



भारत सरकार  
खान मंत्रालय  
भारतीय खान ब्यूरो  
क्षेत्रीय खान नियंत्रक का कार्यालय

REGD. PARCEL  
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No. MP/FM/02-ORI/BHU/2016-17 / 984

Plot No. 149, Pokhariput  
Bhubaneswar – 751 020  
Date: 11.07.2016

To

✓ M/s Essar Steel India Ltd Ore Club,  
Near Bank of India ATM,  
Bhadrasahi Chowk,  
Joda –Barbil High way,  
Barbil, Keonjhar- 758035

**Sub:** Approval of Mining Plan of Ghorabuhrani-Sagasahi Iron Ore Mine along with Progressive Mine Closure Plan (PMCP), over an area of 139.165 Ha. in Sundargarh district of Odisha State, submitted by M/s Essar Steel India Ltd under Rule 13 of MCR, 2016..

**Ref:** - i) Your letter No. Nil dated 29.04.2016 received on 12.05.2016.  
ii) This office letter of even no. dated 16.05.2016.  
iii) This office letter of even no. dated 30.05.2016.  
iv) Your Qualified Person letter No. Nil dated 13.06.2016..  
v) This office letter of even no dated 21.06.2016.  
vi) Your letter No. Nil dated 04.07.2016.

**Sir,**

In exercise of the power delegated to me under Rule 13 (1)(a) of Mineral Concession Rules, 2016 vide Gazette Notification No. S.O. 1857(E) dated 18.05.2016, I hereby **Approve** the Mining Plan of Ghorabuhrani-Sagasahi Iron Ore Mine along with Progressive Mine Closure Plan (PMCP), over an area of 139.165 Ha. in Sundargarh district of Odisha State, submitted by M/s Essar Steel India Ltd under Rule 13 of MCR, 2016. This approval is subject to the following conditions:

- I. The Mining Plan is approved without prejudice to any other law applicable to the mine area from time to time whether made by the Central Government, State Government or any other authority and without prejudice to any order or direction from any court of competent jurisdiction.
- II. The proposals shown on the plates and/or given in the document is based on the lease map /sketch submitted by the applicant/ lessee and is applicable from the date of approval.
- III. It is clarified that the approval of aforesaid Mining Plan does not in any way imply the approval of the Government in terms of any other provision of Mines & Minerals (Development & Regulation) Act, 1957, or the Mineral Concession Rules, 2016 and any other laws including Forest (Conservation) Act, 1980, Environment

- (Protection) Act, 1986 or the rules made there under, Mines Act, 1952 and Rule & Regulations made there under.
- IV. Indian Bureau of Mines has not undertaken verification of the mining lease boundary on the ground and does not undertake any responsibility regarding correctness of the boundaries of the leasehold shown on the ground with reference to lease map & other plans furnished by the applicant / lessee.
  - V. Mineral Block map duly authenticated by ORSAC is considered for this approval as per Director of Mines, Government of Odisha letter No . MXIII-(b)-60/2015 – 5227/DM dated 04.06.2016.
  - VI. At any stage, if it is observed that the information furnished, data incorporated in the document are incorrect or misrepresent facts, the approval of the document shall be revoked with immediate effect.
  - VII. If this approval conflicts with any other law or court order/ Direction under any statute, it shall be revoked immediately.
  - VIII. Next Financial Assurance shall be due for submission on or before 31.03.2021.

Further, the Ghoraburhani Sagasahi Iron ore block has been allotted to M/s Essar Steel India Ltd through competitive bidding by auction for captive use in their Integrated Steel Plant. Iron ore occurring in this area is mostly of high grade, e.g., average grade of iron ore at 55% Fe cut off is above 63%. This material constitutes about 80% of the ROM. Average grade of iron ore deposit in the area at 45% Fe threshold value is estimated at 62.25%.

The preferred bidder, as a captive user, has a steel plant at Hazira, Gujrat claimed to be an integrated steel plant. On verification of the document, it is observed that the preferred bidder's steel plant is reported to be integrated mostly through DRI route. This DRI plant reported to have been commissioned sometime in the 1990. As per the technical report of the DRI plant the acceptable feed grade to the plant is reported to be 64% Fe; in contrast to the acceptable feed grade to blast furnace of about 62% Fe, or even below it.

In view of above, the lessee has submitted mining plan with excavation proposal spreading into two different ore zones for wining high grade iron ore of 64% Fe content. This aspect of consuming only high grade ore has been looked into from the angle of conservation of mineral and therefore scrutiny comment was issued to modify the mining proposal. However, the applicant did not modify the proposal arguing that their plant needs iron ore of 64% Fe.

In view of above, it is established that;

- a. The average grade of the deposit and that of the ROM would be 62.25% Fe.
- b. Applicant plans to use only +64% Fe content iron ore.

Hence, in the interest of mineral conservation & environment friendly mining; as well as in the interest of maximising mineral revenue, this approval is further subject to the following special conditions;

- i. The total ROM including mineral reject as indicated in Page 37 shall be taken out from the lease for dispatch and consumption.
- ii. The royalty and other taxes would be as per Rule 39(2) of Mineral Concession Rules, 2016 and other rules made under the MMDR ACT'2015 and calculated on the basis of sale price published by IBM.

- iii. In the interest of scientific mining, complete deposit shall be explored under UNFC-G-I and the ore body details shall be delineated in complete with its grade, boundary, incidence of different grades of ore in lateral and vertical direction etc. and the mining plan shall be modified accordingly.

**Encl:** - One copy of approved Mining Plan

भवदीय / yours faithfully,

(M BISWAS)

क्षेत्रीय खान नियंत्रक / Regional Controller of Mines

Copy for kind information to:-

1. Shri Pradeept Mohapatra and shri Sabyasachi Mohanty, Post Box No. 1, P.o- Joda, At – Unchabali, Bamebari, Dist – Keonjhar, Odisha – 758034.
2. The Director of Mines, Directorate of Mines, Government of Odisha, Heads of the Department Building, New Capital, Bhubaneswar– 751001, Odisha along with one copy of Mining Plan by **REGISTERED PARCEL**.

(M BISWAS)

क्षेत्रीय खान नियंत्रक / Regional Controller of Mines