



**OFFICE OF THE DIVISIONAL FOREST OFFICER, KEONJHAR DIVISION**

Phone No- 06766-254315, email ID- [dfokjr.od@gov.in](mailto:dfokjr.od@gov.in)

**Memo No. 101 / 6F-Mining-256/2018**

**Dated, Keonjhar the 06-01-2020**

To

The Addl. Principal Chief Conservator of Forests,  
Rourkela Circle, Rourkela

Sub:

Proposal for diversion of 1243.27 ha forest land involved in the mining lease area over 1332.019 ha of Dubuna - Sakradihi Iron and Manganese Mines of M/s OMC Ltd in Keonjhar district, Odisha. (Proposal No. FP/OR/MIN/30349/2017)

Ref:

Memo No. 20320 dated 21.11.2019 of PCCF, FD&NO, FC Act.

With reference to the above cited memo on the captioned subject the point wise compliance report furnished hereunder-

- i. **The CA scheme for 979.38 ha against the proposal of diversion of 1243.270 ha has been given. Further, the State Government mentioned that the broken up forest land involved in the mining lease area 258.599 ha and therefore another Non-forest land of 258.599 need to be identified for CA and for time being in order to save delay in processing of forest diversion proposal the user agency has submitted an undertaking to provide the CA land against pre-1980 broken up forest land if decided by FAC. Whereas para 2.4 (iv) of Handbook of Guidelines of FCA, 1980 "Provisions of CA will be applicable for renewal of a mining lease, including the area broken up prior to 25.10.1980, if the same was not applied earlier". Therefore, the CA scheme shall revise and forward it with their suitability and approval of competent authority. The shape file/KML file for revised CA sites may also be furnished for further consideration of the proposal.**

The DFO, Kahandi (S) Division has submitted the revised CA scheme over 1243.27 ha at current wage rate @298/- per manday vide his memo No. 5469 dated 31.12.2019. The copy of CA scheme alongwith Shape file/KML file is enclosed herewith vide Annexure-I.

- ii. **Cost benefit Analysis is not available with the proposal.**

Cost benefit analysis is enclosed herewith vide Annexure- II.

- iii. **State Government reported that the canopy density of the applied forest area varies from 0.3 to 0.7 and the average canopy density is taken as 0.5. Therefore, the actual area falling within density 0.7 may be given.**

As per DSS report it is found that 1001 ha MDF, 135 ha Non-forest and 196 ha Open forest involved in the mining lease & canopy density is 0.5. Out of the total forest area around 20.18 ha of forest land is having 0.7 canopy density as shown in the map as Annexure- III.

- iv. **It is mentioned in web-portal of this Ministry- [www.parivesh.nic.in](http://www.parivesh.nic.in) that total numbers of trees to be felled is 92220, whereas in physical copy of the proposal, total number of trees to be felled is 2,87,382 this needs clarification.**

As per procedure in place the sample enumeration of trees present in the virgin forest is carried out by way of sample plot enumeration and the tree enumeration in broken forest land is carried out by way of total enumeration. In the instant case sample enumeration over 984.671 ha of virgin forest was carried out over 99 nos of plots (2 ha each) and it comes to be 49,131 nos of trees i.e. on an average 248 no. of trees per ha, on extrapolating this figure i.e. 248 no of trees / ha over entire virgin forest it comes to 2,44,332 no of trees (49,131 no/ 198 ha X 984.671 ha). Whereas on total enumeration of trees standing in broken up land over 258.599 ha comes to be 43,050 nos. Therefore on adding both the figures there are 2,87,382 nos of trees standing over 1243.270 ha (2,44,332 nos in Virgin forest land and 43,050 nos in broken up forest land). But due to typographical error the no of trees enumerated is wrongly written as 92,187 nos which may be corrected as above.

- v. **The State Government reported that production of Iron Ore from 1994-95 to 2006-07 is done without approval under FC Act, 1980. Therefore, the total production of Iron ore done, if without such approval and present status of cases may be given.**

Production of iron ore from 1994-95 to 2006-07 (details furnished hereunder) without approval under FC Act 1980. The case is sub-judice in the Court of JMFC, Barbil.

<u>Year</u>	<u>-</u>	<u>In Tonne</u>
1994-95	-	4985
1995-96	-	73773
1996-97	-	113562
1997-98	-	150413
1998-99	-	131443
1999-00	-	147900
2000-01	-	158083
2001-02	-	66558
2002-03	-	128570
2003-04	-	226025
2004-05	-	186078
2005-06	-	278826
2006-07	-	1602

  
6/11/20  
**Divisional Forest Officer,**  
**Keonjhar Division.**

**Memo No.                      /Dated.**

Copy forwarded to the Principal Chief Conservator of Forests, Forest Diversion and Nodal Officer, FC Act, Odisha, Bhubaneswar for information and necessary action with reference to his memo No. 20319 dated 21.11.2019.

NA  
**Divisional Forest Officer,**  
**Keonjhar Division.**

Annexure-I



**OFFICE OF THE DIVISIONAL FOREST OFFICER KALAHANDI SOUTH DIVISION**

At/Po-Parmanandapur, Bhawanipatna, Ward No.4, Rly Station Road Dist-Kalahandi, Odisha, Pin code-766002  
Phone & Tele Fax No.-06670-230268 (O) Phone No.06670-230479 (R) (E-Mail ID:- dfokids6@gmail.com)

Memo No: 5469 /3F (Lease) /2019

Dated, Bhawanipatna the 31st ~~December~~ 2019.

To,

The Divisional Forest Officer,  
Keonjhar Forest Division, Keonjhar.

Sub:-

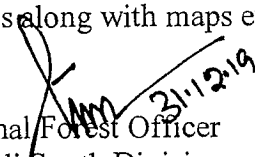
**Proposal for diversion of 1232.5846 Ha of Forest Land involved in the mining lease area over 1322.019 ha. of Dubuna Sakradihi Iron Ore Mines of M/s. Odisha Mining Corporation Ltd. in Keonjhar District. (Submission of Site specific Compensatory Afforestation scheme over an area of 1243.27 ha.)**

Ref :-

This office Memo No.4422/3F-Lease dt.31.10..2019.


With reference to the above cited subject & correspondence, the revised Compensatory Afforestation Scheme over an area of 1232.27 Ha. of non forest Govt. land identified in villages Uparjhabi, Pokhariguda, Kumjore, Silet, Nakarundi, Semikhal, Khandala, Bhataguda & Madanga Guda ~~and~~ under Thuamul Rampur Tahasil of Kalahandi District in lieu of diversion proposed forest land for mining and ancillary use against Dubuna – Sakradihi Iron Ore Mines in Keonjhar District of M/s Odisha Mining Corporation Ltd., Bhubaneswar basing on the current wage rate @ Rs.298/- per MD is enclosed here with in 5 (five) copies along with maps etc. for favour of your kind information & necessary action.

Encl:- As above.

  
Divisional Forest Officer  
Kalahandi South Division


Memo No: \_\_\_\_\_ /3F-Lease Date: \_\_\_\_\_ /

Copy forwarded to the Principal Chief Conservator of Forests, (FD & NO) FC Act. O/o the Pr. Chief Conservator of Forests, Odisha, Bhubaneswar for favour of his kind information and necessary action with reference to his Memo No.21027 dt.02.12.2019..

  
Divisional Forest Officer  
Kalahandi South Division


Memo No: \_\_\_\_\_ /3F-Lease Date: \_\_\_\_\_ /

Copy forwarded to the Regional Chief Conservator of Forests, Bhawanipatna Circle, Bhawanipatna/ Regional Chief Conservator of Forests, Rourkela Circle, Rourkela for favour of his kind information and necessary action with reference to Memo No.21028 dt.02.12.2019 of the Principal Chief Conservator of Forests, (FD & NO) FC Act. O/o the Pr. Chief Conservator of Forests, Odisha, Bhubaneswar

  
Divisional Forest Officer  
Kalahandi South Division

Memo No: \_\_\_\_\_ /3F-Lease Date: \_\_\_\_\_ /

Copy forwarded to the Managing Director, OMC Ltd. Bhubaneswar for his information and necessary action with reference to Memo No.21030 dt.02.12.2019 of the Principal Chief Conservator of Forests, (FD & NO) FC Act. O/o the Pr. Chief Conservator of Forests, Odisha, Bhubaneswar

  
Divisional Forest Officer  
Kalahandi South Division

## ANNEXURE-II

**Cost-Benefit Analysis in respect of the proposal for diversion of Dubna-Sakradih Iron Ore Mines of M/s OMC Ltd in Barbil Tahasil under the jurisdiction of Keonjhar Forest Division of Keonjhar District, Odisha.**

**Table- B: Estimation of cost of forest diversion**


Sl. No	Parameters	Remarks
1	Eco-system services losses due to proposed forest diversion.	<b>Rs. 99,83,45,810/-</b> [(Rs. 8,03,000/- x 1243.27 forest area)].
2	Loss of animal husbandry productivity, including loss of fodder.	<b>Rs. 99,83,45,81/-</b> [Rs. 99,83,45,810/- x 10%]
3	Cost of human re-settlement.	Nil
4	Loss of public facilities and administrative infrastructure (roads, building, schools, dispensaries, electric lines, railways, etc.) on forest land, which would require forest land if these facilities were diverted due to the project.	Nil
5	Possession value of forest land diverted	<b>Rs. 29,95,03,743/-</b> [Rs. 99,83,45,810/- x 30%]
6	Cost of suffering to oustees.	Nil
7	Habitat fragmentation cost.	<b>Rs. 49,91,72,905/-</b> [Rs. 99,83,45,810/-x 50%]
8	Compensatory afforestation and soil & moisture conservation cost.	<b>Rs. 27,59,46,777/-</b>
	<b>Total estimation of cost of forest diversion</b>	<b>Rs 217,28,03,816/-</b> <b>Or</b> <b>Rs. 217.280 Crore</b>

**Table- C: Existing guidelines for estimating benefits of forest diversion in CBA.**

Sl. No	Parameters	Remarks
1	Increase in productively attribute to the specific project.	<p>Average annual production of 30,00,000 MT of iron ore and 50,000MT of manganese ore, with size distribution and the price at the mines head is as indicated below:</p> <p>Calibrated lump iron ore (10-40 mm): 20,00,000MT @ Rs 2200/-</p> <p>Iron ore fines (-10 mm size): 10,00,000MT @ Rs 1100/-</p> <p>The annual sale value of Iron ore at mines head would be Rs. 550 Crores at the prevailing market rate. The net gain per annum comes to <b>Rs. 312.19 Crores</b> [(550 Crores)-(Rs. 111 Crores i.e. average cost of production per ton of Iron Ore + 126.81 Crores per annum towards deposit of royalty)]</p> <p>Hence the net gain of the mine from Iron Ore for a period of 7 years comes to = 312.19 X 7= <b>Rs. 2185.33 Crores</b></p> <p>Manganese ore of different grade of 10-30/40 mm size : 50,000MT @ Rs 16172/-</p> <p>Hence, the annual sale value of manganese ore at the mines head would be Rs 80.86 Crores at the prevailing market rate. The net gain per annum comes to <b>Rs. 71.13 crores</b> [(80.86 crores) – (Rs. 1.30 crores i.e average cost of production per ton of manganese ore) + (Rs. 0.63 crore per annum towards deposit of royalty) + Rs.7.80 crore per annum</p>

		<p>towards cost of the project per annum)].</p> <p>Hence, the net gain of the mine from Manganese Ore for a period of 17 years comes to = <math>71.13 \times 17 = \text{Rs. } 1209.21 \text{ crore}</math></p> <p>The net gain of the mine from both Iron &amp; Manganese ore is <math>2185.33 + 1209.21 = 3394.54 \text{ Crores}</math></p>
2	Benefits to economy due to the specific project.	<p>a) The sale proceeds of the iron and manganese ore to different industries comes to <b>Rs 550 Crores</b> and 80.86 Crores respectively per annum.</p> <p>b) The benefit from production of 30, 00,000 MT iron ore and 50,000 MT manganese ore is <b>Rs.312.19 Crores</b> and <b>71.13 Crores</b> respectively.</p> <p>c) Gross contribution to the National economy on steel production and sale of the iron ore fines comes to <b>Rs.7056.00 Crores</b> per annum.</p>
3	Number of population benefited due to specific project	1000 nos
4	Economic benefits of direct and indirect employment due to the project	<p><b>Rs.255.00 crore.</b></p> <p>(1000 persons X Rs.500/- as average wage X 300 working days X 17 years)</p>
5	Economic benefits due to compensatory afforestation	<p><b>Rs. 43.328 crore</b></p> <p>(Rs.8848/- X 979.3768 ha. X 50 years)</p>
Total		<b>Rs. 3692.868 Crore</b>

CB ratio (calculation is based on available information against the Parameters)  $\approx 1:17.00$

  
**Divisional Forest Officer,**  
**Keonjhar Division**