

**JUSTIFICATION FOR LOCATING THE PROJECT IN FOREST LAND & DETAILS  
OF ALTERNATIVES EXAMINED.**

**Renewal of Mining Lease of Bailadila Iron Ore Project, Deposit-14 Float ore  
Mining Lease Area 317.79 hect.**

1. NMDC Limited was incorporated on 1958 as a Public-sector enterprise under the administrative control of the Ministry of Steel, Government of India. It is a profit making and dividend paying "NAVRATNA" Public Sector Enterprise. NMDC is India's single largest iron ore producer, presently producing about 35 million tons of iron ore from its iron ore mining projects located in Chhattisgarh and Karnataka State. NMDC has made valuable and substantial contribution to the National efforts in the mineral sector during the last six decades.
2. For the purpose of meeting iron ore requirements, NMDC developed iron ore mines in Bailadila Iron Ore hill ranges in the southern part of South Bastar Dantewada district of Chhattisgarh state in the year 1968.
3. Deposit 14 Float Ore Mining Lease area of 317.79 hectares lying south-west of Dep-14 Mining Lease, the lease was granted to M/s NMDC Limited on 29-09-1970 for a period of 20 years and valid up to 28-09-1990 vide letter no. NRD/6239/4821/XIII dated 19.08.1970 from MRD Bhopal. Lease deed agreement with state govt. was done on 29-09-1970.  
**(Annexure-1)**
4. Subsequent to enactment of MMDR (Amendment) Act 2015 Deposit 14 Float Ore Mining Lease deemed to be extended up to 28-09-2020 i.e. fifty years from 29-09-1970 as per Rule 8A (6) of MMDR (Amendment) Act 2015 – "Notwithstanding anything contained in sub-sections (2), (3) and sub-section (4), the period of lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, where mineral is used for other than captive purpose, shall be extended and be deemed to have been extended up to a period ending on the 31st March, 2020 with effect from the date of expiry of the period of renewal last made or till the completion of renewal period, if any, or a period of fifty years from the date of grant of such lease, whichever is later, subject to the condition that all the terms and conditions of the lease have been complied with".
5. Dep-14 Float Ore lies within latitudes 18° 37' 02.5454" and 18° 35' 42.0371" and longitude 81° 14' 23.9813" and 81° 12' 54.6601" in SOI Toposheet no. 65 F/2. The topography of the area is hilly terrain. The entire mine lease area is in the forest compartment no.s 1858, 1863 and 1864 of Bailadila Reserve Forest.

WGS 84 coordinates of four node points are as under.

Pillar No	Longitude (Degree Minute Sec)	Latitude (Degree Minute Sec)
A	81° 13' 15.9460"	18° 37' 02.5454"
B	81° 14' 23.9813"	18° 35' 55.0193"
C	81° 13' 24.6374"	18° 35' 42.0371"
D	81° 12' 54.6601"	18° 36' 10.4942"

These WGS 84 coordinates are taken by geo referencing of old plan and there is no change in mining lease area. The area is very sensitive in nature to carry out field DGPS survey due to existence of Anti-social elements (Naxalites). Even though DGPS survey will be done by engaging third party which is under process through tendering.

Since float Iron ore occurs as a blanket zone of about 1 to 2 m in thickness on the slope of the hill, it is proposed to start the mining from top most level of the mining block, by opening a bench face not exceeding a bench height of about 1.5 m to 2.0 m. It is proposed to mine the float ore by Mine Development cum operator (MDO).

6. IBM carried out initial exploration in the area in 1962-1963. The total reserve of the float ore was estimated 6.0 mt's by IBM with an average grade of 62% Fe and 100% recovery. subsequently during 1963 to 1964 NMDC sunk one deep and 52 medium pits and estimated the reserves to be 4.29 MT with an average grade of + 67% Fe.

Total float ore excavation carried out from Dep-14 float ore lease area during the period from Oct'1970 to March 1978 was 45.19 LT. Then after manual mining operations has been suspended in view of labour deployment policy by Govt. of India.

7. During late 80s the balance reserves were reassessed and the balance reserve was estimated as 1.06 MT with an average grade of 66%Fe (up to depth of 1-1.5 mts by manual mining).

8. The lease renewal / revision application (**Annexure-2**) was submitted in Nov'89 which was rejected by State/Central Govt. on one plea or another vide letter no. dated 03-04-1993 (**Annexure-3**). The matter was taken up for hearing before Tribunal on 01/05/1997, which set aside the impugned order dated 03-04-1993 of the State Govt. and remanded the case back to the State Govt. for disposal in accordance with law (**Annexure-4**). State Govt. has asked to get forest clearance before granting mining rights to NMDC. Letters of collector, Dantewada and secretary was also received (**Annexure-5 &6**).

9. The project has filed forest application on dated 26-10-2007 to DFO, Dantewada. Copy of letter enclosed at **Annexure – 7** and had been under consideration with forest department. Lease renewal is also under deemed condition with state govt. hence alive in nature.

10. The project is having valid documents as under

a) Mining Plan: The approved Mining Plan for the period of 10 years from 1991-92 to 2000-01. Letter enclosed at **Annexure – 8**

Note: No Mining activities has been taken up during the proposed Mining Plan period to till date. Hence the mining plan is still valid today. This matter has been discussed with Regional Controller of Mines, IBM, Raipur, Chhattisgarh.

b) Dead rent, surface rent and mining lease continuation charges has been paid regularly till 2018. Details from 2007-2018 are enclosed at **Annexure – 9**

S. no	Year	Surface Rent (Rs.)	Dead Rent (Rs.)	Charges for continuation of Mining Lease (Rs.)
1	2007	1570	1,27,116	200
2	2008	1570	1,27,116	200
3	2009	1570	1,27,116	200
4	2010	1570	1,27,116	200
5	2011	1570	3,17,790	200
6	2012	1570	3,17,790	200
7	2013	1570	3,17,790	200
8	2014	1570	3,17,790	200
9	2015	1570	3,17,790	200
10	2016	1570	10,59,000	200
11	2017	1570	12,71,160	200
12	2018	1570	12,71,160	200

11. As per future Iron ore requirement of the country M/S NMDC Ltd has Vision Plan 2025 according to which the Iron Ore production capacities are increasing in overall. Dep-14 Mining Lease (Area-322.368 Ha) have estimated reserves of 362.19 MT (as on 01.04.2018). In next 20 years it will be producing about 62.121 MT of waste and subgrade material. Dep-14 ML have no sufficient space for keeping this material in future. It has 46.0 hect of land for waste dumping of 14.350 MT and can't accommodate further.

In view of this about 100 hect. of land of the adjacent lease area of Dep-14 Float Ore (317.790 hect.) would be supportive to run the mines production of Dep-14 ML. As per future plan Dep-14 Float ore lease will be amalgamated with Dep-14 ML and un useful land will be surrendered after removing the balance 10.0 LT of float iron ore.

The project has already obtained Stage-1 forest clearance for the infrastructures which are partially passing through Dep-14 float ore mining lease vide file no. JAG/DAN/MJM/2003/004  
The details are given as under

<b>Details</b>	<b>Area (hect.)</b>
Pipe Line	0.26
Electric Line	2.70
Road	4.20
Pump House & Dam	0.50
<b>TOTAL</b>	<b>7.66</b>

Further it is to clarify that the total lease area also contains part area of infrastructure pertaining to Dep-13 Mining Lease passing through Dep-14 Float ore ML. Forest application has already been filed vide proposal no. FP/CG/Others/15422/2015 (**Annexure –10**)

NMDC has created integrated infrastructure facilities outside lease area such as Loading plant and MV siding for transportation of iron ore through Railway wagons. Indian Railways have also constructed electrified broad-gauge railway line of 469 Km from Kirandul to Visakhapatnam in the year 1966-69 for transportation of iron ore.

The iron ore for Visakhapatnam Steel Plant is sourced entirely from Bailadila mines of NMDC. RINL, KIOCL, Essar Steel meet their iron ore requirements from Bailadila Deposits. Numerous steel plants in C.G. State depend upon Bailadila iron ore mine for their iron ore requirement.

The opening up of iron ore mines in remote areas of Bailadila range has brought the local tribal people to the mainstream civilization by the spectacular efforts of NMDC.

Gol has an ambitious plan for increasing the domestic steel production from capacity of around 115 to 300 MTPA by FY 2030-31. This will necessitate production of 400 to 450 MT of iron ore annually. Further, the Government's ambitious plan of developing 100 smart cities and housing for all by 2022 will result in a huge demand of steel.

NMDC mining projects at Kirandul Complex employees 1648 people directly and about 1000 people are employed through different contractors. Local people are given the preference for employment under semi-skilled and unskilled categories.

The existing mining projects of NMDC have given social benefits to surrounding population in the form of educational facilities, roads, communication facilities, transportation, marketing, banking, postal services and health facilities directly or indirectly. The civic amenities have already been developed due to existing mines in Bailadila complex. The activities undertaken by NMDC towards Corporate Social Responsibility can be broadly classified as:

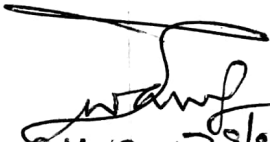
1. Education. 2. Roads & Buildings. 3. Health.
4. Drinking Water 5. Miscellaneous

Expenditure incurred towards corporate social responsibility activities from 2006-07 to 2017-18 in r/o Kirandul complex is given in the following table:

F. Y	CSR fund expenses (in Rs. Lakhs)	F. Y	CSR fund expenses (in Rs. Lakhs)
2006-07	751.99	2007-08	942.24
2008-09	1173.75	2009-10	1438.76
2010-11	2099.00	2011-12	2653.85
2012-13	2600.75	2013-14	2861.72
2014-15	5464.92	2015-16	5496.79
2016-17	6912.86	2017-18	5424.45

The Deposit-14 Float Ore ML is in the Forest land for which forest clearance is necessary and there is no increase in M.L. area. As the project is in forest land, the renewal of Mining Lease over Forest land of 317.79 Ha for further period of 20 years is justifiable.

To meet the country's iron ore requirement, it is essential that the mining lease of Bailadila Deposit-14 Float Ore, Kirandul shall be renewed for further period of 20 years along with Forest clearance.

  
Dy. G.M. (Geology) 29/05/2018

NMDC Limited  
BIOM, Kirandul complex