

# The Odisha Gazette

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

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No.2207 CUTTACK, SATURDAY, NOVEMBER 24, 2018/MARGASIRA 3, 1940

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## STEEL & MINES DEPARTMENT

### NOTIFICATION

The 24th November, 2018

**Sub: Regarding imposition of special conditions in the mining leases of Decorative stones for processing and consumption of Decorative stones in the processing units inside the State.**

**S.R.O. No. 449/2018**— Mining leases of decorative stones (Granite) were regulated under the provisions of the Odisha Minor Mineral Concession Rules, 2004. These Rules did not have any stipulation regarding the percentage of decorative stones to be processed in the own industry of the lessee before sale. However, in July, 2011, it was decided by Government that all leases to be granted in future should process at least 80% of their production locally in the processing plant set up by the lessee. Accordingly, the leases granted or renewed after July, 2011 contain a condition that 80% of the production (of decorative stone) should be processed in the processing industry of the lessee within the State. However, the leases granted prior to July, 2011, which had not become due for renewal after July, 2011 continue to operate without the 80:20 stipulations. This stipulation is referred to in the subsequent paragraphs as 80:20 stipulations.

Many of these lessees, who have been granted / renewed mining leases after introduction of the 80 : 20 stipulation from July, 2011, have represented for removal of the 80:20 stipulation as the same is leading to cut-back on mining activities and affecting their mining operations.

A Committee under the chairmanship of the Director, Mines was constituted by the Government to examine the issue of removal of the special condition with regard to 80% captive processing of the decorative stones by the lessee. The said committee submitted its report to Government vide letter No.6289/DM., dated the 13th August, 2018 of the Directorate of Mines.

Now, in exercise of the powers conferred under sub-rule-40 of rule-26 read with sub-rule-3 of rule-58 of the Odisha Minor Mineral Concession Rules, 2016, Government, after careful consideration, have been pleased to impose the following special conditions in supersession of 80:20 stipulations for decorative stone leases:

- (i) The lessee shall create processing capacity to the extent of at least one-third of the authorized production capacity within a period of three years from the date of grant / renewal/ extension of lease or the date of imposition of this special condition, whichever is later.
- (ii) At least 50% of the production of the lease should be dispatched for processing to and be processed in a processing industry situated within the State.

The above special conditions shall be imposed;-

- (i) in modification of the 80:20 condition already imposed on the existing lessees during the time of grant or renewal of lease or in the letter of intent issued to the applicants;
- (ii) on the existing lessees who may be granted extension of the period of pre-14th December, 2016 lease, under the provisions of the OMMC Rules, 2016;
- (iii) on all leases for decorative stone which may be allowed to execute the mining lease on the basis of P.L. or letter of intent or grant order accorded prior to commencement of the OMMC Rules, 2016, i.e. without auction.

[No. 9138–IV(DS)SM-04/2018/SM.]

By Order of the Governor

B. N. RATH

Additional Secretary to Government