

Government of Odisha
Steel & Mines Department

No. 312 /SM, Bhubaneswar dated the 11.01.2021

IV(AB)SM-01/2021

From

Shri B. N. Acharya, IAS (Retd.)
OSD-cum-Additional Secretary to Government

To

The Managing Director
Odisha Mining Corporation (OMC) Limited

Sub: Letter of Intent (LoI) for grant of mining lease for iron ore over an area of 365.026 ha (as per RoR) / 358.258 ha (as per DGPS) in Keonjhar district in respect of Guali iron ore block in Keonjhar district.

1. BACKGROUND:

Consequent upon approval of the Central Government, issued in exercise of powers conferred on it under section 17A(2) of MMDR Act read with section 20A, and communicated vide its order No- F. No 4/1/2020-M.VI, dated 05.01.2021, the State Government have been pleased to issue notification vide No. 283/SM dated 11.01.2021 reserving Guali iron ore block over an area of 365.026 ha (as per RoR) / 358.258 ha (as per DGPS) hecs. in Keonjhar district in favour OMC Ltd. for carrying out mining operations for the period of 10 years.

2. GRANT OF MINING LEASE:

Pursuant to the reservation order dated 11.01.2021 cited supra, Government of Odisha have been pleased to issue this Letter of Intent (LoI) for grant of mining lease in respect of Guali iron ore

block over an area of 365.026 ha (as per RoR) / 358.258 ha (as per DGPS) hecs. for a period of 10 years.

3. CONDITIONS:

- 3.1 This Letter of Intent and subsequent grant of mining lease shall be subject to the provisions of MMDR Act and the rules framed thereunder, particularly Mineral Concession Rules 2016 and Mineral (Mining by Government Company) Rules 2015, which are applicable in respect of Government Companies and Corporation.
- 3.2 This LoI is also subject to conditions of reservation as prescribed by the Central Government in its Order No.F.No 4/1/2020-M.VI dated 05.01.2021.
- 3.3 The mining lease to be granted shall expire upon completion of period 10 years from the date of reservation or execution of mining lease with the next successful bidder in the auction of the mining lease for such area whichever is earlier.
- 3.4 OMC shall submit the complete proposal to the State Government for surrender of the 5 (five) mines, namely, (i) Koira-Bhanjpli Iron Ore Mine, (ii) Koira-Kasira Iron Ore Mine, (iii) Balda-Palasa-Jajang Iron Ore Mines, (iv) Seremda-Bhadrasahi Iron and Manganese Mine, and (v) Dalki Iron and Manganese Mine.
- 3.5 The area limits specified under section 6(1)(b) of the MMDR Act shall not be applicable on Odisha Mining Corporation within the State of Odisha in respect of this block for a period of ten years from the date of execution of mining lease for the said block.
- 3.6 All the valid rights, approvals, clearances, licences and the like vested with the previous lessee shall be transferred in favour of

Odisha Mining Corporation for a period of two years from the date of execution of mining lease in its favour. However, the vesting of forest clearance shall be subject to the guidelines issued vide letter No.F.No.11-97/2018-FC dated 31.03.2020 issued by the Ministry of Environment, Forest & Climate Change, Government of India.

- 3.7 OMC shall immediately apply afresh for all necessary rights, approvals, clearances, licenses and the like under the applicable statutes, rules or regulations, as the case may be, for obtaining the necessary clearances to enable further continuance of mining operations beyond two years.
- 3.8 OMC shall submit the performance security equal to 0.5% of the value of estimated resources of this block in shape of Bank Guarantee pledged in favour the Director of Mines. This BG shall be kept valid till expiry of the lease period. Further, this Bank Guarantee is subject to the condition that the State Government may refund the difference in the deposit made towards the performance security by OMC Ltd. at any later date, in case Revenue & Disaster Management Department decides to apply different rates for Government Corporations and Companies.
- 3.9 Mining lease shall be executed by OMC Ltd. within a period of 15 days from the date of grant of mining lease.
4. OMC shall furnish acceptance of the terms and conditions of this letter of intent immediately.

Yours faithfully,


OSD-cum-Additional Secretary

Memo No. 313 /SM

Dated: 11.01.2021

Copy to the Director of Mines for information and necessary action. He is requested to indicate the amount of performance security to OMC Ltd. for deposit by them. Further, he is also requested to provide the extent of forest area involved to facilitate OMC Ltd. for taking necessary action pursuant to guidelines dated 31.03.2020 of MoEF & CC cited supra.


OSD-cum-Additional Secretary

Memo No. 314 /SM

Dated: 11.01.2021

Copy forwarded to PCCF (nodal) O/o PCCF-cum-HoFF, Odisha, Bhubaneswar for favour of information.


OSD-cum-Additional Secretary

Memo No. 315 /SM

Dated: 11.01.2021

Copy forwarded to the Regional Controller of Mines, IBM, Bhubaneswar for favour of information.


OSD-cum-Additional Secretary

Memo No. 316 /SM

Dated: 11.01.2021

Copy forwarded to Collector, Keonjhar/ DFO, Keonjhar/ DDM, Joda for information and necessary action.


OSD-cum-Additional Secretary