

**GOVERNMENT OF ODISHA
STEEL & MINES DEPARTMENT**

No. 9414 /SM. Bhubaneswar, the 01.12.2014
III (CR) SM-22/2013

Sub: Application for 3rd Renewal of Mining Lease dated 04.01.2012 submitted by M/s TISCO Ltd. for Chromite Ore, Pyroxenite in respect of an area of 406 ha in Village Kalarangita No-II, Kaliapani No-15, Mahulkhal No-14 and Forest Block No-27 under Sukinda and Danagadi Tahasils in Jajpur district.

ORDER:

Whereas a mining lease was granted in favour of M/s. TISCO Ltd over an area of 1813 ha for Chromite by Raja of Sukindagarh w.e.f 22.10.1952 for 20 years from 22.10.1952. Later, it was ratified with Odisha Estate Abolition Act, 1952 for a period of 20 years w.e.f 12.01.1953.

Whereas the said lease expired on 11.01.1973;

Whereas, the 1st renewal of lease was granted for the reduced area over 1261.476 ha for 20 years from 12.01.1973 to 11.01.1993 in favour of the applicant company;

Whereas, the 2nd renewal of lease was granted for the reduced area over 406.00 ha for 20 years from 12.01.1993 to 11.01.2013 and lease deed was executed on 18.05.1995;

Whereas, the applicant filed application for 3rd renewal of the mining lease on 04.01.2012 for Chromite over an area of 406.00 ha i.e. over the entire area granted under 2nd RML before one year prior to the expiry of the 2nd RML period;

Whereas, the mineral in the land in respect of which the renewal application has been submitted belongs to the State Govt.;

Whereas, IBM vide letter dated 09.06.2014 has intimated that in the interest of mineral development third renewal of mining lease for Chromite Ore, Pyroxenite in respect of an area of 406 ha in Village

Kalarangita No-II, Kaliapani No-15, Mahulkhal No-14 and Forest Block No-27 under Sukinda and Danagadi Tahasils in Jajpur district in favour of M/s TATA STEEL Ltd. under Rule 24A(3) of M.C. Rules, 1960 may be granted by the State Government.

Whereas, the DC Level committee in its fourth meeting held on 26.11.2013 has considered this case and has recommended for in principle renewal;

Whereas, further developments in the case of this lease are as below:

- The renewal of chromite mines of TATA was challenged by IMFA & others before the Hon'ble High Court of Odisha in W.P.(C) No.10508/14 (by IMFA), W.P.(C) No.10778/14 (by Balasore Alloys), W.P.(C) No.12923/14 (by Navabharat Ventures Ltd.), W.P.(C) No.13057/14 (by FACOR), W.P.(C) No.13462/14 (by FACOR), W.P.(C) No.15199/14 (Jindal Stainless Ltd.), W.P.(C) No.15789/14 (by IMFA), W.P.(C) No.15790/14 (by IMFA). The Hon'ble High Court of Orissa vide judgment dt.26/09/2014 has disposed of the Writs with following orders:-

*"We are of the considered view that the Writ Applications merit no further consideration and ought to be dismissed and all interim orders vacated. We direct accordingly. As a consequent of these directions, the State Government is free to proceed with considering TATAS' application for 3rd renewal strictly in accordance with the MMDR Act and MC Rules and in view of the subsequent judgment of the Hon'ble Supreme Court in the case of **Common Cause** (supra). The exercise be completed by the deadlines set by the Hon'ble Supreme Court i.e. on 16.11.2014."*

- On receipt of the judgment, Director of Mines and Director of Geology reported to the Government on the captive consumption details of chromite ore by M/s. Tata Steel. As

opined, the actual annual requirement of the chrome ore for the captive plant of the lessee is 4.257 lakh tonnes. The requirement of chrome ore for 30 years is 12.771 million tonnes. The lessee is likely to commission Gopalpur Phase-I plant during March 2015. If Gopalpur Phase-I plant is considered, the total chrome ore requirement for the three plants will be 6.143 lakh tonnes per annum and for 30 years it will be 18.429 million tonnes as against a reserve of 19.160 million tonnes.

- The IBM Regional Controller observations on the consumption and availability of reserves in the lease areas for renewal were taken in to consideration by the committee.
- The committee observed that the renewal of chromite will facilitate the chrome industry there by facilitating employment and promoting economy. Therefore, since the Hon'ble High Court has directed to dispose the matter by 16.11.2014, the DC level Committee recommended in-principle renewal of the lease.

Therefore, in pursuant to the DC level Committee meeting recommendations, the State Government in the interest of mineral development, decided to consider 3rd renewal of ML over the area of 406 Ha under the provisions of Section 8(3) of M&M(D&R) Act, 1957 and rule 24A(3) of M.C. Rules, 1960 in Village Kalarangita No-II, Kaliapani No-15, Mahulkhal No-14 and Forest Block No-27 under Sukinda and Danagadi Tahasils in Jajpur district in favour of M/s TATA STEEL Ltd be granted for a period of 20 years subject to the acceptance of the following terms and conditions by the applicant.

- i) Royalty and dead rent shall be paid at rates provided in the Mines and Minerals (Development & Regulation) Act, 1957 and as amended from time to time. Further, the applicant shall promptly and duly make payment of any fee, rent, cess, charge, levy or imposition pursuant to any new enactment or

amendment of an existing enactment or any further directions of the Government from time to time.

- ii) Surface rent should be paid at the rate as may be fixed from time to time by Government.
- iii) The period of the grant of the renewal of mining lease will be ordinarily reckoned as 20 years from the date immediately following the expiration of the previous lease, but the lease deed will be executed prospectively for the balance period available as on the date of the execution of the lease deed out of the said 20 years. The period prior to the date of execution of the deed will be decided later according to law.
- iv) An amount of Rs. 10,000/- (Ten thousand) should be deposited towards security deposit for due observance of the terms and conditions stated above. The deposit shall be forfeited to the State if the conditions are not observed in addition to such other remedies or action as may be available under the law.
- v) The proposed assignment will be liable to cancellation if it be found that it was in excess of the limits of the authority possessed by the State Government.
- vi) The proposed assignment will be subject to the result of any appeal or revision before the Court / appropriate authorities that may be preferred by any aggrieved applicant against the decision of the State Govt. granting the applicant lease and in the event of cancellation of the assignment or the decision of Govt. of Odisha to lease out the area to the applicant either on such appeal or in revision, the applicant shall not be entitled to compensation for anything done or attempted to be done in pursuance of the order.
- vii) The applicant shall not cut any tree or clear the forest during the mining operation without prior approval of the Central

Government. He shall not also cause damage to any objectionable land during mining operation.

- vii) The area should be surveyed and demarcated by the State Govt. at the expense of the applicant as required under rule 33 of the Mineral Concession Rules, 1960. The applicant should deposit the required amount of survey and demarcation fees within two weeks of the receipt of the grant order.
- ix) The mined out area shall be reclaimed to the satisfaction of the State Govt. before the pits are abandoned.
- x) The assignment is subject to the conditions that, subject to the provisions of Article-226 of the Constitution of India, any suit/petition in relation to any dispute arising out of or in connection with the grant and operation of the mining lease shall be filed in only the Civil Courts in the State of Odisha.
- xi) The assignment is subject to the conditions stipulated by MOEF, Govt. of India for the Forest Clearance.
- xii) The applicant company shall have to fulfill all the statutory /regulatory requirements under M&M (D&R) Act, 1957, Mineral Concession Rules, 1960 and Mineral Conservation & Development Rules, 1988, Forest Conservation Act 1980 as well as other Acts, Rules and Regulations and Govt. Notifications / procedures governing establishment and operation of mines during the period of lease.
- xiii) In particular, the grant of renewal shall be subject to the provisions of the Odisha Scheduled Areas Transfer of Immovable Property (by Scheduled Tribes) Regulation, 1956 (Odisha Regulation 2 of 1956) and the Forest (Conservation) Act, 1980 and the area proposed to be demised under the mining lease will automatically exclude the area belonging to Scheduled Tribe persons and such forest area in respect of which the applicant fails to obtain clearances under the Act of 1980.

- xiv) The proposed assignment shall further be subject to due compliance of decision in judicial/quasi-judicial proceedings on the demand raised u/s 21(5) of the MMDR Act for excess production.
- xv) The applicant shall Pay Stamp duty and registration fees as applicable on the date of execution of renewal lease deed.
- xvi) The assignment proposed herein is without prejudice to the rights and contentions of the State Govt. in pending proceedings, if any, whether administrative, judicial or quasi-judicial.
- xvii) The mineral raised will be for exclusive use in their own existing industry in terms of resolution No. 7264-IV (AB) SM-10/2010-SM dated 03.10.2012 and will not be sold or exported.
- xviii) The applicant company shall undertake a detailed exploration of the left out areas in respect of both forest and non-forest areas following due procedure of law within a period of 5 years from the date of grant of renewal.

A mining lease deed shall be executed within six months of the receipt of this communication. Further, the applicant shall furnish in writing signifying the acceptance of the above terms and conditions within 15 days.

By Order of the Governor



Joint Secretary to Government

Memo No. 9415 /SM Date 01.12.2014

Copy forwarded to M/s TATA IRON & STEEL CO LTD. Mines Division, Office of the General Manager, Ore Mines & Quarries. AT/Po-Noamundi-833217, Dist-West Singhbhum (Bihar) for information.



Joint Secretary to Government

Memo No. 9416 /SM Date 01.12.2014

Copy forwarded to Director of Mines, Odisha, Bhubaneswar / Collector, Keonjhar / DDM, Joda for information and necessary action.



Joint Secretary to Government

Memo No. 9417 /SM Date 01.12.2014

Copy forwarded to the Special Secretary, Forest & Environment Department / Member Secretary, SPCB / Regional Controller of Mines, IBM, Bhubaneswar for information and necessary action.



Joint Secretary to Government