

MONITORING COMMITTEE

No.MC/R&R/MR-2545/2020-21/52

No.49, Khanija Bhavan, R.C. Road,
Bangalore-560001. Dated: 15.05.2020.

To,

M/s. Lakshmi Minerals,
No.601, 7th Main,
Near Balanjaneya Temple,
M.J.Nagar,
Hospet-583201.

15 MAY 2020

Sub: Resumption of mining activities in Mining Lease No. 2545 of Jaisinghpura Iron Ore Mine held by M/s. Lakshmi Minerals-Permission regarding.

Ref.1: Letter No.2-61/CEC/SC/2012-Pt.II, dated 04.03.2013 of the CEC.

1a: Letter No.2-75/CEC/SC/2018-Pt.V, dated 05.03.2018 of the CEC.

2: Order dated: 20.04.2012, 03.09.2012 & 28.09.2012 of the Hon'ble Supreme Court in WP(C)562/2009.

3: Report dated 15.02.2013 of the Central Empowered Committee submitted to the Hon'ble Apex Court.

4: Order dated 18.04.2013 and 15.09.2014 of the Hon'ble Supreme Court in WP(C)562/2009.

5: Monitoring Committee inspection dated 09.01.2019 and its report.

6: Representation and Affidavits filed by you dated 26.02.2019.

Mining Lease No. 2545 for Iron Ore held by you (M/s. Lakshmi Minerals) in Jaisinghpura village, Sandur Taluk, Bellary district, falls in Category 'B' as per reference cited at (4) above. The State Government in its Department of Commerce & Industries has approved the extension of period under the Amended MM(D&R) Act, 2015, vide Government appeal No. CI in MMM 2015 dated 25.04.2015. The said approval would be valid up to 17.04.2057. A lease deed in this regard has been executed between the State Government and the lease holder dated 02.08.2016. The Central Empowered Committee has approved the R&R Plan vide its letter No. 2-61/CEC/SC/2012-Pt.II dated 04.03.2013 for and annual production of 0.01 Million Metric Ton Per Annum for iron ore cited at (1) above and subsequently, CEC vide its letter No. 2-75/CEC/SC/2018-Pt.V dated 05.03.2018 has approved the enhanced quantity of a

Maximum Permissible Annual Production of 0.09 Million Metric Ton Per Annum cited at (1a) above. The Monitoring Committee inspected the mining lease on 09.01.2019.

The CEC in its recommendation dated 18.04.2012 had specified that the concerned lessee should give an undertaking to the effect that the lessee strictly complies with the various prescriptions/provisions of the R & R Plan including the permissible annual production of iron ore fixed, which was accepted by the Hon'ble Supreme Court vide its Order dated 20.04.2012 in W.P. (Civil) No. 562/2009 cited at(2) above. Accordingly, you had furnished an Undertaking in the form of an Affidavit dated 26.02.2019 to the effect that the R & R Plan, as approved by the CEC, will be implemented in its entirety.

The Hon'ble Supreme Court vide its order dated 28.09.2012, [cited at (2) above] has allowed to resume the mining activities for the 'B' Category mines subject to certain terms and conditions clubbed with the terms and conditions vide order dated 03.09.2012 [cited at (2) above] of 'A' Category mines. Subsequently, a report of CEC dated 15.02.2013 [cited at (3) above] in the subject matter has been approved in Hon'ble Supreme Court Order date 18.04.2013 [cited at (4) above].

The conditions of Hon'ble Supreme Court Order dated 03.09.2012 are as follows;

- (I) *compliance with all the statutory requirements;*
- (II) *the full satisfaction of the Monitoring Committee, expressed in writing, that steps for implementation of the R & R Plan in the leasehold area are proceeding effectively and meaningfully, and*
- (III) *a written undertaking by the leaseholders that they would fully abide by the Supplementary Environment Management Plan (SEMP) as applicable to the leasehold area and shall also abide by the Comprehensive Environment Plan for Mining Impact Zone (CEPMIZ) that may be formulated later on and comply with any liabilities, financial or otherwise, that may arise against them under the CEPMIZ.*
- (IV) *The CEC shall, upon inspection, submit a report to this Court that any or all the stated 18 "Category A" mine owners have fully satisfied the above-mentioned conditions. Further, it shall be reported that the mining activity is being carried on strictly within the specified parameters and without any violation.*

Further, the conditions as per order of the Hon'ble Supreme Court dated 28.09.2012 as mentioned hereunder;

- I. *Compensatory Payment* (a) Each of the leaseholders must pay compensation for the areas under illegal mining pits outside the sanctioned area, as found by the Joint Team (and as finally held by the CEC) at the rate of Rs.5 crores per hectare, and (b) for the areas under illegal overburden dumps, roads, offices, etc. outside the sanctioned lease area, as found by the Joint Team (as might have been finally held by the CEC) at the rate of Rs.1 crore per hectare. It is made clear that the payment at the rates aforesaid is the minimum payment and each leaseholder may be liable to pay additional amounts on the basis of the final determination of the national loss caused by the illegal mining and the illegal use of the land for overburden dumps, roads, offices, etc. Each leaseholder, besides making payment as directed above, must also give an undertaking to the CEC for payment of the additional amounts, if held liable on the basis of the final determination.
- II. *Guarantee money for implementation of the R&R plan in the respective sanctioned lease areas* The CEC shall make an estimate of the expenses required for the full implementation of the R&R plan in each of the 63 'Category B' mines and each of the leaseholders must pay the estimated amount as guarantee for implementation of the R&R plans in their respective sanctioned lease areas and in the areas where they carried on illegal mining activities or which were used for illegal overburden dumps, roads, offices, etc. beyond the sanctioned lease area. In case, any leaseholder defaults in implementation of the R&R plan, it will be open to the CEC to carry out the R&R plan for that leasehold through some other proper agency from the guarantee money deposited by the leaseholder. However, on the full implementation of the R&R plan to the complete satisfaction of the CEC and subject to the approval by the Court, the guarantee money would be refundable to the leaseholder.
- III. *In addition to the above, each leaseholder must pay a sum equivalent to 15% of the sale proceeds of its iron ore sold through the Monitoring Committee as per the earlier orders of this Court. In this regard, it may be stated that though the amicus suggests the payment @ 10% of the sale proceeds, having regard to the overall*

facts and circumstances of the case, we have enhanced this payment to 15% of the sale proceeds.

Hon'ble Supreme Court in its order dated 13.04.2012 has modified the condition for the collection of SPV as 10% instead of 15% for all the leases and the relevant is reiterated hereunder;

(F) 90% of the sale price (excluding the royalty and the applicable taxes) received during the e-auction may be paid by the buyer directly to the respective lease holders and the balance 10% may be deposited with the Monitoring Committee along with the royalty, FDT and other applicable taxes/charges;

In pursuance of the Order dated 28.09.2012 of the Hon'ble Supreme Court, for the lease held by you as mentioned above, you were called upon to pay, by way of penalty, a total amount of Rs. 5.67 crore for committing various irregularities such as illegal mining pit (1.09 Ha.) and illegal dumping of waste (0.22 Ha.) proportion to the area encroached by you outside the lease area. You were also called upon to make a payment of Rs. 0.7467 crore as guarantee money towards the probable expenditure indicated by ICFRE and approved by CEC for implementation of R&R Plan in the sanctioned lease area. An affidavit has been filed by you dated 26.02.2019, stating that, no area is physically used by way of others category. Hence no compensation is recovered from you against 'other category' compensation. All the total recovery as mentioned above has been effected by the Monitoring Committee. Further, the State Government may take the cognizance of the order dated 15.09.2014 of the Hon'ble Supreme Court for any other actions deemed fit.

Further, in pursuance of the Order dated 18.04.2013 of the Hon'ble Supreme Court, you have furnished the following:-

1. **Environmental Clearance** was given by the Ministry of Environment and Forests, vide letter No. J-11015/431/2005-IA.II(M) dated 12.01.2007. Subsequently, State Level Environment Impact Assessment Authority, Karnataka (constituted by Ministry of Environment and Forests, Government of India) vide letter No. SEIAA 60 MIN (VIOL) 2018, dated: 26.12.2018 extended the validity of the EC for 0.09 MMTPA of Iron ore, which is valid up to 11.06 years or the mineable reserves exhaust whichever is earlier.

2. **Forest Clearance** issued by the Ministry of Environment and Forests, Government of India vide letter No. 4-KRC161/2006-BAN/232 dated 12.03.2007 for 36.42 ha, which is **valid up to 11.03.2027**.
3. **Scheme of Mining** as approved by the Indian Bureau of Mines vide its letter No. 279/789/2004/BNG/1118, dated 15-21.06.2018, which is **valid up to 31.03.2022**.
4. **Consent for Operation** given by the Karnataka State Pollution Control Board, Bangalore vide its Consent No. PBC/MIN/CFO/2018-19/1904 dated 11.07.2018 which is **valid up to 30.06.2021**.
5. Document relating to grant of Mining Lease No. 2545 for Iron Ore which is **valid up to 17.04.2057**.

The sketch submitted by the Joint Team and approved by the Hon'ble Supreme Court consists of (i) area as per the first lease area is 36.43 ha, (ii) area as per the lease deed is 36.43 ha, (iii) area approved under FC Act (mining) is 36.43 ha. (iv) area as per lease deed sketch (after digitizing) is 34.14 ha. Area approved under FC Act for mining activity is 36.42 ha. The lessee company shall restrict its mining activity to an extent of 34.14 ha. i.e. as per the lease deed sketch (after digitizing) and accordingly the area has to be demarcated on the ground jointly by the Department of Mines and Geology & Forest Department.

It is noted that the Monitoring Committee has visited the lease area on 09.01.2019 with regard to implementation of R&R Plan. The Committee observed that the progress of the implementation of R&R Plan is found satisfactory. Further you are required to submit weekly R&R completion report along with maintenance of all of the structures with photographs continuously to this office.

Having regard to the facts and details explained above, Monitoring Committee in its meeting held on 31.01.2020 decided to permit M/s Laxmi Minerals to resume the mining activities in ML No. 2545 in Jaisinghpur village, Sandur Taluk, Bellary district on merit after verifying all the relevant statutory clearances submitted by the lessee and subject to approval of usage of approach road by the Forest Department. In compliance of the Hon'ble Supreme Court Order dated 13.04.2012, the Monitoring Committee will periodically monitor the progress and maintenance of implementation of R&R Plan, and if any slackness is found in this regard or found to be operating in violation of the stipulated conditions/provisions should be liable for closure and/or termination of the lease.

In view of the facts narrated herein above, resumption of mining activities in ML No. 2545, in 34.14 ha area (as per lease deed sketch (after digitizing)) are permitted subject to the conditions stipulated hereunder:-

1. The mining activity shall be confined to the extent of 34.14 ha as per lease deed sketch (after digitizing) mentioned in the final sketch of CEC and the same area shall be delineated on the ground in the presence of officials of Forest Department and Department of Mines and Geology.
2. After obtaining the clearances from the Forest Department for usage of approach road, the mining operations shall be carried out. The clearance from Forest Department for usage of approach road shall be obtained and submitted to this office prior to the resumption of mining activity. The concerned department (Forest Department) is requested to take note of it to do the needful in the matter.
3. This resumption order is issued with a production limit of 0.09 MMTPA as approved by the CEC vide letter cited in ref 1a of this letter.
4. All the suggestions of the R&R Plan as approved by the CEC shall be completed, maintained and compliance report shall be sent to this office weekly basis. If any of the work as approved in the R&R Plan found not completed, then the entire Guarantee Money will not be refunded with other actions.
5. The Monitoring Committee reserves the right to keep this order in abeyance in the event of receipt of any adverse opinion from the departments/others issuing the statutory approvals, or on account of non-compliance of any of the conditions of the statutory approvals given by various Departments.
6. No working shall be made within a distance of 7.5 meters (Safety Zone) from the lease boundary as per Reg. III of the Metal Mines Regulation, 1961.
7. There shall be total compliance with all stipulated conditions of all approvals given by various departments.
8. All the statutory sanctions, permissions and approvals shall be subsisting.
9. The sale of iron ore will continue through e-auction only conducted by the Monitoring Committee. The Old stock, if any, is available in the mining lease area, the same shall be communicated to Monitoring Committee before commencement of the Mining activities for further needful action.

10. The Iron ore produced after the resumption of mining operations should not be mixed with the old stock and be kept separately.
11. Day-to-day production details of iron ore shall be intimated to the Department of Mines and Geology.
12. The buyer is supposed to pay 89.7% of sale proceeds (excluding royalty and applicable taxes/charges) to the lessee directly. Further, GST has to be paid as per the Order of the Hon'ble Supreme Court dated 05.10.2017 in WP(C) No. 562/ 2009 and the guidelines/ pro-forma communicated by the Monitoring Committee. The balance 10% will be deposited with the Monitoring Committee along with the royalty, and other applicable taxes/charges/fees/MSTC commissions as per the directions of the Hon'ble Supreme Court.
13. The various stipulations contained in the approved R & R Plan shall be scrupulously adhered to. Any violation thereof entails cancellation of the permission for mining operation without notice.
14. Lessee shall not work in unbroken forest areas as per the Order dated 20.04.2012 of the Hon'ble Supreme Court.
15. Install the Wheel Washers in the mine head to wash the wheels before they leave the mining lease area to avoid dusting all along the connecting and transportation roads.
16. The payments at the rate of Rs 5 crore per hectare & 1 crore per hectare for illegal mining pits and illegal overburden dumps respectively outside the sanctioned lease area is the minimum payment and lessee is liable to pay additional amounts on the basis of the final determination of the loss caused by illegal mining and the illegal use of the land as per the Supreme Court order dated 28.09.2012.
17. Lessee is directed to submit the documents relating to the extension orders of the periods of the required statutory clearances (CFO, EC, FC(whenever applicable), MP/SOM and Mining Lease etc) to the Director, Department of Mines and Geology, Bangalore, Forest Department under a copy to the Monitoring Committee.
18. All the conditions stipulated in the EC vide letter dated J-11015/431/2005-IA.II(M) dated 12.01.2007 and SEIAA 60 MIN (VIOL) 2018, dated: 26.12.2018 shall be scrupulously implemented. Further all the open spaces not used for mining activities shall be planted at your cost.
19. The leased area is having thickly wooded population of trees. During the mining it should be seen that the greenery should be maintained in the leased area by restricting minimum felling of trees in the approved mining scheme.

20. Lessee is directed to intimate this office regarding the notices/memos/endorsements/ communications/others served to you by any Authorities in writing within 7 days from the date of the receipt of the same.


CHAIRMAN,
Monitoring Committee