

## 15. ORISSA

### 15.1 TITLE

Orissa Minor Mineral Concession Rules, 1990.

### 15.2 ADMINISTERING AUTHORITY

The 'Competent Authority' is empowered to grant 'quarry lease' or 'quarry permit'. Certain supervisory functions are entrusted to the 'Controlling Authority'. The 'Competent Authority' and the 'Controlling Authority' vary not only for different minor minerals but also on the location of the area. The designated 'Competent Authority' and 'Controlling Authority' as given in the Schedule-III and IV are as follows :

#### Schedule-III

Minerals	Controlling Authority
1. (i) Ordinary clay, silt, ordinary sand other than used for Industrial and prescribed purposes, rehmatti, morrum, brick earth, road metal stones used for making household utensils, laterite slabs, boulders and gravels of ordinary stones, river shingles :-  (a) When occurring within village boundaries.  (b) When available in any Reserve Forest area.  (ii) All types of rocks used for decorative industrial and export purposes including dimension stone.	---  Board of Revenue.  Principal Chief Conservator of Forests.  Director of Mining and Geology.
2. Minor Minerals other than those specified in item I of Schedule-III regardless of location and all minor minerals occurring in areas granted under mining lease for major minerals.	Government in the Steel and Mines Department.

**Schedule-IV**

Jurisdiction	Power to be exercised.	Competent Authority.	Department
1. All types of rocks used for decorative industrial and export purposes including dimension stone.	For Lease.	Government in the Steel and Mines Department.	Department of Steel and Mines.
2. Minor Minerals specified in item I of Schedule-III when occurring within village boundaries.	(a) For permits .	Tahsildar	Revenue Department.
	(b) For leases.	(i) Tahsildar upto 5 hecets.	
		(ii) Sub Collector above, 5 hecets.	
	(c) For auction.	(i) Tahsildar when the off-set price does not exceed Rs.5,000/-.	
3. Minor Minerals specified in item I of Schedule-III when occurring in all other areas.	(a) For permits.	Divisional Forest Officer.	Forest Department.
	(b) For leases and auction.	Divisional Forest Officer.	
4. Minor Minerals other than those specified in item I(i) of Schedule-III regardless of location and all minor minerals except rocks of any type used for decorative, industrial and export purposes including dimension stone occurring in areas granted under Mining Lease for major minerals.	(a) For permits.	Mining officer and Deputy Director of Mines.	Department of Steel and Mines.
	(b) For leases and auction.	Mining officer and Deputy Director of Mines.	

### 15.3 TYPES OF CONCESSIONS

Two types of concessions are granted under these rules. They are : 'quarry lease' and 'quarry permit'. Quarry lease is a lease, granted on tenure basis for a period not exceeding ten years whereas 'quarry permit' is a permit granted for a period not exceeding one year for extraction, collection and/or removal of any specified quantity of minor minerals. Also, there is a provision that the minor minerals can be sold or disposed of by public auction as may be prescribed by the concerned Controlling Authority on such terms and condition as may be specified in the auction sale notice.

#### 15.3.1 QUARRY LEASE

No quarry lease is granted to any person other than an Indian citizen without the prior approval of the State Government. Likewise, no quarry lease may be granted in respect of any land which has been reserved for specific purpose except with the prior approval of the Controlling Authority. Similarly, quarry lease is not granted unless the applicant produces an Income Tax Clearance Certificate; and Sales Tax Clearance Certificate or non-assessment Certificate; where the applied quarry lease relate to any type of rock used for decorative, industrial or export purposes including dimension stone, a solvency Certificate and/or a list of immovable properties from the concerned Revenue Authority, and Certificate from his banker stating the extent of his credit worthiness.

An application for obtaining a quarry lease should be made in the prescribed form to the Competent Authority and must be accompanied by a receipted Treasury Challan for a deposit of Rs.200/- towards application fee; name, nationality, profession and address of the applicant; plan and description of the area applied for; minor mineral which the applicant intends to extract and/or remove; purpose for which the minor mineral would be used; period for which the lease is required; if the land belongs to private person, his consent for grant of a lease; attested copies of upto date Income Tax and Sales Tax Clearance Certificate and any other information which the applicant intends to furnish such as technical knowledge, experience, financial position, etc.

The Competent Authority is required to dispose of the application for quarry lease within a period of four months from the date of its receipt and if it is not disposed of within that period, it is deemed to have been refused. The Competent Authority should intimate the applicant the refusal or deemed refusal of the application stating the reasons for such refusal, where the applied quarry lease relates to any type of rocks used for decorative industrial or export purpose including dimension stones, the application shall be disposed of by the Competent Authority within six months of its receipt.

If the number of valid applications in respect of any area is more than one and no application falls under any of the categories mentioned below, an application received earlier shall be given preference over an application received earlier.

- i) Co-operatives of artisans using minor mineral as raw material.

- ii) a person who has been operating an industry based on the minor mineral applied for or, having complied all other formalities, would be able to operate it if the lease is granted;
- iii) a person who is raiyat of the land;
- iv) any other category.

Provided that in respect of all types of rocks used for decorative, industrial and export purposes including dimension stones, the priorities shall be in the following order namely :-

- (a) A person who has a definite plan for setting up an industry for processing of such minor minerals in the State.
- (b) A person who has a definite plan for setting up an industry in the State for processing such minor minerals within three years, if he has furnished a copy of his project report on the proposed processing industry and also a letter from the financing institution, issued by the Chief Executive of such institution to the effect that his project report is being appraised by such financing institution.
- (c) A person who is a raiyat of the land;
- (d) Any other category.

When more than one application relating to any of the categories(a) and (b) is received for the same area the interest priority shall be decided on the basis of installed capacity.

An application for renewal of a quarry lease should be made to the Competent Authority in the prescribed form, accompanied by a fee of Rs.200/- at least 90 days before the expiry of the lease. The Competent Authority should dispose of the application for renewal before the expiry of the term of the lease and if the application is not disposed within that period, it is deemed to have been refused. Application for renewal of quarry lease of rocks used for decorative, industrial and export purposes including dimension stone which are deemed refused may be reconsidered by the State Government in the Department of Steel and Mines on application made to them within 30 days of the date of deemed refusal by the party aggrieved. Such lease may be renewed for one or more periods each of which shall not exceed ten years.

The quarry lease should be executed in the prescribed form within three months of the date of the order sanctioning the lease. Before the execution of the lease, the grantee should deposit a sum calculated at the rate of one hundred rupees per hectare or part thereof subject to a minimum amount of Rupees Five Hundred as Security Deposit. Arrangements shall be made, at the expense of the grantee, for the survey and demarcation of the area granted under lease.

### 15.3.2 QUARRY PERMIT

Application for obtaining a quarry permit should be made to the Competent Authority containing the following particulars : Name, nationality, profession and address of the applicant; name of the minor mineral which the applicant intends to extract and remove quantity of minor minerals for which the permit is required; description of the land, illustrated by a plan from which the minor mineral is to be extracted and removed; and time within which the entire quantity of minor mineral applied for would be removed and the purpose for which the minor mineral is to be used. The application should be accompanied by a fee of Rs.25/-; the consent of the owners, if the land is a private land, permitting the diversion of the land for extraction of minor mineral and an undertaking by the applicant stating that he agrees to abide by the conditions governing the extraction and removal of minor mineral under a quarry permit. The Competent Authority may grant the quarry permit in the prescribed form for extraction and removal of any minor mineral not exceeding one thousand tonnes under any one permit from the specified land, on advance payment of dues such as royalty, cess, surface rent and compensatory afforestation fees as assessed by the Competent Authority. If the application for quarry permit is rejected, the Competent Authority is required to inform the applicant stating the reasons for refusal. One of the conditions of a quarry permit is that the depth of the quarry below the surface shall not exceed six metres.

Auction : Apart from the procedure described above, the minor minerals can also be sold or disposed of by the public auction by the Controlling Authority on such terms and conditions as may be specified in the auction sale notice. Such an auction is valid for a period of one year. The offset price to be fixed is based on the average price obtained during the last three years marked up by ten percent.

If the bid amount falls short of the offset price so fixed, the Authority conducting the same refer the matter to the next higher authority for approval before finalising the same. In such cases, where the higher authority is satisfied with the bid amount according to local condition prevailing at the time of sale, he may approve the sale; if he is of the view that the price is lower than what it ought to be, he may order resale. The successful bidder should deposit the bid amount before the removal of any minor mineral is permitted from the auctioned area. If the bid amount is considered high, the Competent Authority has discretionary power to collect fifty percent of the total bid amount in cash in advance from the auction purchaser and accept the bank guarantee for the balance.

### 15.4 PERIOD AND AREA

A quarry lease may be granted for a period not exceeding 10 years leases under Categories (i) and (ii) and three years for leases under categories (iii) and (iv) referred in the procedure for grant of quarry lease. The lease may be renewed for one or more periods, the period of each renewal shall not exceed five or three years as the case may be. Likewise the period of quarry permits and auction shall not exceed one year.

The maximum area permitted under one quarry lease is 100 hectares. The area should be compact block. No person by himself or with any person having joint interest can hold more than three square km. of area under the quarry leases in the Orissa State.

But in the case of quarry lease relating to any type of rocks used for decorative, industrial or export purposes including dimension stones, the maximum area shall be one hundred and fifty hectares and fifty hectares in case of an applicant come under (a) or (b) and (c) or (d) category respectively. The maximum quantity that could be extracted under one permit is 1000 tonnes.

### 15.5 TRANSFER, SURRENDER, TERMINATION

The lessee with the prior approval of the Competent Authority may transfer the lease to any person subject to the condition that (i) the transferer and the transferee must belong to the same category i.e. the categories as referred in the procedure for grant of quarry lease; (ii) the transfer shall be valid only for the unexpired portion of the lease; (iii) the transferee shall make a fresh security deposit himself and the transferer should agree that the deposit made by the latter will be deemed to have been made by the former and the transfer shall be subject to fulfilment of conditions of submission of documents as required under the said rules. The quarry permit is non-transferable.

The holder of a quarry lease may surrender the lease at any time by giving not less than 3 months notice in writing to the Competent Authority. The lessee is also entitled to surrender any part of the leased area at the time of the renewal of the quarry lease.

If the lessee does not work upon the quarry for a continuous period of one year in case of lease for any type of rocks used for decorative industrial or export purposes including dimension stone and six months in case of other leases, the lease shall be liable to be cancelled unless prior permission has been granted by the Competent Authority for such stoppage on reasonable grounds. If the lessee does not allow the Inspecting Officer (Competent Authority, Controlling Authority, Director of Mines or any other officer authorised by any of them) reasonable facilities for inspection or fails to comply with the directions issued to prevent wasteful extraction of minerals and to ensure observance of the provisions of Rules within the specified time limit, the Controlling Authority may, amongst other action, cancel the lease and forfeit the security deposit. Likewise, if any dues of the Government remain unpaid over two months beyond the date fixed in the lease agreement for such payment, the Competent Authority may determine the lease. Similarly, if any major mineral is found in the leased area in the course of quarrying of minor mineral the lease will be terminated without any compensation to the lessee. In case of breach of any other condition of the quarry lease the Competent Authority may give 30 days notice to the lessee to rectify the defects. If the defects are not rectified within the specified time the Competent Authority may cancel the lease. A lease granted to a lessee who fails to put up a unit for processing rocks used for decorative industrial and export purposes including dimension stone within a period of three years is liable to be cancelled by the Competent Authority after issue of due notice to the lessee and after giving him reasonable opportunity to present his case. In case of a continuing contravention of any condition stipulated in the quarry permit, the Competent Authority may cancel the permit.

## 15.6 RENTS AND ROYALTIES

### 15.6.1 DEAD RENT

The holder of a quarry shall pay to the State Government dead rent in advance for the entire area leased out to him. The lessee shall pay half yearly dead rent for the next half year within a fortnight of the execution of the lease deed and thereafter pay each half yearly dead rent including unpaid dues, if any, on or before 15<sup>th</sup> January and 15<sup>th</sup> July every year. Lessee in respect of rocks used for decorative, industrial and export purposes including dimension stones, levy of dead rent shall commence after one year from the date of execution of the lease deed. The rates of dead rent currently in force are given below :

#### Schedule-II (Rates of Dead Rent)

- |  |     |                                    |
|--|-----|------------------------------------|
| i) For all types of rocks used for decorative, industrial and export purposes. |     |                                    |
| Upto 15 Hectares   | ... | Rs.500.00 per hectare per annum.   |
| Between 15-50 Hectares   | ... | Rs.1,000.00 per hectare per annum. |
| Above 50 Hectares  | ... | Rs.2,000.00 per hectare per annum. |
| ii) For all other Minor Minerals upto -  |     |                                    |
| 15 Hectares  | ... | Rs.100.00 per hectare per annum.   |
| Between 15-50 Hectares   | ... | Rs.200.00 per hectare per annum.   |
| Above 50 Hectares  | ... | Rs.500.00 per hectare per annum.   |

---

Explanation - Dead rent will be computed taking into account the total area held under lease by a grantee and his/her associates together in the State.

---

### 15.6.2 SURFACE RENT

The lessee is required to pay surface rent at the rates specified in Schedule-II. The present rate is Rs.50/- per hectare per annum, for all minerals. It is required to be paid half yearly within a fortnight of the execution of the lease deed and thereafter pay each half yearly surface rent including unpaid dues, if any, on or before 15<sup>th</sup> January and 15<sup>th</sup> July of every year.

### 15.6.3 ROYALTY

The lessee is liable to pay royalty on the minor minerals extracted from the leased area at the rates specified in the Schedule-I to the Rules. The royalty rates in respect of any minor mineral may be enhanced but not more than once in a period of three years.

The royalty is required to be paid in advance and the differential amount if any, on computation shall be paid by the end of the first fortnight of each half yearly period during the subsistence of the lease. In case of quarry permit, the amount of royalty must be paid at the time of the grant, as assessed by the Competent Authority calculated at the rates prescribed in Schedule-I.

The rates of royalty, currently in force are given below :

**Schedule-I (Rates of Royalty)**

	<b>Rates per Cubic metre</b>
1. Ordinary clay, Silt, Sand reh matti, brick earth and murrum.	Rs.15.00
2. Sandstone, laterite slabs, Shales quartzite, Slate and Shales.	Rs.15.00
3. (a) Marble blocks and slabs.	Rs.210.00
(c) Marble chips and powder.	Rs.32.00
4. Bentonite, fuller's earth.	Rs.62.00
5. Chalcedony, shingles, gravels, pebbles of all types.	Rs.25.00
6. Road metals including ballast and Ordinary boulders.	Rs.25.00
7. Stones used for household utensils.	Rs.30.00
8. All types of rocks used for decorative industrial and export purposes including dimension stones.	Rs.400.00 for coloured stones. Rs.500.00 for black stones.
9. Limeshell & Limekankar.	Rs.28.00

Besides the above, the lessee is also required to pay fees for compensatory afforestation as may be specified by the Government from time to time.

### 15.7 DISPUTE SETTLEMENT PROCEDURE

Any person aggrieved by an order of the Competent Authority may within one month from the date of communication of the order, file an appeal against such order to the Sub-Collector, if the order is passed by the Tahsildar, to the Collector if the order is passed by the Sub-Collector; to the Revenue Divisional Commissioner if the order is



passed by the Collector, to the Conservator of Forests if the order is passed by the Divisional Forest Officer, and to the joint Director of Mines, if the order is passed by the Mining Officer or Deputy Director of Mines. The Appellate Authority may call for relevant records and other information from the concerned Competent Authority and may if considered necessary stay the operation of the order of the Competent Authority till the appeal is finally disposed of. The appeal of revision shall not lie unless the amount, if any, assessed in accordance with the provisions of the Rules as per the orders appealed has been deposited.

Every application for appeal, or revision must be made in the prescribed form and accompanied by a fee of Rs.25/-.

Rates per cubic metre

Rs 12.00	1. Common clay, silt, sand and gravel, brick earth and mortar
Rs 15.00	2. Sandstone, limestone, shales, quartzite, slate and shales
Rs 210.00	3. (a) Limestone blocks and slabs
Rs 32.00	(b) Marble chips and powder
Rs 62.00	4. Granite, gneiss, mica
Rs 22.00	5. Limestone, shales, gneiss, mica, granite, etc.
Rs 22.00	6. Road metals including ballast and ordinary boulders
Rs 30.00	7. Stones used for roadwork, etc.
Rs 400.00 for coloured stones Rs 200.00 for black stones	8. All sizes of rocks used for decorative, industrial and export purposes including dimension stones
Rs 22.00	9. Cement and lime

Attention is drawn to the fact that the rates are also required to pay for transportation as may be specified by the Government from time to time.

THE APPELLATE SETTLEMENT PROCEDURE

Any person aggrieved by an order of the Competent Authority may within one month from the date of promulgation of the order file an appeal against such order to the Appellate Authority. The order is passed by the Collector if the order is made by the Divisional Officer, to the Director of Mines, if the order is made by the Divisional Officer, to the Director of Forests, if the order is made by the Divisional Officer.