



DEL/SEC/120
6th February, 2018

The Secretary
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI- 400 001.

The General Manager
Department of Corporate Services
The Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring
Rotunda Building, P.J. Towers
Dalal Street, Fort
MUMBAI- 400 001.

Re: Scrip Code : 500141

Sub: Lapse of lease for Kathpal Mines

Dear Sir,

Pursuant to Regulation 30 and other applicable regulations if any of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Exchange is informed that Steel & Mines Department, Government of Odisha, vide its proceedings no. 10624/SM, Bhubaneswar dated 29th December, 2017 has made a finding that the mining operations at Kathpal Chromite mines of the Company have been discontinued continuously for a period of more than two years and the same non-operation of mining even continues today as well hence the lease is liable to be lapsed.

In connection with the finding made by the Steels & Mines Department, Government of Odisha vide its cited proceedings regarding lapsing of the aforesaid lease, it is submitted as under:

- 1) The Company had mining lease for chromite in the village of Dhenkanal District over an area of 113.312 hectare which had been granted for an initial period of 20 years from 07.10.1972 and the first renewal was granted vide Proceedings no. III(F)SM-9-97-6059/SM dated 21.07.1998 over an area of 113.312 hectare for the period from 07.10.1992 to 06.10.2012. During the first renewal period, FACOR had obtained approvals such as Mining plan, de-reservation of the Forest land and Environment clearance, which are co-terminus with the entire lease period. Application for 2nd renewal of Mining Lease u/r 24A (i) of MCR-1960 has been filed on 27.09.2011.
- 2) Following the provision of deemed extension, application for 2nd renewal of Mining Lease over 113.312 hecets. had been filed in Form-J under Rule -24A (i) of Mineral Concession Rules -1960 vide our letter no. BHF/B-5/2229/2011, dated 27.09.2011 i.e before expiry of one year of the First Renewal period i.e. on dt.06.10.2012 which has been received and acknowledged by the Deputy Director of Mines, Talcher Circle vide Form-D no.351, dated 30.09.2011.



FERRO ALLOYS CORPORATION LIMITED

CIN No. L45201OR1955PLC008400

Corp. Office : FACOR HOUSE, A-45-50, Sector-16, Noida, District Gautam Buddha Nagar, Uttar Pradesh-201 301 India • T +91-120-417 1000 • F +91-120-425 6700 • E.: facordelhi@facorgroup.in

Regd. office & Works : D. P. Nagar, Randia-756 335, Dist. Bhadrak, Orissa, India • T +91-6784-240 230 • F +91-6784-240 626 • E.: facorccp@facorccp.in

Head Office : Shreeram Bhawan, TUMSAR - 441 912, Dist. Bhandara, Maharashtra, India • T+91-7183-232233. & 233090 • F+91-7183-232271 • E.: facorho@facorgroup.in

www.facorgroup.in



- 3) The Deputy Director of Mines, Talcher Circle (DDM, Talcher) vide his letter no. 10545 dated 18th September, 2012 directed the Company to submit all statutory documents on or before 06.10.2012 to continue mining operations under Rule 24-A(6) of Mineral Concession Rules, 1960. Subsequently, Division Forest Officer (DFO) of Dhenkanal Division vide his letter no.6622 dated 06.10.2012 intimated the Company that the Forest Clearance of Kathpal Mines has expired w.e.f 06.10.2012 and also instructed not to operate any mining activity after 06.10.2012.
- 4) The Company filed Writ petition in the Hon'ble Odisha High Court for removal of balance quantity of minerals 1971.524 MT granted in the last permit. By order dated 10.04.2013, the Odisha High Court instructed the DDM, Talcher to extend the transit permit dated 29.09.2012 for a further period of six weeks. As such, the transportation of mineral continued till 21.05.2013. Hence the last date of mining operation was 21.05.2013.
- 5) The mining operation of Kathpal mines discontinued due to the order of the Statutory authority. Since the discontinuation was likely to exceed more than 2 years, the Company filed an application on 05.05.2015 under Rule 28(2) of MCR, 1960 alongwith Treasury Challan for Rs.500/- considering the last dated of mining operation/transportation i.e. 21.05.2013.
- 6) Steel & Mines Department, Govt. of Odisha issued a lapsing order vide proceeding no.8154/SM, dt.27.08.2015 u/s 4(A) of MMDR Act -1957 wrongly mentioning the last date of mining operation of Kathpal Mines as dt.06.10.2012. Being aggrieved by the impugned order we filed revision petition before the Revisional Authority of Govt. of India, Ministry of Mines vide application no. 22(76) 2015 RC-I, dt.17.11.2015.
- 7) The Revisional authority in a common order dated 11.05.2016 set aside the above lapse order and remanded back the Company's application to the state Government for suitable reconsideration in line with the Hon'ble Apex Court's direction on the provisions of lapsing expeditiously. Complying with the above order Govt. of Odisha issued show cause notice no.10699/S & M, dated 30.12.2016 in respect of Kathpal Mines. The Company submitted written submission against the said show cause notice vide letter no. BHF/B-17/2022, Dt.28.01.2017.
- 8) The written and verbal submissions made by the Company have not been considered and vide proceedings of the Steel & Mines Department dated 29th December, 2017, the Additional Secretary to Government of Odisha has declared the lapsing of the Chromite mining lease of Ferro Alloys Corporation Limited over an area of 113.312 hectare in Kathpal of Dhenkanal district.
- 9) The Exchange is informed that under sub-rule 7 of Rule 20 of Mineral Concession Rules 2016 "the State Government may on an application made by the holder of a mining lease submitted within a period of six months from the date of its lapse and on being satisfied about the adequacy and the genuineness of the reasons for non-commencement of mining operations or its continuance thereof beyond the control of the holder of the mining lease, revive the mining lease within a period of three months from the date of receiving the application from such prospective or retrospective date as it thinks fit but not earlier from the date of the lapse of the mining lease.





Provided that no mining lease shall be revived for more than twice during the entire period of the mining lease.

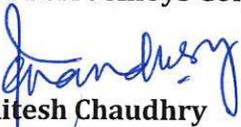
- 10) As per the provisions of Rule-35 of Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules -2016, any person aggrieved by any order made by the State Government may apply to the Revisional Authority of the Central Government for revision of the said order. As such, the application for revision against proceeding order No.10624/SM, Bhubaneswar dated 29.12.2017 is being prepared for filing before the Revisional Authority, Ministry of Mines New Delhi. It will be submitted before the authority concerned within the limitation period."
- 11) The exchange is further informed that Kathpal mines has got the approval of IBM and OSPCB for producing 44,000 tons of chrome ore prior to closure of its operations. However, since the mining operations at Kathpal mines have remained suspended for over two years, the same does not adversely affect the operations of the Company.

Kindly take the information filed on record.

Thanking you,

Yours faithfully,

for **Ferro Alloys Corporation Limited**



Ritesh Chaudhry
Sr. General Manager (Legal) &
Company Secretary



Encl: As above