

AGENDA ITEM NO. 2

F. No. 8-77/2013-FC

Sub: Diversion of 109.17 ha of forest land for renewal of Mining Lease No. 2346 to an extent of 103.73 ha for mining and other allied activities and 5.44 ha for approach roads outside the Mining Lease area located at bedara Bommanahalli and other Villages in Nirthadi reserve Forest, Holalkere Range, Chitradurga Division, chitradurga District, Karnataka State in favour of M/s. Mineral enterprises Limited, Bengaluru.

1. The State Government of Karnataka vide their letter No. FEE 23 FFM 2013 dated 26.09.2013 has submitted above mentioned proposal seeking prior approval of the Central Government under Section – 2 of the Forest (Conservation) Act, 1980.
2. The Mining lease was first granted in the year 1952 and subsequently renewed under the present Mining Lease No. 2346. The lease has been transferred to M/s Mineral Enterprises (P) Ltd. from M/s Jyothi Brothers on 9.09.1969.
3. **M/s. Mineral Enterprises Ltd.,** has been granted Mining Lease over an extent of 103.81 Ha (256.515 Acres) involving 100.17 Ha in Forest area and 3.64 Ha in Revenue land Under M.L. No. 2346 for a period of 20 years w.e.f. 7.10.1992 which was valid upto 6.10.2012 for Iron ore and Manganese ore. Mining activity is stopped since the expiry of mining lease (Pg 5/c) A copy of the Mining lease deed and Govt. Of Karnataka Notification enclosed at pg 11-136/c.
4. As per the recent survey and demarcation carried out by the Joint Team of CEC, an area of 102.53 Ha. (99.23 Ha forest Land & 3.30 Ha Revenue Land) was demarcated and now the proposal has been submitted in line with the CEC Sketch.
5. Forest Clearance was accorded under Forest Conservation Act 1980 vide letter No. 8-83/93 FC Dated 4th April 1997 from MoEF (FC wing) Govt. Of India over an extent of 105 Ha for mining and related activities for a period co-terminus with the mining lease granted under the MMDR Act, 1957 subject to maximum period of 30 years (pg 137-140/c). The Mining lease, being co-terminus with the lease period under MMRD Act was valid upto 6.10.2012.

6. Brief Project Details:

The area proposed for renewal contains mainly iron ore fines and a small fraction of lumpy ore. This mining project shall produce low-grade iron ore analyzing about 52-58% Fe content which is located only in the proposed area. It is estimated that about 38 million tons of various grades of iron ore reserves are available in this area which may considerably increase after 2nd stage exploration. Through geological studies, and continuous R&D it has been established that the low grade deposit can be upgraded by new beneficiation for use in steel making.

The company has installed 5 No.s of Crushing, Screening and a Washing plant and sub-station for power supply in already broken up area to crush, screen and process Iron Ore to get various products like fines, and calibrated ore (i.e. 0 – 6 mm, 6 – 20 mm & 20mm-40mm size) with a rated capacity of 2500tonnes per day. The company has also installed

7 weighbridges with capacity of 60 – 100 tonnes in already broken up area for accurate weighment minehead itself.

The company is one of the leading Mining Companies involved in Exploration, Mining and processing of minerals in Karnataka for more than Five decades. We are technically well equipped to handle Mega mining projects and sound to implement projects in time. The company is in an advanced stage for setting up of an integrated steel plant in Hassan district and Chitradurga district, in the State of Karnataka and have already entered into an agreement with GOK during the Global Investors Meet, Land acquisition is under speedy progress. Apart from catering to the needs of its own steel plant the company shall cater to the needs of few domestic steel plants/ sponge iron plants and also export iron ore, when permitted by the State govt.

7. Facts related to the proposal, as indicated in the State Government letter dated 26.09.2013 are given below:

1.	Name of the Proposal	Diversion of 109.17 ha of forest land for renewal of Mining Lease No. 2346 to an extent of 103.73 ha for mining and other allied activities and 5.44 ha for approach roads outside the Mining Lease area located at bedara Bommanahalli and other Villages in Nirthadi reserve Forest, Holalkere Range, Chitradurga Division, chitradurga District, Karnataka State in favour of M/s. Mineral enterprises Limited, Bengaluru.
2.	Location (i) State (ii) District	Karnataka Chitradurga
3.	Particulars of Forests: (i) Name of Forest Division and Forest area involved. (ii) Legal status/Sy.No. (iii)Map	Chitradurga Forest Division 109.17 ha Reserved Forests Land SOI Toposheet pg-297/c DGPS Map - submitted Pg 296/c Safety zone are map – submitted (Pg 295/c) Forest Cover Map – not enclosed.
4.	Topography of the area	-
5.	(i) Geology (ii) Vulnerability to erosion	-
6.	(i) Vegetation (ii) Density	Banni, Dodda Mara, Bage, Dindiga, Halasu, Neem, Muttuga, Bagani, Khus, Shisham, Giant timber bamboo, Pipul, White leaf, Mahua, Mango, Champak, Jasmine, False ashoka, jamun, Teak, Tropical almond, Ber, Katthale, seethaphal, Gulmohar, Nilagiri, Subabul etc. Eco-class-III (Dense forest)

	(iii) No. of trees to be felled	2184 (inclusive of all girth classes (Pg 275-276/c)).
7.	Whether area is significant from wildlife point of view	No
8.	Whether forms part of National park, Wildlife Sanctuary, Biosphere Reserve, Tiger Reserve, Elephant Corridor, etc. (if so, details of the area and comments of the Chief Wildlife Warden	The proposed area does not form part of National Park, Wildlife Sanctuary, Biosphere Reserve, Tiger Reserve, etc.
9.	Whether any RET species of flora and fauna are found in the area. If so details thereof	No rare/endangered/unique species of flora and fauna have been found/recorded in the area.
10.	Approximate distance of the proposed site for diversion from boundary of forest.	Not mentioned.
11.	Whether any protected archaeological/ heritage site/defence establishment or any other important monuments is located in the area.	Not mentioned
12.	Whether any work of in violation of the Forest (Conservation) Act, 1980 has been carried out (Yes/No). If yes details of the same including period of work done, action taken on erring officials. Whether work in violation is still in progress.	No
13.	Whether the requirement of forest land as proposed by the user agency in col. 2 of Part-I is unavoidable and barest minimum for the project, if no recommended area item-wise with details of alternatives examined.	Not mentioned
14.	Whether clearance under the Environment (protection) Act, 1986 is required?	A copy of environment clearance dated 31.03.2006 granted by the MoEF ha been enclosed at page 148-150/c.
15.	Compensatory Afforestation	
	(i) Details of non-forest area/degraded forest area identified for CA, its distance from adjoining forest, number of patches, size of each patches.	As reported in the site inspection report submitted by the Regional Office, Bangalore, out of 105 ha diverted forest land 85.95 ha was broken up prior to 1980 and remaining 19.05 ha was unbroken. In lieu of this unbroken area, 20 ha non-forest land in Sy. No. 62 of Yalladakere village of Hiriyur Taluk, Chitradurga Distt. has been planted under

		Compensatory Afforestation during 2010-11. Regarding, 5 ha of forest land proposed for diversion for approach road, it has been reported by the State Forest Department, that the user agency has submitted an undertaking to identify non-forest land and mutation of the same in favor of the State Forest Department.
	(ii) Map showing non-forest/degraded forest area identified for CA and adjoining forest boundaries.	Pg-182/c
	(iii) Detailed CA scheme including species to be planted, implementing agency, time schedule, cost structure, etc.	----
	(iv) Total financial outlay for CA	13,24,000/-
	(v) Certificate from the competent authority regarding suitability of the area identified for CA and from management point of view.	NA
16.	Catchment Area Treatment	NA
17.	Rehabilitation of Oustees a) No of families involved b) Category of families c) Details of rehabilitation plan	Not mentioned.
18.	Compliance of Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.	Only NOC obtained from the concerned Gram Sabha(s) has been submitted. Certificate from the District Collector certifying the settlement of rights in accordance with the MoEF's Guidelines has not been submitted.
19.	Cost Benefit Ratio	1:396 Pg-171/c
20.	Total Cost of the Project	70 Crores
21.	Recommendation i. DFO ii. CCF iii. Nodal Officer iv. SG	Yes, Pg-56/c, Yes, Pg-59/c, Yes, Pg-04/c Yes, Pg-03/c
22.	District Profile (i) Total Geographical area of the district (ii) Total Forest area/Divisional Forest area (iii) Total area diverted	8388 Sq. Kms. 839.78 Sq. Kms. 1222.693 ha (Total cases 28)

since 1980			
(iv) Total CA stipulated since 1980 (Forest land)	Forest Land	96.00 ha	
	Non Forest Land	1112.83 ha	
	Total	1208.83 ha	
(v) Progress of Compensatory Afforestation as on (date) 19.08.2010.	Forest Land	96.00 ha	
a. Forest land	Non Forest Land	1006.18 ha	
b. Non Forest land	Total	1102.18 ha	

The DCF has recommended the proposal with following conditions:

The mining renewal application is recommended, with specific condition proposed in the letter towards amelioration and mitigation or the adverse effect of the mining. The mining renewal is necessary because of good quality iron ore available in the area, which will be used for steel making and other allied purposes. Moreover this is a renewal proposal and the area has already almost been broken-up. Hence, the proposal may be considered with following conditions.

- The user agency should complete the Safety zone works green belt works as per approved R&R Plan, before final approval.
- The user agency shall upgrade its nursery and raise and plants sufficient number of good quality seedlings of Fruit yielding and miscellaneous species, in place of Acacia and other plants.
- The user agency shall undertake measures to arrest runoff and soil erosion from its lease area and from 100 meters of its boundary, so that the flow of eroded soil and runoff, because of its operation do not pollute the neighboring tanks.
- The lessee shall undertake rigid fire protection measures in the area lease to them and up to 1 km forest around the lease.
- The user agency shall pay the amounts towards Compensatory payments as per the Hon'ble Supreme Court of India, New-Delhi for encroachment of 3.130ha. and offences done by it, as recorded by the Joint Team and approved by the Hon'ble CEC.
- The lessee shall maintained R&R structures, works and plantations it in proper condition.

8. Facts of the proposal, as reported by the State Forest Department:

Out of 105.00 ha. forest land diverted, 85.95 ha. was broken-up prior to 25-10-1980 and remaining 19.05 ha is unbroken. It was reported by Deputy Conservator of Forests, Chitradurga vide their letter No. B3-MNG.MEP.CR-33/92-93 dated: 12-09-1994 that 19.05 ha is still unbroken. In lieu of this, 20.00 ha non-forest land in Sy. No. 62 of Yalladakere Village, of Hiriyur Taluk, Chitradurga Distt was identified for raising of compensatory afforestation and it is mutated in favour of the forest department. The

lessee has paid Rs. 5.00 lakhs (Rupees: Five Lakhs Only) vide pay order No. 321115 dated: 23.08.1995 drawn on State Bank of Mysore towards raising compensatory afforestation during the earlier FC proposal. Compensatory Afforestation has been raised in the above land during 2010-11.

The use agency has submitted that has submitted that, the identification of non-forest land for raising compensatory afforestation is under process in respect of 5.44 ha. in lieu of area proposed for approach roads. The user agency has submitted an undertaking regarding identification and mutation of non-forest land in favour of the forest department.

The requirement of forest land for the project is as below:

S. No.	Proposed land use details	Extent (in Ha.)
1	Area for Mining	47.44
2	Area for Waste / Rejection Dump	10.74
3	Area for Sub Grade Mineral Stock & Mineral Rejects	14.45
4	Area for Dynamic Mineral Stock	6.38
5	Bio diversity conservation area	6.47
SUB TOTAL		85.48
5	Area for Crushing, Screening & Beneficiation plants	2.18
6	Area for Tailing Pond	1.50
7	Water Harvesting Pond	1.88
8	Area for Safety Zone / Green Belt	3.89
9	Afforestation	4.30
SUB TOTAL		13.75
TOTAL AREA (AS PER CEC SKETCH)		99.23
10	Area for Office, Statutory Buildings, Infrastructure approved as per earlier FC	2.00
11	Areas for Approach Roads Connecting various blocks, approved as per earlier FC	2.50
SUB TOTAL		4.50
GRAND TOTAL		103.73
Area proposed for approach roads outside the lease area (A-B as shown in the map – plate No.6)		
Area proposed for Road Connecting our neighbouring mine ML No. 2388 to the BBH Railway siding (B-C as shown in the map – plate No. 6)		
SUB TOTAL		5.44
TOTAL AREA PROPOSED FOR DIVERSION		109.17

The Sy. No. and village wise breakup of forest land required for the project is as under:-

AS PER CEC SKETCH				
FOREST BLOCK – 1				
SI. No.	Village	Survey No.	Extent in Ha	Status of Land

1	Bedara Bommana Halli	5	69.46	Forest Land
2	Hirekandavadi	107	12.60	Forest Land
3	Megala halli	21	1.75	Forest Land
4	Marijogi Halli	9	1.47	Forest Land
5	Dindada Halli	18	8.32	Forest Land
	Sub Total (A)		93.60	
	FOREST BLOCK -4			
6	Hirekandavadi	107	4.03	Forest Land
		Sub Total (B)	4.03	
	FOREST BLOCK -5			
7	Megala Halli	21	0.69	Forest land
8.	Hirekandavadi	107	0.91	Forest land
	Sub Total (C)		1.60	
	Area for Mining and allied activities Total of (A+B+C): 99.23			
	Office, Statutory building infrastructure, store, canteen blocks			
9	Dindada Halli	18	2.00	Forest land
	Roads connecting different blocks			
10	Hirekandavadi	107	2.50	Forest land
11	Dindada halli	18		
	Total road Extent		2.50	
	Total Extent for Mining and auxiliary facilities 103.73 (total of SI. No. 1 to 11) (D)			
	Area proposed for approach roads outside the lease area			
12	Dindada halli	18	2.62	Forest land
13	Dindada halli	18	2.82	Forest land
14	Bedara Bommana Halli	5		
	Sub Total (E)		5.44	
	Total area now proposed for diversion (D+E) : 109.17 Ha.			

- (i) The use agency has submitted approval copy of the mining plan approved by the IBM on 27-12-2012, IBM approval of modification of approved scheme of mining on 7.9.2012 (Pg 143-147/c).
- (ii) The R&R plan of the mine has been prepared by ICFRE & approved by the CEC on 4-7-2012, vide annexure -7. The annual permissible production of 0.38 MT has been fixed for the mine, based on reserve capacity. The User Agency has submitted undertaking for implementation R&R plan approved by CEC (Pg 548/c).
- (iii) The User Agency has completed physical demarcation of the lease area sought for renewal, as per lease deed sketch by Joint Team and approved by CEC (Pg 462-465/c).
- (iv) The density of vegetation is Eco-class-III (Dense Forests). NPV shall be demanded after approval of the renewal application MoEF, GOI.
- (v) The proposed site does not form a part of national park, wildlife sanctuary, biosphere reserve, tiger reserve or elephant corridor.
- (vi) The user agency has not submitted the letter of intent issued by the Commerce & Industries department. It has submitted copy of the earlier Mining Lease, which

expired on 6.10.2012 and notification of the Commerce & Industries department dated 18.4.2001, vide Annexure-1 and 1A.

- (vii) The user agency has submitted an undertaking regarding payment of NPV for diversion of forest land, as per the Hon'ble Supreme Court of India in feature or by any competent authority, vide Annexure-19.
- (viii) The user agency has undertaken fire protection measures around the lease area from fire incidents.
- (ix) The map submitted by the user agency are land use plan, approach road, safety zone plan, key plan & CEC approved joint survey lease deed sketch, along with the proposal is verified at the field. The GPS reading shown in the map are found correct.
- (x) Compliance report to the conditions stipulated by the Government of India for FC approval of 105.00 ha granted on 1-7-1998 and agreement condition of FC approval have been submitted by user agency. The remarks of deputy conservator of forests, Chitradurga on the status of the compliance is given as under:

Agreement condition No.	Agreement Conditions	Compliance
4.	The User Agency shall open a fuel depot at the project site for supply of free fuel wood to staff and labourers working in the project. The quantity of fuel wood to be supplied will be prescribed by the Conservator of forests / deputy Conservator of Forests concerned.	User Agency informed that no Camp opened in the lease area. However, the existing canteen uses gas.
5.	Mine area reclamation (including targets of back filling) soil conservation measures and green belt development will be carried out concurrently to the maximum possible extent. The lessee shall take up planting work on the static dumps during the advance mining operations, and shall also under take afforestation measures in the area proposed for afforestation and also in other blank areas in the leased area, as per directions of the conservator of Forests and Deputy Conservator of Forests concerned.	<p>Concurrent development not done. Soil conservation works carried out are negligible.</p> <p>Static dumps planting taken up in the past 2-3 years. Not all blank areas planted. Green belt by and large not developed concurrently. Some plantations were raised during the initial years. Grassy blanks in the lease area are seen. For this User Agency informed that the grassy blanks are the future mining areas, hence planting was not done. In this regard it was informed that 15 years elapsed since the lease agreement was signed. If there was a will to comply, then short duration plant would have been planted in the beginning itself .</p> <p>The balance areas should be planted up.</p>
6.	No new construction of building for	Deputy Conservator of Forests has

	any purpose will be taken up in the lease forest area.	been asked to verify this aspect.
7.	Necessary soil conservation measures shall be taken at the project cost to prevent erosion in the catchment of Bheemasamudra Tank	<p>Comprehensive catchment area treatment plan covering the slopes of the hills supporting the lease area at least up to the base should have been prepared and implemented. But not carried out.</p> <p>Only eleven, check dams have been constructed, which is not at all enough.</p> <p>It appears, specific directions have not been issued by DCF/CCF in this regard. SMC management plan shall immediately be prepared and issued to the User Agency to implement immediately.</p> <p>At least short duration trees / shrubs grass slips etc., should have been planted on the temporary / low grade dumps in the interest of arresting erosion and protecting the environment.</p>
10.	Check dam have to be constructed by the project authority to arrest the flow of suspended solids. The project proponents should provide for adequate arrangements for removing the accumulated material from behind these dams.	As claimed by User Agency only 2 check dams are constructed inside lease area. Not enough for the leased area. Deputy Conservator of Forests has to give a comprehensive soil & moisture conservation plan to the user agency if not already covered by the CEC sanctioned R&R Plan.
12.	No waste material should be allowed to roll down the hill slopes (if any). The control measures for preventing the rolling down of debries over hill slops should be provided.	Retaining wall being constructed as per R&R Plan approved by CEC now i.e. after a lapse of 15 years of handing over the leased land.
13.	Mechanical and biological reclamation and Mined areas shall be carried out at the project cost before handing over the land to the forest department.	CEC approved R&R plan being implemented now after a lapse of 15 years.
14.	Effective steps for control of air pollution causing dust should be taken. No sorting and crushing facilities should be provided at the project site.	Fogging machines and raingears seen.

17.	Green belt around the dust generating points should be provided by the projects proponent. The cost towards environmental control measures should be made available to Government of India, Ministry of Environment and forests, within a period of three months from the sanction of the renewal of lease.	This work not satisfactorily carried out. Some dust generating areas and dust generating road sides not planted up.
21.	The lessee shall carry out the rigid soil and water conservation measures as suggested by forest department.	It is learnt that forest Department has not suggested the required soil & water conservation measures to the user agency for implementation. Therefore comprehensive soil and water conservation measures not carried out. However, after approval of the R&R plan by CEC, 3 pairs of settling tanks in 3 different areas have been constructed. Further garland drain has been excavated around the mining area. Garland drains around the waste / Ore dumps being excavation now. Retaining wall at the base of the dump is being constructed.
22.	The lessee shall protect and nurture the natural tree growth in the mine area.	Gap planting in the natural tree growth area carried out. However, nurturing of natural tree growth not done.
23.	The lessee shall rigidly under take protective measures in the leased area and area surrounding it up to one Km., against any fire incidents.	Fire watchers provided by user Agency. But fire lines clearance not done i.e. comprehensive fire protection measures not taken up either in the lease area or in the forest area surrounding it up to 1 Km. No fire lines seen at all.
25.	The lessee shall pay royalty, forest Development Tax and other taxes, etc. as per prevailing rates to the forest Department without fail.	User Agency informed that FDT 50% paid as per court order, which means this condition is not complied with in full. Deputy Conservator of Forests to ascertain if the lease rent has been paid up-to-date.
27.	The balance 154 Ha. Forest land will be surrendered to the Forest Department (The said balance area of 154 ha, is already surrendered to the	The User Agency informed that the area has been surrendered to the forest Department.

	forest department and the department has taken the land in their possession).	
28.	Demarcation of mining lease area will be done on the ground at project cost using 4 feet high concrete pillars with serial numbers, bearing and distance from pillar to pillar.	This work carried out.
29.	Fencing, protection and regeneration of safety zone area will be done at the project cost. In addition afforestation over one and half times of safety zone area will be done in degraded forest elsewhere at project cost.	Safety zone not fenced. But mostly planted in past 2 years.
30.	The area proposed for dumping over burden should be set apart for afforestation and should be planted at the cost of user agency, Masonry retaining walls should be provided all around the over burden dumps and minerals stock yard area. Slopes of the over burden should be maintained around 25 degree or less than the natural slope of the area prior to the mining whichever is less.	Planting carried out during recent years. The retaining wall being completed now, as per R&R plan. The slopes of the over burden is around 35-40° and the slope length is around 25-30 mtrs. As per prescription there should have been benches of not more than 10 mtrs height for the dumps.
31.	All along the roads either a retention wall or a sand bag support should be provided to avoid soil erosion from the mine approach road.	By and large this work not required. Hence not done. However, few areas which are found to be vulnerable need to be immediately treated.
32.	Possibility of harvesting rain water for utilizing in the mine should be explored and reported to the Regional Office of the ministry of Environment and forests at Bangalore.	Being done now as per R&R Plan.
35.	The lessee should take up planting work on the static dump during the advance mining operations.	Being done now. The User Agency to expedite.
36.	They should undertake the afforestation measures in the area proposed for afforestation and also in other blank area of the leased area.	Being done now. But, other blank areas need to be immediately planted up.
39.	The lessee should take up community welfare measures in the peripheral villages in this regard One or two villages could be adopted.	User Agency informed that some works were done but no villages have been adopted. They were asked to submit the details. They shall also adopt two villages & submit compliance.
45.	The lessee shall pay compensation to the workmen for any injury, death, disability etc, caused or occurred	This needs to be verified by the Deputy conservator of forests.

	during the time of execution of work under workmen's compensatory Act or any Act in force from time to time. The lessee is responsible for any commission's and is omissions of his workmen.	
50.	The lessee should pay Rs. 6.75 (including all tax) or any higher rate that will be prevailing at the time of transportation of forest produce (Mineral / Ore) for each Lorry/vehicle as per clarification issued in letter No. A6/LND-28/83-84 dated 13-3-1985 of the Principal Chief Conservator of forests, Bangalore. The lessee should maintain in a register of permits received and issued / used with page numbers used up books should be handed over to the Range Forest Officers, concerned / or to the Deputy Conservator of forests, Chitradurga striking the closing balance once in fortnight i.e., 15 th and last day of every month.	It has been informed that the permit fees is being paid.
59.	The lessee shall take up comprehensive soil and water Conservation measures like gully plugging, Nala treatment construction of retaining wall, check dams R.C.S. etc. to effectively control soil erosion from the mining area to the non mining area. Necessary vegetative check dams shall also be taken up as a preventive measure of soil erosion other than the mined area.	As observed by undersigned, except constructing 11 Check dams no other work required to be done for comprehensive treatment, carried out. If not covered by the R&R Plan, then comprehensive plan to be prepared in consultation with DCF and implemented immediately.
61.	The lease will do the fire line clearance to a width of 5 Mtrs on either side of the forest roads be used for transportation of the ore outside the forest leased area.	Fire line clearance not done. Comprehensive fire protection plan to be prepared in consultation with DCF, and implemented immediately.
64.	The lessee should provide services of fire watchers during the fire season to the forest department on the request of the deputy Conservator of forests / Assistant Conservator of Forests / Range Forest Officers / Forest Guards from February to June of every year.	Fire watchers being provided.
67.	The lessee should work and when suggested by the forest Department in the mining area and as agreed to in the	It is learnt that the forest Department has nit made any suggestion. Deputy conservator of forests, to

	proposals submitted for sanction of mining lease/ renewal under forest Conservation Act 1980.	immediately suggest and the user agency to comply.
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- (xi) The user agency has submitted unconditional undertaking regarding payment of Lease Rent and supervision Charges. The copies of the undertaking is herewith enclosed vide ANNEXURE-C1.
- (xii) The Safety Zone Map is provided in of the renewal proposal. The user agency has demarcated the Safety Zone inside the leased area, as per the New-Guidelines of the Government of India dated: 12-07-2012. Details are as under:

I. Earlier Safety Zone is Proposed outside the lease area:

- a) Fencing : 5.42 Kms x 7.5 Mtrs=4.065 Ha say 4.07 Ha
b) Planting in Degraded Forest : 4.07 Ha X 1.5 times = 6.105 Ha.
(1.5 times of the safety zone area).

Details of earlier Safety Zone payment

SI. No.	ITEM	Details of Calculation	Amount Paid
1	Fencing	5.42 Kms @Rs. 60,500-00/Ha.	Rs. 3,27,910-00
2	Safety Zone area	4.07 Ha @ Rs. 49,250-00 / Ha.	Rs. 2,00,447-50
3	Planting in Degraded Forest	6.105 Ha @ Rs. 49.250-00 / Ha.	Rs. 3,00,671-25
		Grand Total:	Rs. 8,29,028-75

The user agency has paid total amount of **Rs. 10,44,425/-** (Rupees: Ten Lakhs Forty four Thousand Four Hundred & Twenty Five Only) vide DD No's as below:

II. Presently, Safety Zone has to be demarcated inside the lease area as per Govt. of India Guidelines Dt. 12-07-2012. Details of Safety Zone.

- a) Fencing : 5.187 Kms
b) Safety Zone area : 5.187 Kms X 7.5 Mtrs = 3.89 Ha
c) Planting in Degraded Forest : 3.89 Ha X 1.5 times = 5.835 Ha.

Details of charged arrived now regarding raising of plantation in degraded forest 1 ½ times of the safety zone is 5.835 X @ Rs. 1, 52,000/ha. + Rs. 8,86,920/-

The user agency has submitted an undertaking for carrying out fencing and plantation of safety zone area and also for payment to raise plantation in 1.5 times the safety zone area in degraded forest else were as per the cost fixed by Govt. from time to time, vide Annexurre-12.

The user agency has submitted that, earlier Safety Zone was outside the lease area. Hence, the length of fencing was 5.42 Km; now as per the new guidelines the Safety Zone is inside the lease area hence, the area of the Safety Zone & Plantation in degraded forest compared with earlier extents.

Compliance of Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006

The mining lease area comes within the village limits of Bedarabommenahalli, Hirekandavadi, Megalahalli, Marijogihalli and Dindadahalli. The user agency has submitted the consent letters of Gram Panchayath pertaining to Bheemasamudra Gram Panchayath, B.Durga Gram Panchayath and Bommenahalli Gram Panchayath.

- a) Bheemasamudra Gram Panchayath had given consent letter on: 30-10-2012 pertaining to Sy. No 18 of Dindadahalli village.
- b) B.Durga Gram Panchayath had given consent letter on: 15-11-2012 pertaining to Sy. No. 107 of Hirekandavadi village.
- c) only the consent letters of B.Durga Gram Panchayath and Bheemasamudra Gram Panchayath can be accepted since these are as per FRA guidelines.
- d) The Consent Letter from Bommenahalli Gram Panchayath given on: 11-01-2013 was not in order. The user agency has to submit revised consent of Bommenahalli Gram Sabha pertaining to Sy. No 9 of Marijogihalli village, as per FRA guidelines and consent of Bedarbommendhalli and Megalahalli Gram Sabha, pertaining to Sy. No.5 of Bedarabommenahalli village, Sy. No. 21 of Megalahalli village and Sy. No. 9 of Marijogihalli village.
- e) the user agency has carried out R&R works, as per approved by the CEC have been almost completed by the lessee inside the leased area. R & R works outside the lease area is under progress. However, the user agency has submitted an undertaking regarding implementation of R&R plan as approved by the Hon'ble CEC vide ANNEXURE-20 of the renewal proposal. The status of R&R works has been submitted vide ANNEXURE-16 of the renewal proposal.

The details of Forest Offence cases booked against the user agency along with extent of forest land involved in the forest offence cases is as below:

Sl. No.	FOC No. & Date	Description of the FOC	Forest land involved in the offence [Extent in ha.]	Remarks
1	FOC No. 17/2009-10 dt. 25-05-2009	Forest land used for approach road	1.50	The case is pending before Hon'ble JMFC Court , Chitradurga vide CC No. 1299/2009
2	FOC No. 30/2009-10 dt. 26-09-2009	Sliding of dump out side the leased area.	0.090	The case was compound and Rs. 1,03,200/- was recovered.

3	FOC No. 13/2012-13 dt. 15-01-2013	Encroachment of forest shown as others as per the findings of Hon'ble CEC and Map approved by the CEC.	3.130	The case is pending.
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The details of pending lease rent and supervision charges from 063-10-2009 to 05-10-2012 to be paid by the M/s Mineral Enterprises Ltd., is as below:

Lease Rent @ Rs. 5,000/ year/ ha. for 105.00 ha= Rs. 15,75,000-00

Supervision Charges @ Rs. 187.50/year/ ha for 105.00 ha= Rs. 59,063-00

Rs. 16,34,063-00

The user agency has violated the conditions of agreement, as well as KFA 1963 and KFR 1969 and also FC Act, 1980 by encroachment of forest land in the form of others 3.13 ha., the CEC approved lease dead sketch. Hence, the M.L. is kept in category-A.

The User Agency has submitted documents and copies of GOK GO Dated 14.07.2010 and 30.08.2011, vide Annexure-9, wherein it has been given permission to establish iron ore beneficiation plant, Pelletizing Plant, and Steel Plant, among others, in nearby locations, which are also relevant for renewal of the mine in favour of the User Agency.

The Conservator of Forests, Government of Karnataka has recommended the proposal for diversion of forest land for 10 years with following conditions:

- (i) The Compensatory Afforestation area of 5.44 Ha in lieu of approach road shall be identified by the User Agency, demarcated and suitability certificate to be issued by Deputy conservator of forests, which is mandatory for FC approval.
- (ii) The 19.05 Ha unbroken area shall not be worked, in view of the Hon'ble Supreme Court order dated 20.4.2012, wherein it was ordered that "Mining which is to resume in Category-A, however shall not extend to unbroken forest areas."
- (iii) The user agency shall clear the payment of lease rent, before final approval of renewal is accorded and no new lease agreement shall be signed without completion of such payment.
- (iv) The user agency shall undertake planting and regeneration works in the safety zone area for development of green belt.
- (v) The user agency shall raise/procure and plant sufficient number of good quality seedling species on the remaining dump slopes at the earliest.
- (vi) The user agency shall undertake measures to arrest runoff and soil erosion from its lease area and from 100 meters of its boundary, so that the flow of eroded soil and runoff, because of its operation do not pollute the adjoining forest and the streams and water bodies. In particular special measures shall be undertaken by the User Agency in consultation with local villagers, line department officials and department of Water resources, to prevent soil and pollutants do not flow into Bheemsamudra Tank, which is totally silted up, in spite of several structures undertaken in the past, which has not served the purpose adequately.
- (vii) The lessee shall undertake rigid fire protection measures in the area leased to them and upto 1 km forest area around the lease. Proper fire management plan shall be prepared with sketch and various activities and time line shall be drawn up by the Forest Department, which shall be implemented by the User Agency.

- (viii) The lessee shall maintain the R&R structures and Plantations raised by it in proper condition. But no stone Masonry structure shall be undertaken in the unbroken forest area within the lease and any area outside lease, without specific permission of Deputy Conservator of forest; notwithstanding any prescription of the approved R&R plan.
- (ix) The user agency shall pay the amount towards Compensatory Payment, as per Hon'ble Supreme Court orders for the encroachments of area and offences done by it and recorded by the Joint Team and approved by CEC.
- (x) Complete compliance and fulfillment of the conditions of the earlier lease agreement and that of GoK and GoI conditions.
- (xi) The User agency has violated FC Act and lease conditions on several occasions on several occasions earlier and hence any further violation should entail cancellation and termination of lease.
- (xii) After 5 years, there should be a review regarding compliance of the lease conditions and if it the lessee is found wanting in regard to them or found in violation of them, then penalties shall be imposed and the FC lease may be suspended, till such time all the compliances are fully complied with.

Site Inspection report by the Regional Office, Bangalore

1. MoEF issued Forest clearance vide letter no.8-83/93-FC dated 7.4.1997 Subject to certain conditions under Section 2 of Forest (Conservation) Act, 1980 in favour of M/s Mineral Enterprises Ltd., for 30 years co-terminus with MMRD Act, 1957 w.e.f. 7.10.1992 and valid upto 6.10.2012. Lease period under MMRD Act. 1957 ended on 6.10.2012 and therefore, the FC also ended on 6.10.2012.
2. The Principal Secretary to Govt. of Karnataka, Forest, Ecology & Environment Department, Bangalore vide letter no. FEE 23 FFM 2013 dated 26.9.2013 submitted a proposal to obtain approval of Government of India under Section 2 of Forest (Conservation) Act, 1980 for diversion of 109.17 ha of forest land for renewal of Mining Lease No. 2346 to an extent of 103.73 ha for mining and other allied activities (As per CEC approved joint survey sketch) and 5.44 ha for approach roads outside the Mining Lease area (earlier FC clearance dated 7.4.1997 was for 105 ha) i.e., for a total area of 109.17 ha in Nirthadi Reserve Forest, Holalkere Range, Chitradurga Division, Chitradurga District, Karnataka in favour of M/s Mineral Enterprises Limited, Bengaluru subject to certain conditions.

3. Important observations of the PCCF, Karnataka with regard to the proposal:-

(i) Mining in un-broken area and Land use Plan:-

The PCCF has observed that no mining should be permitted in the un-broken 19.05 ha and the mining should be restricted to 32.59 ha, as mentioned in the "present land use plan" as per mining plan approved for the years 2012-13 to 201617. He has also observed that opinion in this regard may be sought by the Government of India from the CEC, in case it is felt necessary. The PCCF has observed that the user agency has proposed for mining in the presently unbroken area. The unbroken area shall not be worked in view of the Hon'ble Supreme Court of India order dated 20.4.2012, wherein it was ordered that "mining which is to resume in Category A however shall

not extend to unbroken forest areas”. The approved RR plan also stipulates that mining should not be carried out beyond the existing pit limits.

(ii) Surrender of 0.50 ha of forest land:-

The User Agency should be asked to pay the Net Present Value for the 0.50 ha area propose to be surrendered also and should carry out the reclamation and rehabilitation work at their own cost as proposed by the Forest Department.

(iii) Encroachment found by the Joint Team:-

The User agency has encroached 3.13 ha of forest land in the form of “Others” as per the survey carried out by the Joint Team and as reported by the CEC in its report dated 3.2.2012. PCCF ha observed that Ministry may take appropriate decision as deemed fit with regard to compensatory payment for the encroachments and opinion of CEC may be sought in case felt necessary.

(iv) Approach road earlier used by the user agency without FC approval:- The

PCCF has recommended that the user Agency should be asked to pay NPV. Further compensatory afforestation area of 5.44 ha of non-forest land in lieu of the approach roads shall be identified by the User Agency, demarcated and get it mutated and handed over to the Karnataka Forest Department and pay the CA charges. MoEF may also take additional necessary action it deems fit with regard to the violation.

(v) Non-payment of Forest Development Tax (FDT) dues:- There is a writ petition with regard to payment of FDT is pending (WP No. 13654 of 2008). In the Government of India guidelines, it has been advised not to consider/process cases which are pending in Courts and are sub-judice. Since this case regarding payment of FDT is pending in the Hon’ble High Court appropriate decision needs to be taken by the Government of India.

(vi) Non-submission of notification/Letter of intent regarding renewal:- The

User Agency has not submitted Notification issued by Government of Karnataka as per the provisions of the MMRD Act, 1957 or a Letter of Intent for renewal of the Mining lease and in view of this the lease should not be renewed unless the user agency submits the requisite notification.

(vii) Safety Zone:- Clarification is needed from the MoEF regarding whether the user agency should deposit funds with regard to the protection and regeneration of Safety

zone with the Forest Department or the user agency may be given the responsibility and be exempted from depositing the funds.

- (viii) **Non-compliance of the stipulated conditions:-** Based on the reports of Addl PCCF(FCA) and DCF, Chitradurga, PCCF has observed that user agency has failed to comply with the stipulated conditions of the earlier FC and agreement lease condition despite the fact that they had 16 years of lease period to comply, which fact may have to be viewed seriously. Lease may be considered for renewal only if the user agency complies with the above state conditions and Government of India may also take appropriate penal action as deemed fit for non-compliance of the conditions stipulated in the earlier approval.
- (ix) **Payment of NPV:-** The UA shall have to pay NPV for the entire forest land sought for diversion of 109.17 ha since the same was not paid earlier. The user agency shall also have to pay any additional amount of NPV as per the directions of the Hon'ble Supreme Court/Ministry of Environment and Forests.
- (x) **Compliance to stipulation regarding Compensatory afforestation:-** The user agency shall have to get the 20 ha of CA land of the previous FC clearance, mutated in favour of the Forest Dept in order to get it notified as PF/RF.

The specific conditions and the general conditions recommended by the PCCF to be complied by the user agency are enumerated in the Annexure A.

4. Observations based on site inspection and perusal or records:

Site inspection of the area proposed for renewal of FC has been done by the undersigned along with Shri S.M.Somashekar, CCF (Central) of the Regional Office, Bangalore on 27th December 2013. The CCF, Bellary, DCF, Chitradurga and representatives of the User agency were also present during inspection. Based on site inspection and perusal of records, observations are as under:-

- (i) **Mining in unbroken area** – The previous FC was granted for 105 ha, (85.95 ha broken-up and the remaining 19.05 ha unbroken). Even this 19.05 ha continues to remain unbroken practically. As per the present proposal, mining is to be continued in 47.44 ha including the current pit. But the current mining has to be restricted to mining in the current pit of 32.59 ha only. The representatives of the project have explained that there is enough mineral in the existing pit itself and mineral will last for more than 15 years at the rate of removal of 0.38 MTPA, which is the permissible limit as per the orders of the Hon'ble Supreme Court. Therefore renewal can be considered with a specific condition that mining shall be restricted to the existing pit and mining shall not extend to unbroken area
- (ii) **encroachment found by the Joint Team** – in violation of condition no. 12 of FC approval, the user agency has encroached 3.13 ha forest land in the form of "Others" as per the survey carried out by the Joint Team and as reported by the CEC in its report dated 3.2.2012 and this mine has been kept in the Category A. It may be considered to impose a condition that the user agency shall bear the cost of afforestation in double the extent i.e., 6.26 ha of degraded forestland to be identified by the Forest Department.
- (iii) **Approach Road used by the user agency without FC approval** – The approach road appears to have been in existence since a long time as per the Survey of India Toposheet. However in addition to stipulation providing 5.44 ha of non-forest land for

compensatory afforestation, CA in double the degraded forest land i.e., 10.88 ha at the cost of user agency may also be stipulated.

- (iv) **Non-submission of notification/Letter of Intent regarding renewal** – The user agency informed that they have applied in Form –J in 2009 and hence renewal of FC may be granted subject to obtaining renewal of mining lease under MMRD Act and FC can be granted for a period of 20 years or co-terminus with renewal period of lease under MMRD Act whichever is earlier.
 - (v) **Compliance to stipulation regarding Compensatory afforestation** - to ensure transfer and mutations is done in the name of the Forest Department and the area is declared as PF/RF, it is proposed to stipulate a condition in the Stage I approval that Stage II approval shall be granted only after the 20 ha CA land provide in the time of the FC is mutated in favour of the Forest Department and notified as PF/RF.
 - (vi) **Change in scope of working** – In violation of condition no. 16, User agency has changed the scope of working by undertaking dump mining to the tune of 6.5 million tones. In the Environment clearance dated 31.3.2006, it is clearly mentioned that there is a 2 million m overburden already existing and 32000 tonnes per month proposed to be generated and EC stipulated that this accumulated overburden will be used to backfill the mining pit in order to reclaim the area. As per this condition, mining company was supposed to use the overburden for back filling of the mining pit for reclamation. In the process they have also exceeded the permissible quantity of 1 MTPA to be handled in a given year.
 - (vii) **Benefits due to mining-** The mine is having extractable ore and extraction of the same will meet the requirement of the steel industry. Mining activity will generate employment to the local people and generate revenue for the Government.
 - (viii) **Protection of adjoining Forest and promotion of Agro-forestry** – The user agency may be entrusted with the responsibility of special fire protection measure in the forest area adjoining to the lease area at the cost of user agency in consultation with the forest department. The user agency can also be entrusted the responsibility of promoting agro forestry in the surrounding areas, which is a drought prone area.
5. The Regional Office, has also submitted monitoring report in respect of compliance of conditions stipulated earlier by the MoEF while according diversion of forest land. A copy of the same is placed in the file for kind perusal at Pg 570-574/c.
6. Looking to the need for providing raw material for the industry and socio-economic benefits to the society and the need to restrict the mining to the existing pit in order to preserve the remaining greenery, the proposal for renewal of 103.73 ha and grant of fresh diversion for 5.44 ha may be considered favorably with the stipulation of the following additional conditions:-
- (i) The mining shall be restricted to the existing pit of 32.59 ha.
 - (ii) the annual production of ore shall not exceed 0.38MTPA.
 - (iii) afforestation shall be carried out wherever possible in the lease area.
 - (iv) the user agency shall meet the cost of rehabilitation works and special fire protection measures in the forest area adjacent to the mining lease area every year as per the scheme prepared by the concerned DCF.
 - (v) the user agency shall pay the cost of afforestation in 40 ha of degraded forest land elsewhere to be identified by the Forest Department as compensation for the violations.
 - (vi) the user agency shall promote agro forestry in the surrounding villages.
 - (vii) Copy of notification as PF/PF of already handed over 20 ha CA land in Sy. No. 62 of Yalladakere village of Hiriyur taluk, Chitradurga distt shall be furnished.

- (viii) The Net Present Value for the 0.50 ha area proposed to be surrendered shall be paid by the user agency. Undertaking shall be furnished that the reclamation and rehabilitation work in the surrendered 0.50 ha shall be carried out by the user agency at its cost.
- (ix) NPV for the entire forest land sought for diversion of 109.17 ha shall be paid by the user agency.
- (x) Additional amount of NPV of the diverted forest land if any becoming due after revision of the same by the Hon'ble Supreme Court of India in future, shall be charged by the State Government from user agency. The user agency shall furnish an undertaking to this effect.
- (xi) Letter of Intent for renewal of mining lease shall be furnished.
- (xii) 7.5 meters strip from the boundary inside the lease area shall be maintained as safety zone at the cost of user agency.

In view of the above facts related to the proposal, if approved, the proposal may be submitted to the FAC for its consideration in its forthcoming meeting.
