : Prev.Year : Adjustment : Adjustment : Transfer In : Transfer-In : Transferout : Transfer-Out : Int Transfer : Int.Transfer : Current Year :

Gross Block Total: 22,86,17,959 Deprn. Total: 22,86,17,959 Net bal:

- Original

GOVERNMENT OF MYSORE

MINING LEASE

Registered No	M.L. No 839	
Name of Lessee/s	M/S Malinal Mineral Development Corporation	Ltd.
	4-11-1968	
Period	15 ijeers.	

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High Sub-Registrar BANDUR.

Saligham Singh aged 33 Years 5/0 Sni Nageswara brasad Rajpul -Dehaly Hining engineer H/S.

National Mineral Develohmentcosposate on R.T. D. New Industrial lowinghip fardabard (Harryana) admets executionand makes his signaline who is personally known to the Sale Renistras.

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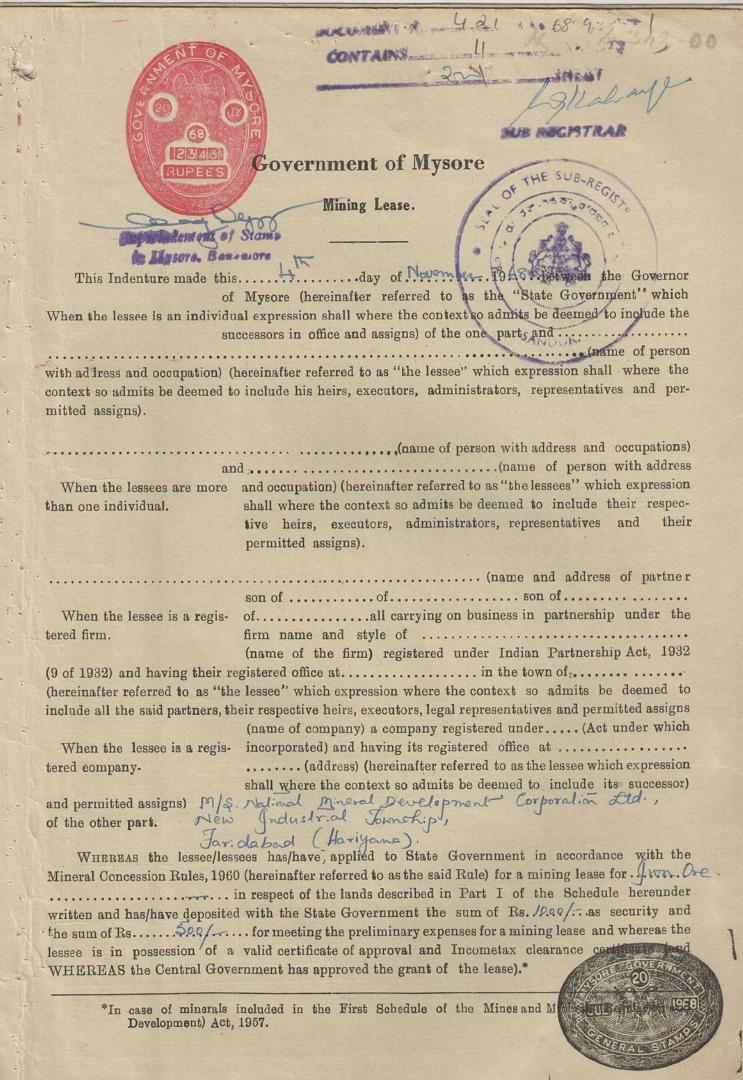
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WITNESSETH that in consideration of the rents and royalties covenants and agreements by and in these presents and the schedule hereunder written reserved and contained and on the part of the lessee/lessees to be paid observed and performed, the State Government (with the approval of the Central Government)* hereby grants and demises unto lessee/lessees.

IN WITNESS WHEREOF these presents have been executed in manner hereunder appearing the day and year first above written.

The Schedule above referred to.

PART I.

The Area of this Lease

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^{*}In case of minerals included in the First Schedule of Mines and Minerals (Regulation and Development Act, 1957).

PART II.

Powers and Privileges to be exercised and enjoyed by the Lessee/Lessees subject to the restriction and conditions in Part III.

Liberty and power at all times during the term hereby demised, to enter upon the said lands and to search for mine bore dig drill or win, work, dress, process, conand vert carry away and dispose of the said mineral/minerals. To enter upon land search for win, work, etc.

2. Liberty and power for or in connection with any of the purposes mentioned in this part to sink drive, make, maintain, and use in the said lands any pits, shafts, inclines, drifts, levels, waterways, airways and other works (and to use maintain, To sink drive and make pits shafts and inclines, etc. deepen or extend any existing works of the like nature in the said lands).

Liberty and power for or in connection with any of the purposes mentioned in this part to erect, construct, maintain and use on or under the said lands any engines machinery plant, dressing floors, furnaces, coke ovens, brick-kilns, work-To bring to use machinery equipment, etc. shops, storehouses, bungalows, godowns, sheds and other buildings, and others works and conveniences of the like nature on or under the said lands.

Liberty and power for or in connection with any of the purposes mentioned in this part to make any tramways, railways, roads, aircrafts landing grounds and other ways in or over the said lands and to use, maintain and go and repass To make roads and ways, etc., and use existing roads and with or without horses, cattle, wagons, aircraft locomotive or other ways. vehicles over the same (or any existing tramways, railways, roads and other ways in or over the said lands) on such condition as may be agreed to.

Liberty and power for or in connection with any of the purposes mentioned in this park to quarry and get stone gravel and other building and road material and clay and to use and employ the same and to manufacture such To get building and road materials, etc. clay into bricks or tiles and to use such bricks or tiles but not to sell any such material bricks or tiles.

Liberty and power for or in connection with any of the purpose mentioned in this part but subject to the rights of any existing or future lessees and with there written permission of the Deputy Commissioner to appropriate and use To use water from streams water from any streams, watercourses, springs or other sources in or upon the said lands and to divert, step up or dam any such stream or water course and collect or impound any such water and to make, construct and maintain any watercourse culverts drains or reservoirs but not so as to deprive any cultivated lands, villages, buldings or watering places for livestock of a reasonable supply of water as before accustomed nor in any way to foul or pollute any streams or springs, Provided that the lessee/lessees shall not interfere with the navigation in any navigable stream nor shall divert such stream without the previous written permission of the State Government.

7. Liberty and power to enter upon and use a sufficient part of the surface of the said lands for the purpose of stacking, heaping storing or depositing thereon any produce of the mines or works carried on and any tools equipment, earth To use land for stacking, heaping, depositing purposes. and materials, and substances, dug or raised under the liberties and powers mentioned in this part.

- 8. (a) Liberty and power to enter upon and use a sufficient part of the said lands to beneficiate any ore produced from the said lands and to carry away such benefi-Benefication and conveying ciated ore.

 away or production.
 - (b) Liberty and power upon the said lands to convert into coke any coal or coal dust produced from the said lands and to carry away such coke.

To make coke. (To be used in case of coal only).

9. Liberty and power for in connection with any of the purposes mentioned in this part and subject to the existing rights of others and save as provided in clause To clear brush-wood and to 3 of part III of this Schedule to clear undergrowth and brushwood and fell and utilise trees, etc.

To clear brush-wood and to 3 of part III of this Schedule to clear undergrowth and brushwood and to fell and utilise any trees or timber standing or found on the said lands provided that the State Government may ask the lessee/lessees to pay for any trees or timber felled and utilised by him/them at the rates specified by the Deputy Commissioner.

PART III

Restrictions and conditions as to the exercise of the Liberties, Powers and Privileges in Part II.

- 1. No building or thing shall be erected, set up or placed and no surface operations shall be carried on in or upon any public pleasure ground, burning or burial No building, etc., upon ground or place held sacred by any class of persons or any house or village site, public road or other place which the State Government may determine as public ground nor in such a manner as to injure or prejudicially affect any buildings, works, property or rights of other persons and no land shall be used for surface operations which is already occupied by persons other than the State Government for works or purposes not included in this lease. The lessee/lessees shall not also interfere with any right of way well or tank.
- 2. Before using for surface operations any land which has not already been used for such operations the lessee/lessees shall give to the Deputy Commissioner of the District two calendar months previous notice in writing specifying the name or other description of the situation and the extent of the land proposed to be so used and the purpose for which the same is required and the said land shall not be so used if objection is issued by the Deputy Commissioner within two months after the receipt by him of such notice unless the objections so stated shall on reference to the State Government be annulled or waived.
- 3. The lessee/lessees shall not without the express sanction of the Deputy Commissioner cut down or injure any timber or tress on the said lands but may without such sanction clear away any brushwood or undergrowth which Interfers with any operations authorised by these presents. The Deputy Commissioner or the State Government may require the lessee/lessees to pay for any trees or timber felled and utilised by him/them at the rates specified by the Deputy Commissioner or the State Government.
- 4, Notwithstanding anything in this Schedule contained the lessee/lessees shall not enter upon any reserved forest included in the said lands without previous sanction in writing of the District Forest Officer nor fell, cut and use any timber or trees without obtaining the sanction in writing of that Officer nor otherwise than in accordance with such conditions as the State Government may prescribe.

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(4 A) The lessee/lessees shall not fell any trees in any forest area covered by this lease without reasonable notice to the Forest Officer and except in accordance with the provisions of the law relating to forests for the time being in force.

5. The lessee/lessees shall not work or carry on or allow to be worked or carried on any mining operations at or to any point within a distance of 50 metres from any No mining operations within railway line except with the previous written permission of the Railway

No mining operations within railway line except with the previous written permission of the Railway 50 metres of public works, etc. Administration concerned or from any reservoir, canal or other public works such as public roads and buildings or inhabited site except with

State Government in this behalf and otherwise than in accordance with such instructions, restrictions and conditions either general or special which may be attached to such permission. The said distance of 50 metres shall be measured in the case of railway reservoir or canal horizontally from the outer toe of the bank or the edge of the cutting as the case may be and in case of a building horizontally from the plinth thereof. In the case of village roads no working shall be carried on within a distance of 10 metres of the outer edge of the cutting except with the previous permission of the Deputy Commissioner or any other Officer duly authorised by the State Government in this behalf and otherwise than in accordance with such directions restrictions and additions either general or special which may be attached to such permission.

Explanation.—For the purposes of this clause the expression 'Railway Administration' shall have the same meaning as it is defined to have in the Indian Railway Act, 1890, by Clause 6 of Section 3. of that Act, 'Public Road,' shall mean a road which has been constructed by artificially surfaced as distinct from a tract resulting from repeated use. Village road will include any tract shown in the revenue records as village road.

6. The lessee/lessees shall allow existing and future holders of Government licences or leases

Facilities for adjoining Government licences and leases. over any land which is comprised in or adjoins or is reached by the lessee/lessees reasonable facilities of access thereto

PROVIDED THAT no substantial hindrance or interference shall be caused by such holders of licences or leases to the operations of the lessee/lessees under these presents and fair compensation (as may be mutually agreed upon or in the event of disagreement as may be decided by the State Government) shall be made to the lessee/lessees for all loss or damage sustained by the lessee/lessees by reason of the exercise of the liberty.

PART IV.

Liberties, powers and Privileges reserved to the State Government.

1. Liberty and power for the State Government or to any lessee or persons authorised by it in that behalf to enter into and upon the said lands and to search for win, work, dig, get, raise, dress, process, convert and carry away minerals other than the said minerals and any other substances and for those purposes to sink, drive, make, erect, construct, maintain and use such pits, shafts, inclines, drifts, levels and other lines waterways, airways, water courses, drains, reservoirs, engines, machinery plant, buildings, canals, tramways, railways, roadways and other works and conveniences as may be deemed necessary or convenient.

PROVIDED THAT in the exercise of such liberty and power no substantial hindrance or interferance shall be caused to or with the liberties, powers and privileges of the lesse/lessees under these presents and that fair compensation (as may be mutually agreed upon or in the event of disagreement as may

be decided by the State Government) shall be made to the lessee/lessees for all loss or damage sustained by the lessee/lessees by reason or in consequence of the exercise of such liberty and power.

2. Liberty and power for the State Government or any lessee or person authorised by it in that behalf to enter into and upon the said lands and to make upon over or To make railways and roads through the same any railways, tramways, roadways, or pipelines for any purpose other than those mentioned in part II of these presents and to get from the said lands stones, gravel, earth and other materials for making, maintaining and repairing such railways, tramways and roads or any existing railways and roads and to go and repass at all times with or without horses, cattle, or other animals, carts, wagons, carriages, locomotives, or other vehicles over or along any such railways, tramways, roads, lines, and otherways for all purposes and as occasions may require provided that in the exercise of such liberty and power by such other lessee or person, no substantial hindrance or interference shall be caused to or with the liberties powers and privileges of the lessee/lessees under these presents and that fair compensation (as may be mutually agreed upon or in the event of disagreement as may be decided by the State Government) shall be made to the lessee/lessees for all loss or damage sustained by the lessee/lessees by reason or in consequence of the exercise by such lessee or person of such liberty and power.

PART V

Rents and Royalties reserved by this lease.

The lessee shall pay for every year except the first year of the lease yearly dead rent as specified in clause 2 of this part in respect of each mineral.

To pay dead rent or royalty whichever is greater

PROVIDED THAT the lessees shall be liable to pay the dead rent or royalty in respect of each mineral whichever is higher in amount but not both.

THE SUR. Subject to the provision of Clause 1 of this Part, during the subsistence of this lease the lessee/lessees shall pay to the State Government annual dead rent at the following rate/rates or at such revised rate/rates which may be com-Rate and mode of payment municated in writing to the lessee/lessees by the State Government per dead rent nt B. P. RADHAKRISHNA ar Director of Mines & Geology year of the lease Nil 2) Rs. 12-50 Rs. 25, 167 2nd to 5th year per 6th to 10th year B.50,334/-Rs. 25-00 11the year and onwards Rs. 37-50 B.75,501/-For And on Behalf of National Mineral Development Corporation Ltd

of royalty.

of this lease pay to the State Government at such times and in such Rate and mode of payment manner as the State Government may prescribe royalty in respect of any mineral/minerals removed by him/them from the leased area at the rate for the time being specified in the Second Schedule to the Mines and

Minerals (Regulation and Development) Act, 1957.

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(3-A) The lessee/lessees shall not remove any ores or minerals from the leased area except under, and in accordance with the conditions of a permit issued by the Director of mines and Geology in Mysore, on payment by the lessee/lessees of the royalty due on the ores or minerals.

4. The lessee/lessees shall pay rent and water rate to the State Government in respect of all parts of the surface of the said lands which shall from time to time be occupied or used by the lessee/lessees under the authority of these presents at the rate of Rs. respectively per annum per hectere of the area so occupied or used and so in proportion for any area less than an hectare during the period from the commencement of such occupation or use until the area shall cease to be so occupied or used and shall as far as possible restore the surface land so used to its original condition, (surface cent and water rate shall be paid as hereinbefore detailed in Clause (2) PROVIDED THAT no such rent water rate shall be payable in respect of the occupation and use of the area comprised in any roads or ways to which the public have full right of access.

PART VI

Provisions relating to the rents and royalties

1. The rent and royalties mentioned in Part V of this Schedule shall be paid free from any deductions to the State Government at Gov. The shall be paid in such manner as the State Government may prescribe PYOVIDED ALWAYS and it is hereby agreed that Rent and royalties to be free Rs......the balance standing to the credit of the lessee/lessees on account of the deposit made by him/them as a licensee/licensees over an area which included the said lands shall be retained and accepted by the State Government in satisfaction of the rents and royalties mentioned in Part V until they reach that amount.

2. For the purposes of computing the said royalties, the lessee/lessees shall keep a correct account of the mineral/minerals produced and despatched. The Mode of computation of accounts as well as the weight of the mineral/minerals in stock or in the process of export may be checked by any Officer authorised by the Central or State Government.

(Here specify the mode of arriving at sale price/prices at pits mouth of mineral/minerals)

3. Should any rent, royalty or other sums due to the State Government under the terms and conditions of these presents be not paid by the lessee/lessees within the prescribed time, the same may be recovered on a certificate of such Officer as may be specified by the State Government by general or special order in the same manner as an arrear of land revenue.

PART VII

The Covenants of the lessee/lessees

1. The lessee/lessees shall pay the rent water rate and royalies reserved by this lease at such times and in the manner provided in PART V and VI of these presents Lessees to pay rents, royaland shall also pay and discharge all taxes, rates, assessments and impositions whatsoever being in the nature of public demands which shall from time to time be charged assessed or imposed by the authority of the Central and State Governments upon or in respect of the premises and works of the lessee/lessees in common with other premises and works a like nature except demands for land revenues.

The lessee/lessees shall at his/their own expense erect and at all times maintain and keep in repair boundary marks and pillars according to the demarcation to be To maintain and keep bounshown in the plan annexed to this lease. Such marks and pillars shall be sufficiently clear of the shrubs and other obstructions as to allow easy identification.

3. Unless the State Government for good cause permits otherwise, the lessee/lessees shall commence operations within one year from the date of execution of the lease and shall thereafter at all times during the continuance of within a year and work in a workman like manner.

To commence operations the lease and shall thereafter at all times during the continuance of this lease search for, win, work and develop the said minerals without voluntary intermission in a skilful and workmanlike manner and as prescribed under clause 12 hereinafter without doing or permitting to be done any unnecessary or avoidable damage to the surface of the said lands or the crops, buildings structures, or other property thereon. For the purposes of this clause, operations shall include the erection of machinery laying of a tramway or construction of a road in connection with the mine.

- 4. The lessee/lesses shall make and pay such reasonable satisfaction ond compensation as may be assessed by lawful authority in accordance with the law in force on To indemnify Government the subject for all damage, injury or disturbance which may be done by against all claims. him/them in exercise of the powers granted by this lease and shall indemnify and keep indemnified fully and completely the State Government against all claims which may be made by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith.
- 5. The lesse/lessees shall during the subsistance of this lease well and sufficiently secure and keep open with timber or other durable means all pits shafts and To secure and keep in good workings that may be made or used in the said lands and make and condition pits, shafts, etc. maintain sufficient fences to the satisfaction of the State Government round every such pit, shaft or working whether the same is abandoned or not and shall during the period keep all workings in the said lands except such as may be abandoned accessible free from water and foul air as far as possible.
- 6. The lessee/lessees shall strengthen and support to the satisfaction of the Railway administration concerned or the State Government, as the case may be, any parto strengthen and support of the mine which in its opinion requires such strengthening or support the mines to necessary extent. for the safety of any railway, reservior, canal, road and any other public works or structures.
- 7. The lessee/lessees shall allow any officer authorised by the Central Government or the State

 Government in that behalf to enter upon the premises including any
 buildings, excavation or land comprised in the lease for the purpose of inspecting, examining, surveying and making plans thereof sampling
 and collecting any date and the lessee/lessees shall with proper person employed by the lessee/lessees and acquainted with the mines and works effectually assist such officer, agents, servants and workmen in conducting every such inspection and shall afford them all fecilities, information connected with the working of the mines which they may reasonably require and also shall and will conform to and observe all orders and regulations which the Central and State Governments as the result of such inspection or otherwise may from time to time see fit to impose.
- 8. The lessee/lessees shall without delay send to the Director of Mines and Geology a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of the operations under this lease.

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9. The lessee/lessees shall report to the State Government the discovery in the lessed area of any mineral not specified in the lesse within sixty days of such discovery along with full particulars of the nature and position of each such find. If any mineral not specified in the lease is discovered in the leased area, the lessee/lessees shall not win and dispose of such mineral unless such mineral in included in the lease or a separate lease is obtained therefor.

10. The lessee/lessees shall at all times during the said term keep or cause to be keet at an office

To keep records and accounts to be situated upon or near the said lands correct and intelligible books regarding production and of accounts which shall contain accurate entries shawing from time employees, etc.

- (1) Quantity and quality of the said mineral/minerals realised from the said lands.
- (2) Quantity of the various qualities of ores beneficiated or converted (for example coal converted into coke.)
 - (3) Quantities of the various qualities of the said mineral/minerals sold and exported separately.
- (4) Quantities of the various qualities of the said mineral/minerals otherwise disposed of and the manner and purpose of such disposal.
 - (5) The prices and all other particulars of all sales of the said mineral/minerals.
- (6) The number of persons employed in the mines or works or upon the said lands specifying nationality, qualifications and pay of the technical personnel.
- (7) Such other facts, particulars and circumstances as the Central or the State Governments may from time to time require and shall also furnish free of charge to such officers and at such times as the Central and State Governments may appoint true and correct abstracts of all or any such books of accounts and such information and returns to all or any of the matters aforesaid as the State Government may prescribe and shall at all reasonable times allow such officers as the Central Government or State Government shall in that behalf appoint to enter into and have free access to the said officers for the purpose of examining and inspecting the said books of accounts, plans and records and to make copies thereof and make extracts therefrom.

The lessee/lessees shall at all times during the said term maintain at the mine office correct intelligible up-to-date and complete plans and sections of the mines in the said lands. They shall show all the operations and workings and all the trenches, pits and drillings made by him/them in the course of operations carried on by him/them under the lease, faults and other disturbances encounted and geological data and all such plans and sections shall be amended and filled up by and from actual surveys to be made for that purpose at the end of twelve months or any period specified from time to time and the lessee/lessees shall furnish free of charge to the Central and State Governments true and correct copies of such plans and sections whenever required. Accurate records of all trenches, pits and drillings shall show:

- (a) The subsoil and strata through which they pass.
- (b) Any mineral encountered.
- · (c) Any other matter of interest and all data required by the Central and State Government's from time to time.

The lessee/lessees shall allow any officer of the Central or the State Government, authorised in this behalf by the Central Government, to inspect the same at all reasonable times. He/they shall also supply when asked for by the State Government/the Coal Controller/the Director, Geolgica, Survey of India/the Director, Indian Bureau of Mines, a composite plan of the area showing thickness dip, inclination, etc., of all the seams as also the quantity of reserves qualitywise.

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12. The lessee/lessees shall be bound by such rules as may by issued from time to time by the Government of India under Section 18 of the Mines and Minerais (Regulation and Development) Act, 1957 (Act 67 of 1957) and shall not carry on mining or other operation under the said lease in any way other than as prescribed under these rules.

To provide weighing machine which the said minerals shall be brought to bank a properly constructed and efficient weighing machine and shall weigh or cause to be weighed thereon all the said minerals from time to time brought to bank sold, exported and converted and also the converted products shall at the close of each day cause the total weights, ascertained by such means of the said minerals, ores, products raised, sold, exported and converted during the previous twenty four hours to be entered in the aforesaid books of accounts. The lessee/lessees shall permit the State Government at all times during the said term to employ any person or persons to be present at the weighing of the said minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the lessee/lessees. The lessee/lessees shall give / days previous notice in writing to the Director of Mines and Geology of every such measuring or weighing in order that he or some officer on his behalf may be present thereat.

14. The lessee/lessees shall allow any person or persons appointed in that behalf by the State
Government at any time or times during the said term to examine and
test every weighing machine to be provided and kept as aforesaid and the
weights used therewith in order to ascertain whether the same
respectively are correct and in good repair and order and if upon any
such examination or testing any such weighing machine or weights shall be found incorrect or cut of

such examination or testing any such weighing machine or weights shall be found incorrect or out of repair or order the State Government may require that the same be adjusted, repaired and put in order by and at the expense of the lessee/lessees and if such requisition be not complied with within fourteen days after the same shall have been made, the State Government may cause such weighing machine or weights to be adjusted, repair and put in order and the expense of so doing shall be paid by the lessee/lessees to the State Government on demand and if upon any such examination or testing as aforesaid any error shall be discovered in any weighing machine or weights to the prejudice of the State Government such error shall be regarded as having existed for three calendar months previous to the discovery thereof or from the last occasion of so examining and testing the same weighing machine and weights in case such occasion shall be within such period of three months and the said rent and royalty shall be paid and accounted for accordingly.

To pay compensation for by or on the part of the lessee/lessees in exercise of the liberties and power granted by these presents and shall at all times save harmless and keep indemnified the State Government from and against all suits claims and demands which may be brought or made by any person or persons in respect of any such damage injury or disturbance.

16. The lessee/lessees will exercise the liberties and powers hereby granted in such a manner as to offer no unnecessary or reasonably avoidable obstruction or interrup.

Not to obstruct working of tion to the development and working within the said lands of any other minerals.

minerals not included in this lease and shall at all times afford to the Central and State Governments and to the holders of prospecting licences or mining leases in respect of any such minerals within any minerals or any land adjacent to

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the said lands as the case may be reasonable means of access and safe and covenient passage upon and across the said lands to such minerals for the purpose of getting working, developing and carroing away the same provided that the lessee/lessees shall receive reasonable compensation for any damage or injury which he/they may sustain by reason or in consequence of the use of such passage by such lessees or holders of prospecting licences.

17. (1) The lessee/lessees shall not, without the previous consent in writing of the State Government, which in the case of a mining lease in respect of any mineral specified in the first Schedule to the Act shall not be given except after previous approval of the Central Government—

- (a) assign, sublet, mortgage, or in any other manner, transfer the mining-lease, or any right title or interest therein, or
- (b) enter into or make any arrangement, contract or understanding whereby the lessee/lessees will or may be directly or indirectly financed to a substantial extent by, or under which the lessee's operations or undertakings will or may be substantially controlled by, any person or body of persons other than the lessee/lessees.
- (2) Without prejudice to the above provisions, the lessee/lessees may subject to the conditions specified in the proviso to rule 35 of said Rules, transfer this lease or any right, title or interess therein, to a person holding a certificate of approval and an Income-tax clearance certificate from the Income-tax Officer concerned, on payment of a fee of Rupees One Hundred to the State Government:

Provided that the lessee/lessees shall make available to the transferee the original or certified copies of all plans of abandoned workings in the area and in a belt 65 metres wide surrounding it.

(3) The State Government, may by order in writing, determene the lease at any time if the lessee/lessees has/have in the opinion of the State Government committed a breach of any of the above provisions or has/have transferred the lease or any right, title or interest therein otherwise than in accordance with Clause (2):

Provided that no such order shall be made without giving the lessee/lessees a reasonable opportunity of stating his/their case.

18. The lease shall not be controlled and the lessee/lessees shall not allow themselves to be controlled by any Trust, Syndicate, Corporation, Firm or person except Not to be financed or controlled by a Trust Corporation with the written consent of the Central Government. The lessee/lessees Firm or person. shall not enter into or make any arrangement compact or understanding whereby the lessee/lessees will or may be directly or indirectly financed by or under which the lessee's/ lessees' operations or undertakings will or may be carried on direatly or indirectly by or for the benefit of or subject to the control of any Trust, Syndicate, Corporation, Firm or person unless with the written sanction given prior to such arrangement compact or understanding being entrered into or made of the Central Government and any or every such arrangement compact or understanding as aforesaid, (entered into or made with such sanction as aforesaid) shall only be entered into or made and shall always be subject to an express condition binding upon the other party or parties thereto that on the occasion of state of emergency of which the President of India in his discretion shall be the sole judge it shall be terminable if so required in writing by the State Government and shall in the event of any such requisition being made be forthwith thereafter determined by the lessee/lessees accordingly.

Lessee shall deposit any additional amount necessary to the power hereinafter declared in that behalf the lessee/lessees shall deposit with the State Government such further sum as may be sufficient with the unappropriated par hereof to bring the amount in deposit with the State Government up to the sum of Rs. 1,000/500.





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- Delivery of workings in good repair or sooner determination of the said term or any Delivery of workings in good renewal thereof deliver up to the State Government all mines, pits order to State Government shafts, inclines drifts, levels, waterways, airways, and other works now after determination of lease. existing or hereafter to be sunk or made on or under the said lands except such as have been abandoned with the sanction of the State Government and in an ordinary and fair course of working all engines, machinery, plant buildings, structures, other works and conveniences which at the commencement of the said term were upon or under the said lands and all such machinery set up by the lessee/lessees below ground which cannot be removed without causing injury to the mines or works under the said lands (except such of the same as may with the sanction of the State Government have become disused) and all buildings and structures of bricks or stone erected by the lessee/lessees above ground level in good repair order and condition and fit in all respects for further working of the said mines and the said minerals.
- 21. (a) The State Government shall from time to time and all times during the said term have

 the right (to be exercised by notice in writing to the lessee/lessees)

 of pre-emption of the said minerals (and all products thereof) lying in or

 upon the said lands hereby demised or elsewhere under the control of the lessee/lessees and the
 lessee/lessees shall with all possible expedition deliver all minerals or products or minerals purchased
 by the State Government under the power conferred by this provision in the quantities at the times
 in the manner and at the place specified in the notice exercising the said right.
- b) Should the right of pre-emption conferred by this present provision be exercised and a vessel chartered to carry the minerals or products thereof procured on behalf of the State Government or the Central Government be detained on demurrage at the port of loading the lessee/lessees shall pay the amount due for demurrage according to the terms of the charter party of such vessel unless the State Government shall be satisfied that the delay is due to causes beyond the control of the lessee/lessees.
- c) The price to be paid for all minerals or products of minerals taken in pre-emption by the State Government in exercise of the right hereby conferred shall be the fair market price prevailing at the time of pre-emption PROVIDED THAT in order to assist in arriving at the said fair market price the lessee/lessees shall if so required furnish to the State Government for the confidential information of the Government particulars of the quantities, descriptions and prices of the said minerals or products thereof sold to other customers and of charters entered into for freight for carriage of the same and shall produce to such Officer or Officers as may be directed by the State Government original or authenticated copies of contracts and charter parties entered into for the sale or freightage of such minerals or products.
- President of India shall be the sole judge and a notification to this effect in the Gazette of India shall be conclusive proof) the State Government with the consent of the Central Government shall from time to time and all times during the said term have the right (to be exercised by a notice in writing to the lessee/lessees) forthwith take possession and control of the works, plant, machinery and premises of the lessee/lessees on or in connection with the said lands or operations under this lesse and during such possession or control the lessee/lessees shall conform to and obey all direction given by or on behalf of the Central Government or State Government regarding the use or employment of such works, plants, premises and minerals PROVIDED THAT fair compensation which shall be determined in default of agreement by the State Government shall be paid to the lessee/lessees for all loss or damage sustained by him/them by reason or in consequence of the exercise of the powers conferred by this clause and PROVIDED ALSO that the exercise of such powers shall not determine the said term hereby granted or affect the terms and provisions of these presents further than may be necessary to give effect to the provisions of this clause.

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22. The lessee/lessees shall not employ, in connection with the mining operations any person who is not an Indian national except with the previous approval of the Central Government.

23. If any of the works or matters which in accordance with the covenants in that behalf herein before contained are to be carried or performed by the lessee/lessee Recovery of expenses incurbe not so carried out or performed within the time specified in that behalf, the State Government, may cause the same to be carried out of performed and the lessee/lessees shall pay the State Government on demand all expenses which shall be incurred in such carrying out or performance of the same and the decision of the State Government as to such expenses shall be final.

24. The lessee/lessees shall furnish.—(a) all geophysical data relating to mining fields or engineering and ground water surveys, such as anomaly maps, sections, plans, structures, contour maps, logging, collected by him/them during the course of mining operations to the Director, Geological Survey of India, Calcutta,

(b) all information pertaining to investigations of radio active minerals collected by him/them. during the course of mining operations to the Secretary, Department of Atomic Energy, New Delhi Data or information referred to above shall be furnished every year reckoned from the date of

commencement of the period of the mining lease.

PART VIII

The Covenants of the State Government.

1. The lessee/lessees paying the rents, water rate and royalties hereby reserve and observing and performing all the covenants and agreements herein contained and Lessee/Lessees may hold on the part of the lessee/lessees to be observed and performed shall and and enjoy rights quietly.

may quietly hold and enjoy the rights and premises hereby demised for and during the term hereby granted without any unlawful interruption from or by the State Government, or any person rightfully claiming under it.

2. If in accordance with the provision of Clause 4 of Part VII of this Schedule, the lessee/lessees shall offer to pay to an occupier of the surface of any part of the said lands compensation for and damage or injury which Acquisition of lands of may arise from the proposed operations of the lessee/lessees and third parties and compensation the said occupier shall refuse his consent to the exercise of the right and powers reserved to the State Government and demised to the lessee/lessees by these presents and the lessee/lessees shall report the

matter to the State Government and shall deposit with it the amount offered as compensation and if the Central/State Government are satisfied that the amount of compensation offered is fair and reasonable or if it is not so satisfied and the lessee/lessees shall have deposited with it such further amount as the State and Central Governments shall consider fair and reasonable, the State Government shall order the occupier to allow the lessee/lessees to enter the land and to carry out such operations as may be necessary for the purpose of this lease. In assessing the amount of such compensation he State Government shall be guided by the principles of the Land Acquisition Act.

3. Where the mining lease relates to any mineral not specified in the first Schedule to the Act, it shall be renewable for one period not exceeding the period specified in sub-section (2) of Section 8, at the option of the lessee/lessees:

Provided that the State Government may for reasons to be recorded in writing reduce the area applied for.

If the lease is in respect of minerals specified in the First Schedule to the Act, renewal will be subject to the prior approval of the Central Government.

4. The lessee/lessees may at any time determine this lease by giving not less than 12 calendar months notice in writing to the State Government or to such officer, Liberty to determine the or authority as the State Government may specify in this behalf and upon the expiration of such notice provided that the lessee/lessees shall upon such expiration render and pay all rents, water rates, royalties compensation for damages and other moneys which may then be due and payable under these presents to the lessor or any other person or persons and shall deliver up these presents to the State Government then this lease and the said term and the liberties, powers and privilages hereby granted shall absolutely cease and determine but without prejudice to any right or remedy of the lessor in respect of any breach of any of the covenants of agreements contained in these presents.

- 4a The State Government may on an application made by the lesses permit him to surrender one or more minerals from his lease which is for a group of minerals on the ground that deposits of that mineral have since exhausted or depleted to such an extent that it is no longer possible to work the mineral economically, subject to the condition that the lessee—
- (a) makes an application for such surrender of mineral at least six months before the intended date of surrender; and
- (b) gives an undertaking that he will not cause any hindrance in the working of the mineral so surrendered by any other person who is subsequently granted a mining lease for that mineral.
- 5. On such date as the State Government may elect within twelve calendar months after the determination of this lease or of any renewal thereof, the amount of the Refund of security deposit paid in respect of this lease and then remaining in deposit with the State Government and not required to be applied to any of the purposes mentioned in this lease shall be refunded to the lessee/lessees No interest shall run on the security deposit.

MICUMENT No. 4.2 PART IX. SEAL SUR General Provisions.

1. In case the lessee/lessees/or his/their transferee/assignee does/ do not allow entry or inspection by the Officers authorised by the Central or State Government under clauses (i), (j) or (l) of sub-rule (1) of rule 27 of said Rules, the State Obstructions to inspection. Government shall give notice in writing to the lessee/lessees requiring him/thom to show cause within such time as may be specified in the notice why the lease should not be determined and his/their security deposit forfeited; and if the lessee/lessees fails/fail to show cause within the aforesaid time to the satisfaction of the State Government, the State Government may determine the lease and forfeit the whole or part of the security deposit.

2. If the lessee/lessees or his/their transferee or assignee makes/make any default in payment of rent or water rate or royalty as required by Section 9 of the Act or commits a breach of any of the conditions and covenants other than Penalty in case of default in those referred to in covenant (1) above, the State Government shall payment of royalty and give notice to the lessee/lessees requiring him/them to pay the rent, breach covenants. water rate, royalty or remedy the breach, as the case may be, within sixty days from the date of receipt of the notice and if the rent, water rate and royalty are not paid or the breach is not remedied within such period, the State Government may without prejudice to any proceedings that may be taken against him/them, determine the lease and forfeit the whole or part of the security deposit.

3. In cases of repeated breaches of covenants and agreements by the lessee/lessees for which notice has been given by the State Government in accordance with clauses Penalty for repeated breaches (1) and (2) aforementioned on earlier occasion, the State Government without giving any further notice, may impose such penalty not exceeding of covenants. twice the amount of annual dead rent specified in Clause 2, Part V.

4. Failure on the part of the lessee/lessees to fulfillany of the terms and conditions of this lease shall not give the Central or State Government any claim against the lessee/lessees or be deemed a breach of this lease, in so far as such failure Failure to fulfil the terms is considered by the said Government to arise from force majeure, and if of leases due to "Force through force majeure the fulfilment by the lessee/lessees of any of the Majeure terms and condition of this lease be delayed, the period of such delay shall be added to the period fixed by this lease. In this clause the expression "Force Majeure" means Act

of God, war, insurrection, riot, civil commotion, strike, tide, storm, tidal wave flood, lightning, explosion, fire, earthquake and any other happening which the lessee/lessees could not reasonably prevent or control.

Lessee/lessees to remove his/their properties on the

expiry of lease.

5. The lessee/lessees having first paid and discharged rents, rates and royalties payable by virtue of these presents may at the expiration or sooner determination of the said turm or within six calendar months thereafter (unless the lease shall be determined under clauses 1 and 2 of this Part and in this case at any time not less than three calendar months nor more than six calendar months after such determination) take down and remove

for his/ their own benefit or any engines, machinery plant, buildings, structures, tramways, railways and other works erections and conveniences which may have been erected, set up or placed by the lessee lessees in or upon the said lands and which the lessee/lessees is/are] not bound to deliver to the State Government under clause 20 of Part VII of this Schedule and which the State Government shall not desire to purchase.

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16. If at the end of six calendar months after the expiration or sooner determination of the said term under the provision contained in clause 4 of Part VIII of this Schedule b come effective there

determination of lease.

shall remain in or upon the said land any engines, machinery plant, Forfeiture of property left buildings, structures tramway, railways and other work erections and more than six montes after conveniences or other property which are not required by the lessee/ lessees in connection with operations in any other lands held by him/ them under prospecting licence or mining lease the same shall if net

removed by the lessee/lessees within one calendar month after notice in writing requiring their removal has been given to the lesses/lessees by the State Government be deemed to become the porperty of the State Government and may be sold or disposed of in such manner as the State Government shall deem fit without liability to pay any compensation or to account to the lessee/lessees in respect thereof.

To Every notice by these presents required to be given to the lessee/lessees shall be given in writing to such person resident on the said lands as the lessee/lessees may appoint for the purpose of receiving such notice and if there shall have been no such appointment then every such notice shall be sent to the lessee/lessees by registered Notices post addressed to the lessee/lessees at the address recorded in the lease or at such other address in India at the lessee/lessees may from time to time in writing to the State Government designate for the receipt of notices and every such service shall be deemed to be proper

and valid service upon the lessee/lessees and shall not be questioned or challenged by him.

Immunity of State Governcompensation

8. If in any event the orders of the State Government are revised, reviewed or cancelled by the Central Government in pursuance of proceedings under Chapter VII of Mineral Concession Rules, 1960, the lessee/lessees shall not be entitled ment from liability to pay to compensation for any loss sustained by the lesseee/lessees in exercise of the powers and privileges conferred upon him/them by these presents.

9. For the purpose of stamp duty the anticipated royalty from the demised land is Rs. 25, 167. ... per year.

In witness whereof these presents have been executed in the manner hereunder appearing the day and year first above written.

Signed by

for and on behalf of

Director of Mines & Geology

the Governor of Mysore

In the presence of

Signed by

In 8 King bleeday Banpalox M. NRCHAPA

For And on Behalf of National Mineral Development Corporation Ltc., New Polhi

for and on behalf of

in the presence ef

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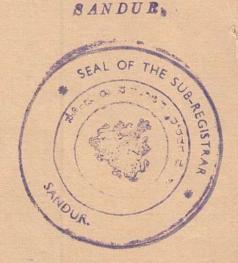
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-: NMDC Ltd :-

Please find enclosed herewith Government of Mysore Mining Lease No.839 (in original), which has been granted in respect of Donimalai Iron Ore Project on November 4,1968 for a period of 20 years. This document was in the safe custody of the undersigned so far.

Please acknowledge receipt.

(S.N.Beri)
Personnel Officer
10/9/1971

Shri M.S. Prakass Rao. Mineral Dressing Engg.

Encl : 1 as above :

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Regularization of 235.648Ha. outside ML area of Donimalai Iron Ore Mine (ML No.2396) at Donimalai Complex, in favour of the NMDC Limited.

Revised Cost Benefit Analysis for Forest land diversion -2017

Table-A: Cases under a cost benefit analysis for forest diversion required:

Sl. No.	Nature of Proposal	Applicable/ Not Applicable	Remarks
1	All categories of proposals involving forest land up to 20 hectares in plains and up to 5 hectares in hills	Not applicable	These proposals may be considered on a case-to-case basis and value judgment
2	Proposal for defense installation purposes and oil prospecting (prospecting only)	Not applicable	In view of National Priority accorded to these sectors, the proposals would be critically assessed to help ascertain that the utmost minimum forest land is diverted for non-forest use.
3	Habitation, establishment of industrial units, tourist lodges complex and other building construction.	Not applicable	These activities being detrimental to protection and conservation of forest.
4	All other proposals involving forestland more than 20 hectares in plains and more than 5 hectares in hills including roads, transmission lines, minor, medium and major irrigation projects, hydro projects, mining activity, railway lines, location specific installations centers, TV towers etc.	Applicable	These are cases where a cost- benefit analysis is necessary to determine when diverting the forest land to non-forest use in the overall public interest.

Table-B: Estimation of cost of forest diversion

Sl.No.	Parameters	Rs. In Lakhs	Remarks
1	Ecosystem services losses due to proposed forest diversion.	1892.25	Economic value of loss of ecosystem services due to diversion of forests shall be the Net Present Value (NPV) of the Forest land being diverted. Rs.8.03 Lakhs X 235.648Ha = 1892.25 Lakhs.
2	Loss of animal husbandry productivity, including loss of folder.	189.22	10% NPV of the Forest as per the new guidelines.
3	Cost of human resettlement		There is no human resettlement in proposed forest land. Hence, the cost of Human resettlement does not apply.
4	Loss of public facilities and administrative infrastructure (Roads, Building, Schools, Dispensaries, Electric lines, Railways etc.) on forest land, which would require forest land if these facilities were diverted due to this project		There is no Roads, buildings, schools, dispensaries, electric lines, railways passing in the proposed area. There is no loss of public facility in the area.
5	Possession value of forest land diverted.	567.66	30% of Environmental cost (NPV) due to loss of forest.

Sl.No.	Parameters	Rs. In Lakhs	Remarks
6	Suffering of austees		There will not be any losses on this account as diversion of the forest land to this project and will not affect any evaluation of house or structure or human settlement.
7	Habitat Fragmentation Cost	946.12	50% of Environmental cost as a thumb rule as per the new guidelines.
8	Compensatory afforestation and Soil & moisture conservation cost	4024.86 5.0	Rs.17.08 Lakhs per Ha. as per letter No. KFD/HoFF/A5-3 (GFL)34/2019-FC dt.19.04.2021
Total Loss due to Forest Diversion		7625.11	

Table-C: Existing guidelines for estimating benefits of forest-diversion in CBA

Sl.No.	Parameters	Remarks
1	Increase in productively attribute to the specific project.	Donimalai Iron Ore Mine of NMDC Ltd., (M.L.No.2396) with a lease area of 608Ha is located in Sandur taluk of Ballari district of Karnataka State. Mine operation was started in the year 1977 and the forest area was broken before the enactment of Forest Conservation Act, 1980. In order to beneficiate / processing of iron ore produced from the mine, various ancillary infrastructures were established outside the mining lease. These ancillary infrastructures area Screening plant, Valley Stores, Vocational Training Centre, Chemical laboratory, Auto garage, Tailing Dam, Overflow channel, Power lines, Roads, Water treatment plant etc. These ancillary infrastructures were established in the vicinity of Donimalai Mine to support the overall mining processes and mineral beneficiation.
		As these facilities falls in the forest land, the present proposal is for regularisation of existing ancillary facilities covering an area of 96.87 Ha of forest land and interlocked forest patches between these infrastructures i.e. total of 138.778 Ha for diversion of non-forestry purpose. All these infrastructures are directly associated with the Donimalai Mine operations. Presently, the Screening plant operations are also used for beneficiation of iron ore from Kumaraswamy Iron Ore Mine of NMDC Ltd. through a single flight belt conveyor of 5.5Kms. These ancillary infrastructures cannot be relocate to any other areas due their strategic location. Accordingly, the area has been proposed for Regularization of 235.648Ha. in Donimalai Forest range in Sandur (Tq.) of Bellary dist.

Sl.No.	Parameters	Remarks
2	Benefits to economy due to the specific project.	There would not any relocation, resettlement & rehabilitation of the people due to these facilities. Rather, these infrastructures are very good opportunities of employment for local people. Local people are engaged in these ancillary facilities which give them employment and help in uplifting their living standard and improving overall quality of life. Earnings for state Govt. of Karnataka. Royalty on tonnage basis to Dept of Mines & Geology. Electricity charges to KEB. Electricity charges to Tungabhadra Reservoir Dvn, PWD. Cess on welfare department. Transportation charges to the Railways rents, taxes
3	No. of population benefited due to specific project.	etc. to the Govt & etc., About 1000 people will be benefited.
4	Economic benefits due to of direct and indirect employment due to the Specific project.	100
5	Economic benefits due to compensatory afforestation.	NPV @ Rs.8.03 Lakhs X 235.648 Ha = 1892.25 X 20 years = 37845.06 + Providing of equivalent non forest land to the forest department + Compensatory afforestation charges = Rs.17.08 Lakhs per Ha. X 75.92 Ha = 4024.86 Rs.4024.86 + 37845.06 = 41869.92 Lakhs.
	Benefit from the proposed project	Rs.41869.92 Lakhs.

Loss due to forest diversion = 7625.11Lakhs.

Benefit from the proposed project = 41869.92 Lakhs.

Net benefit from the proposed project = Rs.41869.92 - Rs.7625.11 (Approx.) = 34244.81

Hence Cost benefit ratio = 1:4.49

Date:04.07.2022

Chief General Manager Donimalai Complex मुख्य महाप्रविधक

Chief General Manager

एन.एम.डी.सि.लिमिटेड / NMDC Limited देणिमले लौह अयस्क खान / Donimalai Iron Ore Mine



एन एम डी सी लिमिटेड N M D C Limited (भारत सरकार का उद्यम / A Govt. of India Enterprise) दोणिमलै लौह अयस्क खान / Donimalai Iron Ore Mine



ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 SA 8000: 2014

Donimalai Township – 583 118, Dist.: Ballari, Karnataka.

Phones: 08395 - 274654 / 274618, Fax: 08395 - 274687 /274654

REVISED JUSTIFICATION OF THE PROJECT

Donimalai Iron Ore Mine of NMDC Ltd., (M.L.No.2396) with a lease area of 608Ha is located in Sadur taluk of Ballari district of Karnataka State. Mining operations were started in the year 1977. In order to beneficiate / processing of iron ore produced from the mine, various ancillary infrastructures were established outside the mining lease. These ancillary infrastructures area Screening plant, Valley Stores, Vocational Training Centre, Chemical laboratory, Auto garage, Tailing Dam, Overflow channel, Power lines, Roads, Water treatment plant etc. Since, the mining operations started in the year 1977, the forest area occupied by these infrastructures were broken before the enactment of Forest Conservation Act, 1980.

As these facilities falls in the forest land, the present proposal is for regularisation of existing ancillary facilities covering an area of 96.87 Ha of forest land and interlocked forest patches between these infrastructures i.e. total of 138.778 Ha. All these infrastructures are directly associated with the Donimalai Mine operations. Presently, the Screening plant operations are also being used for beneficiation of iron ore from Kumaraswamy Iron Ore Mine of NMDC Ltd. through a single flight belt conveyor of 5.5Kms. These ancillary infrastructures cannot be relocate to any other areas due their strategic locations, inter-connectivity of available resources and techno-economic reasons.

Valid reason for locating the project in the forest area:-

Donimalai Iron Ore Mine (M.L.No.2396) is fully mechanized mine of iron ore production capacity of 7 MTPA. To achieve the production targets following ancillary infrastructures were constructed at the time of inception of mine

We wish to inform you that the Donimalai Iron Ore Mine, granted mining lease under MMDR Act in the year 1968 bearing ML No. 839 (New ML No.2396) for an area of 2013.35 Ha for a period of 20 years i.e. 1968-1988.

At the time of inception of mining operations in the year 1977, the grade of saleable iron ore should be more than 55% of iron content. Hence, the ore dressing plant was utmost required for beneficiation of iron ore and to produce finished products i.e. lump ore and fine ore from Donimalai Iron Ore Mine (M.L.No.2396).

Cont..2

Hence, these ancillary structures were constructed in the that time mine lease (M.L.No.839) to use the gravitational force for smooth transportation of iron ore and harness the advantage of strategic locations. These locations were techno-economic and efficient utilization of the available land that time.

In the year 1988, Donimalai Iron Ore Mine surrendered an area of 1405.35Ha stating that the area was low mineral bearing zone. At the time of first lease renewal in 1988, Donimalai Iron Ore Mine kept an area of 608Ha which is as present mine lease.

By analyzing the **enclosed docuements** it is observed that all these existing infrastructures were falling in the surrendered area. The surrendered area of 1405.35 Ha which were part of mine lease in the year 1968, became part of forest land after this surrender. In the year 1968, the Forest Conservation Act, 1980 was not in force.

We wish to inform that these ancillary structures were constructed in the vicinity of existing mine lease of Donimalai Iron Ore Mine (M.L.No.2396) to use the gravitational force for smooth transportation of iron ore and harness the advantage of strategic locations. This would have been most economic and efficient utilization of the available land that time.

<u>Socio-economic impact</u> – There would not any relocation, resettlement & rehabilitation of the people due to these facilities. Rather, these infrastructures are very good opportunities of employment for local people. Local people are engaged in these ancillary facilities which give them employment and help in uplifting their living standard and improving overall quality of life.

Proper justification for regularization of the proposal:-

As sought in point no.1 & 2 are not available as the work was commenced in the year 1977 and exact period of execution of work in forest land is not known at this time i.e. in the year 2022. However, the entire civil works related with iron ore beneficiation plant were completed on 30.09.1977. The production & dispatch of iron ore from Donimalai Iron Ore Mine (M.L.No.2396) started from 01.10.1977.

In this connection, we are herewith submitting a copy of the certified audit report for the year 1977-78. The details of royalty paid for the year 1977-78 to 1979-80. We have also submitted, the fixed asset card statement of the said Ore dressing plant. From these documents, it can be determined that the construction of ore dressing plant and associated infrastructures were completed in the year 1977.

Date: 04.07.2022

Chief General Manager Donimalai Complex मुख्य महाप्रविधक

Chief General Manager

एन.एम.डी.सि.लिमिटेड / NMDC Limited

दोणिमले लीह अयस्क खान / Donimalai Iron Ore Mine

