

**GOVERNMENT OF ODISHA**  
**STEEL & MINES DEPARTMENT**

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**NOTIFICATION**

No. 1206 /SM, Bhubaneswar, Dated: 02.02.2026

SM-MC3-MISC-0046-2025

**Sub: Operational Guidelines for the Administration and Implementation of the Odisha Minor Mineral Concession (Amendment) Rules, 2025.**

**Preamble and Policy Statement**

The management of minor minerals within the State of Odisha has historically functioned as a critical revenue stream for the exchequer and a vital supply chain component for the infrastructure and construction sectors. However, the legacy framework of open auctioning, while theoretically market-driven, engendered systemic market distortions. The phenomenon of aggressive, speculative bidding frequently resulted in the quotation of "Additional Charges" that rendered mining operations economically unviable, leading to subsequent defaults, non-operationalization of leases ("squatting"), and the proliferation of illegal extraction to offset inflated costs. Furthermore, the concentration of mineral sources among a limited number of entities facilitated cartelization, artificially inflating market prices to the detriment of the public interest.

The promulgation of the **Odisha Minor Mineral Concession (Amendment) Rules, 2025** (hereinafter referred to as the "Amended Rules") marks a decisive structural transition from a *revenue-maximization* model to a *regulated-supply* model. The introduction of the **E-Lottery System**, the **Maximum Sale Price (MSP)**, and strict **Caps on Lease Holdings** represents a holistic policy intervention designed to democratize access to natural resources, stabilize market prices, and ensure sustainable extraction.

These Operational Guidelines are hereby issued to provide a standardized, robust, and transparent procedural framework for Competent Authorities, Controlling Authorities, and field functionaries. They mandate a digital-first approach via the **Integrated Minor Mineral Mining Management System (i4MS)**, ensuring that every stage of the mineral lifecycle—from source identification to final consumption—is tracked, regulated, and audited.

**Part I: Preliminary Framework and Interpretative Definitions**

**1.1. Short Title and Commencement**

These guidelines shall be called the "Operational Guidelines for Minor Mineral



Administration, 2025." They shall come into force with immediate effect and shall supersede all prior executive instructions, circulars, or guidelines that are inconsistent with the provisions herein.

## 1.2. Applicability

These guidelines apply to:

1. All minor minerals defined under Section 3(e) of the Mines and Minerals (Development and Regulation) Act, 1957, excluding specified minor minerals (decorative stones).
2. All Controlling and Competent Authorities as defined under the rule.
3. All lessees, applicants, storage license holders, and project proponents utilizing minor minerals in the State of Odisha.

## 1.3. Interpretative Definitions

To ensure uniform application of the Amended Rules, the following terms shall be interpreted as defined below:

- **"Additional Charge" (Rule 2(1)(ba)):** Unlike the previous regime where this was a variable bid component, under the E-Lottery system, the Additional Charge is a **fixed statutory due**. It refers to the amount payable by the selected applicant on a unit quantity of mineral extracted, in addition to Royalty, District Mineral Foundation (DMF) funds, and Environment Management Funds (EMF). This rate is notified by the State Government
- **"Competent Authority":**
  - a. For **Minor Minerals** (e.g., Sand, Stone, Moorum etc): means officer mentioned in column (4) of Schedule IV for the purpose and jurisdiction specified against each of them in Columns (2) and (1) respectively thereof;
- **"Family" and "Related Entity" (Rule 2(1)(ja)):** This definition is the cornerstone of the anti-monopoly provisions. It encompasses the spouse, son, unmarried daughter (including adopted), widowed/divorced daughter, unmarried step-daughter, dependent parents, and dependent siblings. Crucially, for the purpose of the "Cap on Holdings" (Rule 3A), it extends to **any firm or company** in which the applicant or any family member holds a **substantial interest**. "Substantial interest" shall be interpreted operationally as holding more than 10% equity or having directorship control.<sup>1</sup>
- **"Minimum Guaranteed Quantity (MGQ)":** The scientifically assessed annual extraction quantity which acts as the floor for revenue collection. The lessee is obligated to pay Royalty and Additional Charge on the MGQ regardless of actual extraction, enforcing a "take-or-pay" principle to discourage squatting.



- **"Maximum Sale Price (MSP)":** The statutory price ceiling notified by the Government under Rule 47A, beyond which no mineral can be sold at the quarry head. This is calculated based on production costs plus statutory dues and a marginal profit.

## Part II: Institutional Architecture and Digital Governance

### 2.1. The Role of i4MS (Integrated Minor Mineral Mining Management System)

The implementation of the Amended Rules is inextricably linked to the **i4MS portal**. All processes mandated in these guidelines—from source notification to transit pass generation—must be executed exclusively through the i4MS platform to ensure an immutable audit trail.

- **Mandatory Digital Workflows:** No manual application for quarry leases, manual issuance of transit passes (Form Y), or offline payment of royalties shall be entertained. **Database Integration:** The i4MS shall integrate with:
  - **Bhulekh (Land Records):** To verify land ownership and classification.
  - **Vahan (Transport):** To validate vehicle **registration for transit passes**.
  - **Treasury (iFMS):** For real-time reconciliation of Royalty, Additional Charge, and Application Fees.

### 2.2. The Technical Scrutiny Committee

A District-level Technical Scrutiny Committee shall be constituted to oversee the eligibility verification process for E-Lotteries.

- **Chairperson:** Deputy Director Mines
- **Members:** Mining Officer, Representative of DFO (if forest land involved), Assistant Mining officer and Junior Mining Officer
- **Mandate:** To scrutinize the technical bids received online, verify the "Family" holding declarations against the centralized database, and publish the list of Technically Qualified Applicants (TQA).

## Part III: Source Operationalization and Pre-Notification Procedures

### 3.1. Scientific Identification and Demarcation

The sustainability of the E-Lottery system depends on the accuracy of the source data. The Competent Authority must ensure that every source put up for lottery is scientifically viable and legally encumbrance-free.

1. **DGPS Survey:** The area of the quarry lease must be identified and demarcated using a **Total Station and Differential Global Positioning System (DGPS)**. The geocoordinates of the boundary pillars must be frozen and uploaded to the i4MS

portal to prevent overlapping concessions and to facilitate satellite-based surveillance.

## 2. Resource Assessment:

- For **Riverbed Sand**: The depth of mining must be restricted to **3 meters** or the water level, whichever is less. The Competent Authority, in consultation with the Water Resources Department (Assistant Engineer rank or above), must define the safe extraction zones, leaving safety buffers around embankments, bridges, and intake wells.
- **Reserve Estimation**: The potential reserve must be calculated to determine the **Minimum Guaranteed Quantity (MGQ)**. An inflated MGQ leads to unviable leases, while a suppressed MGQ causes revenue loss. The Controlling Authority is empowered to modify the MGQ proposed by the Competent Authority during the approval stage.

### 3.2. Approvals and Clearance Readiness. (Pre-embedded)

To reduce the gestation period between lease allocation and operationalization, the State encourages a pre-embedded clearance system.

1. **Cluster Approach (Rule 31)**: For small quarries (individual area < 5 hectares) located within a distinct geo-hydrological unit, the Competent Authority should aggregate them into a **Cluster** (total area not exceeding 100 hectares).

- **Unified EC**: The Competent Authority shall prepare a single Environment Management Plan (EMP) and obtain Environmental Clearance (EC) for the entire cluster.
- **Cost Recovery**: The cost incurred in obtaining the Mining Plan and EC shall be calculated and notified in the E-Lottery notice. The successful applicant must reimburse this amount before lease execution.

#### 2. Land Classification Check:

- **Forest Land**: Prior approval under the Forest (Conservation) Act, 1980, is mandatory before execution. Ideally, Stage-I clearance should be obtained before notification.
- **Private Land**: If the source is on private land, the Competent Authority must obtain a sworn affidavit of consent from the *Raiyat* (landowner) before initiating the lottery process.<sup>1</sup>

### 3.3. Notification of Financial Parameters

Prior to the issuance of the Notice Inviting Application (NIA), the following financial parameters must be frozen in the i4MS system:

1. **Royalty**: As per Schedule II of the Rules.



2. **Additional Charge:** The fixed rate notified by the Government for the specific mineral. This is no longer a bid variable.
3. **DMF & EMF:** Calculated as a percentage of the Royalty (not Additional Charge).
4. **Application Fee:** Fixed at Rs. 10,000 (Non-refundable).

## **Part IV: The E-Lottery Allocation Mechanism (Standard Operating Procedure)**

### **4.1. Rationale and Shift from Auction**

The transition to E-Lottery is mandated by Rule 27(1). The rationale is to eliminate speculative bidding where applicants quoted unsustainably high Additional Charges, only to default later. By fixing the price and selecting via lottery, the Government ensures that leases are awarded to entities based on *eligibility* and *intent to operate*, rather than *financial aggression*.

### **4.2. Notice Inviting Applications (NIA)**

1. **Publication:** After completion of approvals, a public notice inviting applications shall be issued. The notice shall be uploaded on the MSTC portal, the district and departmental websites and shall be published in two daily newspapers, one at the State level and another having wide publicity in the concerned area. The notice shall be issued at least fifteen days before the opening of the application window. **Portal Upload:** The full detailed notice, including the DGPS map, MGQ, and draft lease conditions, must be uploaded to the MSTC portal.
2. **Content Requirements:** The NIA must explicitly state:
  - The **Fixed Additional Charge**.
  - The **Minimum Guaranteed Quantity (MGQ)**.
  - The cap on holdings (Rule 3A applicability).
  - The requirement for the "Family" affidavit.
  - The Earnest Money Deposit (EMD) amount.
  - Maximum Sale Price (MSP)

### **4.3. Eligibility Criteria and Verification Protocols**

The eligibility check is the most critical phase to prevent cartelization. The Competent Authority must strictly enforce Rule 3A.

#### **Table 1: Eligibility and Disqualification Criteria**



Criteria	Requirement	Verification Method
<b>Nationality</b>	Indian Citizen / Company registered in India / Partnership Firm	PAN/Aadhaar/Certificate of Incorporation.
<b>Cap on Holdings (District)</b>	Max 3 sources per Family/Entity	<b>i4MS Cross-Check:</b> System checks PAN/Aadhaar of applicant & family members against active leases in the district.
<b>Cap on Holdings (State)</b>	Max 5 sources per Family/Entity	<b>i4MS Cross-Check:</b> System checks against state-wide database.
<b>Lottery Participation Cap</b>	Max 5 applications (District) / 10 (State)	<b>i4MS Lock:</b> The portal will block applications exceeding this limit for the same PAN group.
<b>Dues Clearance</b>	No mining dues pending	Affidavit + No Dues Certificate (NDC) generated from i4MS.
<b>Financials</b>	Income Tax Return (Annual Income > Royalty + AC on MGQ) OR Bank Guarantee	ITR for Previous Financial Year OR Valid Bank Guarantee (18 months validity).

#### 4.4. The Definition of "Family" - Operational Verification

To prevent circumvention of the holding cap via relatives:

1. **Affidavit:** The applicant must submit a sworn affidavit listing:

- Spouse.

- Sons/Unmarried Daughters.

Dependent Parents/Siblings.

- Any Firm/Company where the applicant or above family members hold >10% interest or directorship.

2. **Cross-Verification:** The Technical Scrutiny Committee shall randomly verify these details. If "Person A" applies, the system must check if "Person B" (listed as spouse) holds leases. If the combined holding exceeds the cap, the application is rejected.<sup>1</sup>

#### 4.5. Application Process (Form M)

- **Hybrid Submission:** The e lottery shall be conducted only through the MSTC electronic platform and no offline or manual draw shall be undertaken at any stage. All activities shall be processed through the i4MS system and the MSTC platform as applicable.

- **Online:** Applicants shall register only on the MSTC portal and submit Form M through the online system, pays Rs. 10,000 fee, and uploads documents (Affidavits, Solvency, EMD proof).

- **Physical:** Applicant submits the physical copy in a sealed cover, the Competent Authority to acknowledge the receipt of physical copy of application with due stamping of date and time of receipt of the application with checklist of documents submitted).

- *Note:* In case of discrepancy, the **physical document prevails**, provided the online application was submitted.<sup>1</sup>

- **Earnest Money Deposit (EMD):** Calculated as **10%** of the (Royalty + Additional Charge) on the annual MGQ. This ensures only serious applicants participate.

- The application fee and earnest money shall be paid online on MSTC platform

#### 4.6. The Lottery Process

1. On the scheduled date, the Competent Authority shall open the technical applications in the presence of applicants and prepare attendance and opening records. The Technical Committee constituted in this behalf shall scrutinise the applications to verify eligibility as prescribed under the Rules including nationality, partnership status, compliance history and the limit on number of leases. The final list of Technically Qualified Applicants shall be published on the MSTC portal and on the district website.

2. The e lottery shall be conducted on the scheduled date and time on the MSTC platform in the presence of those Technically Qualified Applicants who may wish to attend. Only one representative from each Technically Qualified Applicant shall be allowed to witness the e-lottery. Attendance of the representatives attending the e-



lottery shall be recorded by the Competent Authority.

3. The system shall generate the result through a random computerized process. The system generated log, time stamp and outcome record shall be preserved for audit and verification. MSTC shall officially communicate by email the name of the selected applicant for each e-lottery to the concerned Competent Authority who shall then prepare and provide a formal Notice for uploading on MSTC platform, the district website and departmental websites for public information.

## **Part V: Post-Selection Obligations and Lease Execution**

### **5.1. Security Deposit and Acceptance**

Upon receiving Form F, the selected applicant has a strict timeline of **15 days** to convey acceptance and deposit the security amount as mentioned under the Rule (Rule 27(14)):

- **Extension:** The Competent Authority may grant an extension of another 15 days *only* for reasons not attributable to the applicant.
- **Consequence of Failure:** If the deposit is not made within the timeline:
  - Selection is **annulled** and security money forfeited.
  - Applicant is **debarred** from participating in any lottery in the State for **5 years**.
  - A fresh e-lottery is conducted among the *remaining* (Technically qualified Applicants(TQAs)).

### **5.2. Statutory Clearances and Execution**

1. **If Mining Plan/EC exists (Plug-and-Play):** The lessee must pay the notified costs for these clearances and execute the lease deed (Form N) within **3 weeks**.<sup>1</sup>
2. **If Clearances Required:** The lessee has **6 months** to obtain the Mining Plan, EC, Consent to Establish (CTE), and Consent to Operate (CTO).
  - *Extension:* The State Government (not Tahasildar) may extend this by 3 months (max total 6 months extension) for reasons beyond the lessee's control.
  - *Failure:* If the deed is not executed within the timeline, the lease offer is cancelled, security forfeited, and the source goes to fresh lottery.<sup>1</sup>

### **5.3. Financial Obligations Pre-Execution**

Before signing the lease, the lessee must pay the **dead rent/royalty, Additional Charged, EMF and other charges as applicable** for the remaining part of the financial year on pro-rata or quarterly basis as applicable.

## **Part VI: Price Regulation (Maximum Sale Price) and Market Control**



## 6.1. The Maximum Sale Price (MSP) Mechanism

Rule 47A introduces a statutory cap on the sale price of minor minerals to protect consumers and public projects from price gouging. This is a critical regulatory intervention.

Components of MSP Calculation:

The Government shall notify the MSP based on the following formula:

$$\text{MSP} = \{\text{Cost of Production}\} + \{\text{Statutory Dues}\} + \{15\% \text{ Margin}\}$$

1. **Cost of Production (C):** Assessed by the Government or a designated agency (e.g., Directorate of Minor Mineral). It includes:

- Labor costs.
- Machinery depreciation and fuel (Diesel).
- Loading charges.
- Establishment Cost
- Incidental overheads.
- Cost incurred for obtaining Statutory Clearances and rights required for operationalization of Mines.

2. **Statutory Dues:**

- Royalty )/Dead Rent as the case may be
- Fixed Additional Charge .
- District Mineral Foundation (DMF = 10% of Royalty).
- Environment Management Fund (EMF = 5%of Royalty).
- Surface Rent.

3. **Allowable Margin (M):** Capped at **15%** of the sum of (Production Cost + Statutory Dues), or as decided by the Government.

## 6.2. Enforcement of MSP

1. **Transit Pass Indication:** Every e-Transit Pass (Form Y) generated via i4MS must explicitly mention the sale price, which cannot exceed the notified MSP.<sup>1</sup>
2. **Breach of Condition:** Selling above the MSP is a violation of Rule 47A and a breach of lease conditions.





**5.Processing of application by Competent Authority-**(1) The Competent Authority or an officer authorized by him/her, shall verify the bona fides of the application after conducting enquiry and furnish a report within 7 days with specific views on grant of license.

(2) After the verification report received from the Verifying Authority, the Competent Authority shall either grant a Storage license to the applicant on the conditions specified herein for the period of 5 years for the mineral to grant the Storage license as he considers fit or refuse

(3) In case he decides to grant the license, he shall communicate the terms and conditions governing grant of such license to the applicant for his acceptance. The applicant shall intimate about the acceptance of terms and conditions within seven days from the date of receipt of the communication.

(4) The competent Authority shall grant the Storage license in Form-D in I4MS or refuse the same with reasons to be recorded in writing within Fifteen days from the date of receipt of the application. Order of refusal shall be communicated to the applicant recording the reasons thereof through online.

**6.Conditions for grant of Storage license-**The License shall be granted in Form D through i4MS subject to the following conditions.

i. The Licensee shall deposit an amount of rupees **Fifty thousand** only as security deposit in shape of National Saving Certificates duly pledged to the Controlling Authority or deposit receipts of Schedule Bank/Regional Rural Bank or in any manner prescribed by the Government from time to time for the due observance of terms and conditions of the license.

Provide that in the event of cancellation of license on account of breach of the terms and conditions, the security deposit as well as the interest accrued thereon shall be forfeited.

ii. The licensee shall maintain a correct and intelligible account of minerals procured and transported daily to different destinations in the format prescribed in Form-E

iii. The licensee shall submit a monthly return in Form-E, of the accounts maintained under clause (ii) and (iii) respectively in every month within the first week of the succeeding month to the Controlling Authority.

iv. All the Reports, returns and registers shall be maintained by the licensee and be made available to the inspecting officer.

v. While removing/selling/transporting the mineral from the storage, he shall obtain permission from the Competent Authority in i4MS and transport the material under prescribed transit pass in Form-Y obtained from the Competent Authority.

vi. The licensee shall not pollute the environment while transporting the mineral and in this regard the guidelines issued by pollution control board shall adhered by the licensee.

vii. The licensee shall allow the inspecting officers of the Directorate of Minor Mineral or

any officers authorized by Government to inspect the crusher and stock yard to verify the stock of minerals and extract of records.

viii. The licensee shall deploy CCTV camera and check gates for proper monitoring of stocks.

ix. The Controlling Authority may impose such further conditions as may be necessary in the interest of the public.

2.

3. **Right of Pre-emption (Rule 33(20)):** The State Government reserves the right to purchase up to **40%** of the annual production at the notified price for public works (roads, bridges, housing schemes). Refusal to sell to Government agencies is grounds for lease determination.<sup>1</sup>

## **Part VII: Financial Management and Revenue Realization**

### **7.1. Advance Payment Regime**

To eliminate the accumulation of arrears, the Amended Rules mandate an "Advance Payment" system.

- **Quarterly Payments:** The lessee must pay Royalty, Additional Charge, DMF, and EMF on the **Minimum Guaranteed Quantity (MGQ)** for the upcoming quarter in advance.
- **Reconciliation:** If actual extraction exceeds the MGQ, the lessee must pay the differential amount *before* generating transit passes for the excess quantity.
- **Pro-Rata Calculation:** For the first and last year of the lease, the MGQ is calculated pro-rata based on the number of active months.<sup>1</sup>

### **7.2. Interest on Delayed Payments**

Any delay in payment of rent, royalty, or other dues attracts simple interest at the rate of **24% per annum**. This interest is automatically calculated by the i4MS system and must be cleared before any further transit passes are issued.

## **Part VIII: Transit, Transportation, and Digital Surveillance**

### **8.1. The E-Transit Pass (Form Y)**

The movement of minor minerals is strictly regulated through the i4MS portal.

1. **Generation:** The lessee applies for passes online. The system checks:
  - Pre-paid balance of Royalty/Additional Charge.
  - Validity of Lease/CTO/EC.



- Vehicle registration in i4MS.

2. **Validity:** The pass is valid for a specific timeframe based on the distance.
3. **Zero-Manual Interface:** The Competent Authority must approve passes within 3 days

## 8.2. Digital Surveillance Mechanisms

1. **Geofencing:** All mining leases are geofenced in the i4MS database. Extraction outside these coordinates is flagged as illegal mining.

**Vehicle Tracking:** All vehicles engaged in the transportation of minor minerals shall be mandatorily registered on the i4MS portal and shall be equipped with a Vehicle Tracking Unit (VTU) to enable real-time tracking of vehicle movement. However, vehicles transporting minor minerals in quantities of less than **3 cubic meters (CuM)** shall be exempted from the mandatory installation of VTU.

## Part IX: Miscellaneous and Transitory Provisions

### 9.1. Priority for Private Land Owners (Rule 27B)

1. **Right of First Refusal:** Where a mineral source is identified on private land, the concerned landowner shall have the first right to apply for the grant of a quarry lease over such land.
2. **Procedure:** The landowner shall submit an application in **Form M** through the **i4MS portal**, along with the prescribed application fee, within the stipulated time period.
3. **Liabilities and Compliance:** Upon grant of the quarry lease, the landowner shall be required to execute the lease deed after obtaining all mandatory statutory clearances applicable for the execution of a quarry lease and shall be liable to make all payments, fees, and charges as prescribed under the relevant rules.

### 9.2. Transitory Provisions for Existing Lessees (Rule 27A)

#### Transitory Provisions for Existing Lessees (Rule 27A)

In order to ensure a smooth transition from the auction-based regime to the e-lottery regime, the following transitory provisions shall apply to existing quarry lease holders:

1. **Option to Migrate:** Existing lessees who were granted quarry leases through the auction process may opt to migrate to the e-lottery regime, subject to the conditions specified herein.
2. **Application for Migration:** Any lessee desirous of availing the benefit of the transitory provisions shall submit an online application through the **i4MS portal** before the **Competent Authority** within a period of **one month** from the date of publication of these guidelines. No application for transition shall be entertained after the expiry of the said period.

*Provided that* the State Government may, for reasons to be recorded in writing, grant



a further extension of time not exceeding **fifteen (15) days**.

### 3. Conditions for Migration:

Lessees opting for migration shall be required to:

- Accept and comply with the notified **Maximum Sale Price (MSP)**;
- Adhere to the applicable **Holding Caps** as prescribed under **Rule 3A**; and
- Accept the **Government's right of pre-emption** as provided under the relevant rules.

**Non-Migration:** Lessees who do not migrate continue under their existing lease deed conditions but are still subject to general regulatory changes (e.g., environmental norms, transit rules).

### Application for quarry permit

1. Applications for quarry permit in Form-Q shall be received by the Competent Authority online on i4ms platform along with:
  - the prescribed application fee,
  - the land plan with description of the proposed area, and
  - landowner consent in case of private land.
2. The Competent Authority shall verify the land particulars, the nature of the work and the sanctioned requirement of minor minerals for the project.
3. The Competent Authority shall also ascertain the **quantity of minor mineral required for the project or project phase, as reflected in the approved estimate or sanction order**, which shall form the basis for determining the quantity to be permitted.
4. Any deficiency or inconsistency in the application or project documents shall be communicated to the applicant for compliance.

### 2. Determination of Permissible Quantity

1. The quarry permit shall be issued only for the **sanctioned quantity of minor mineral required for the concerned Government or public purpose project or for a clearly identified phase thereof**.
2. The total quantity permitted under one quarry permit shall not exceed the requirement certified or endorsed by the Requisitioning Department or Project Authority.
3. In case of phased works, the Competent Authority may restrict the permitted quantity to the requirement of the phase for which execution is scheduled and justified.

### 3. Assessment of Dues

1. The Competent Authority shall assess the dues payable in advance, including:



- royalty,
- surface rent,
- additional charge
- contribution to the District Mineral Foundation and Environmental Management Fund, and
- compensatory afforestation charges where forest diversion applies.

2. All dues shall be collected **before** grant or renewal of the permit through online.

#### 4. Grant or Rejection of Quarry Permit

1. On satisfaction, the Competent Authority or authorised officer may grant the quarry permit in Form-R for **the approved quantity and period.**
2. The validity of the permit shall be up to two years or the project completion or phase closure, whichever is earlier.
3. Extension beyond two years shall require prior approval of the State Government.
4. If the application is rejected, the Competent Authority shall record and communicate the reasons for such rejection.

#### Disposal and Use of Minor Minerals under Rule 48

These instructions are issued to ensure uniform procedure for disposal of minor minerals seized, illegally won, or extracted incidentally during execution of public or private works.

#### 1. Identification and Recording of Mineral

1. The Competent Authority shall identify the stock of minor mineral that falls under any of the following categories:
  - illegally won and seized,
  - deemed Government property after expiry or termination of PL-cum-ML, ML or quarry lease,
  - extracted during execution of public works,
  - extracted incidentally during construction or development work in private land or IDCO land.
2. A detailed stock record shall be prepared indicating:
  - location,
  - type of mineral,
  - approximate quantity,



- circumstances of extraction or seizure.

### 3. Use of Mineral for Public Work (First Proviso)

1. Where minor mineral is excavated in the course of execution of any public or private construction work or any development project, the Competent Authority may issue an order permitting its use **only for public work** by:

- any Department of the Central or State Government, or
- any Government-controlled agency.

2. The order shall be issued only after assessment and advance payment of:

- royalty at applicable rates,
- the additional charge as defined under sub-clause (ba) of clause (1) of rule 2,
- contributions towards DMF and EMF.

3. The order shall specify:

- the quantity permitted,
- the purpose and project for which use is allowed,
- the period within which the material must be utilized,
- conditions for maintaining account of use.

### 4. Use of Mineral Extracted Incidentally in Private or IDCO Land (Second Proviso)

1. Where minor mineral is extracted incidentally during construction or development work on private land or IDCO-leased land, the Competent Authority may permit utilization of the material **for the same project only**.

2. Such permission may be granted to the executing agency or entity after:

- verification of land ownership or lease,
- verification that extraction is incidental to approved construction activity,
- assessment and advance payment of royalty, additional charge and DMF/EMF contributions.

3. The permission shall be subject to conditions prescribed by Government and shall clearly state:

- the permitted quantity,
- the project for which the material shall be used,
- the validity period aligned with the project schedule,
- prohibition on sale, transfer or diversion of material.



## 5. Monitoring and Compliance

1. The Competent Authority or authorized officer shall inspect the site to verify the quantity and manner of incidental extraction.
2. Despatch of the minor mineral shall be permitted online in i4ms portal with e-TPs.
3. The executing agency shall maintain records showing utilization of the material against the permitted quantity and period.
4. Any deviation, including unauthorized sale or removal, shall invite action under the Act, Bharatiya Nyaya Sanhita, 2023 and these Rules.

## 6. Closure and Reporting

1. Upon completion of utilization or disposal, the Competent Authority shall record:
  - total quantity disposed or used,
  - revenue realized,
  - compliance with conditions.

A completion report shall be maintained in the prescribed register for audit and departmental review.

## 9.3. Dispute Resolution and Appeals

1. **Civil Court Bar:** Disputes regarding the "area, conditions, or dues" of the lease are generally barred from Civil Courts and must follow the appellate hierarchy.

### 2. Appellate Authority (Rule 46):

- Order by DFO -> Conservator of Forest.
- Order by Mining Officer -> Deputy Director.
- Order by Deputy Director -> Director.
- Order by Director -> State Government (Steel & Mines Dept).

3. **Limitation:** Appeals must be filed within **one month** of the order.<sup>1</sup>

## Annexure I: Checklist for Technical Scrutiny Committee

The following checklist shall be mandatory for the scrutiny of applications for E-Lottery:

Sl. No.	Verification Parameter	Source of Verification	Pass/Fail Criteria
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1	<b>Applicant Identity</b>	PAN/Aadhaar/Company Incorporation Certificate	Name matches application exactly.
2	<b>Application Fee</b>	Treasury Challan (Rs. 10,000)	Deposit verified in iFMS.
3	<b>Earnest Money Deposit (EMD)</b>	Proof of Payment (10% of Annual Dues)	Amount (%age) 10% of (Royalty + AC) on MGQ.
4	<b>Family Holding Cap (District)</b>	i4MS Database Search	Applicant + Family must hold less than 3 leases in District.
5	<b>Family Holding Cap (State)</b>	i4MS Database Search	Applicant + Family must hold less than 5 leases in State.
6	<b>Lottery Participation Cap</b>	i4MS Database Search	Applicant + Family must be participating in less 5 ( One Dist) / 10 (State) active lotteries.
7	<b>Mining Dues</b>	Affidavit & No Dues Certificate	No pending dues for Applicant or Family.
8	<b>Financial Solvency</b>	ITR (Previous FY) or Bank Guarantee	Annual Income/BG Amount > (Royalty + AC) for 1 Year MGQ.
9	<b>Affidavit of Family</b>	Sworn Affidavit (Rule 2(ja))	Lists all family members & related firms.

The implementation of these Guidelines requires a coordinated effort between the Revenue Department, Steel & Mines Department, and District Administrations. The shift to E-Lottery and Fixed Additional Charges is a strategic correction intended to stabilize the minor mineral sector. However, the success of this reform hinges on the **integrity of the "Family" verification process**. Competent Authorities are hereby directed to exercise maximum vigilance in scrutiny to prevent the monopolization of resources by related entities. Failure to strictly enforce the holding caps or the MSP will be viewed as a dereliction of duty.

These Guidelines are effective immediately.

By Order of the Governor

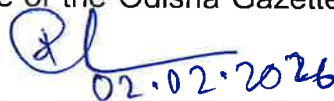
  
(Surendra Kumar)

Additional Chief Secretary to Government

Steel & Mines Department

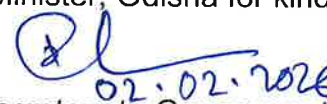
Memo No. 1207 /SM, Bhubaneswar dated 02.02.2026

Copy forwarded to the Officer-in-charge, Gazette Cell, Odisha, Government Press, Commerce & Transport (Commerce) Department, Odisha Secretariat, Bhubaneswar with a request to publish the said notification in the Extraordinary issue of the Odisha Gazette and send copy to this Department.

  
02.02.2026  
Additional Secretary to Government

Memo No. 1208 /SM, Bhubaneswar dated 02.02.2026

Copy forwarded to the Principal Secretary to Hon'ble Chief Minister, Odisha for kind information of Hon'ble Chief Minister, Odisha.

  
02.02.2026  
Additional Secretary to Government

Memo No. 1209 /SM, Bhubaneswar dated the. 02.02.2026

Copy forwarded to the PS to Minister, Steel & Mines for kind information of Hon'ble Minister, Steel & Mines.

  
02.02.2026  
Additional Secretary to Government

Memo No. 1210 /SM, Bhubaneswar dated 02.02.2026

Copy forwarded to the P.S. to Chief Secretary, Odisha/P.S. to Development Commissioner-cum-ACS, Odisha for kind information of Chief Secretary, Odisha/ Development Commissioner-cum-ACS, Odisha.

Additional Secretary to Government

Memo No. 1211 /SM, Bhubaneswar dated 02.02.2026

Copy forwarded to the PPS to Additional Chief Secretary, Steel & Mines Department for kind information of Additional Chief Secretary, Steel & Mines Department.

Additional Secretary to Government

Memo No. 1212 /SM, Bhubaneswar dated 02.02.2026

Copy forwarded to all Departments of Government/ Director of Mines & Geology, Odisha/Director of Minor Minerals, Odisha/MD, OMC Limited/All RDCs/ All Collectors/ All Deputy Director of Mines/All Mining Officers for information and necessary action.

Additional Secretary to Government

