By e-Mail/FAX

GOVERNMENT OF ODISHA
REVENUE AND DISASTER MANAGEMENT DEPARTMENT
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No. RDM-MMS-MEET-0009-2022 38234 /R&DM dated 10 NOV 2022

From

Sri Satyabrata, Sahu, I.A.S.
Additional Chief Secretary to Government

To

All Departments
All Revenue Divisional Commissioners
All Collectors

Sub: **Realization of additional charge along with EMF & DMF from the work bills of Works and other Engineering Departments in addition to the royalty of the Minor Minerals used in the project.**

Sir,

In inviting a reference to the subject cited above, I am to say that it has come to the notice of the undersigned that Works Department and other Engineering Departments are collecting only royalty from the work bills where no transit pass is submitted against the minor minerals utilized in their project. Thus, where the contractors use minor minerals collected from unauthorized sources, the executing agencies deduct royalty only.

However, proviso **of Rule58(5)** of OMMC Rules 2016 reads that in case the executant fails to produce transit pass and money receipt in support of payment of royalty, the public works authority shall deduct the royalty and the cost of mineral and remit it to Government account in the Government Treasury & **Rule 32(1)** of OMMC Rules states that all the lessees for minor minerals other than specified minor minerals shall be liable to pay royalty or dead rent, surface rent, additional charge, amount of contribution payable to the District Mineral Foundation(DMF), amount of contribution payable to the Environment Management Fund(EMF) and fees for compensatory afforestation.

Non-collection of additional charge, amount of contribution payable to the DMF & EMF etc. will tempt the executants/contractors to collect minor mineral from unauthorized sources as they have to pay less than the amount payable in case of transportation from authorized sources.

In this connection, a meeting was held on 08.09.2022 at 01.00 P.M. under the Chairmanship of Development Commissioner-cum-Additional Chief Secretary, Planning & Convergence Deptt., Odisha and in the meeting held on 27.10.2022 at 11.00 A.M. under the Chairmanship of Chief Secretary, Odisha wherein it has been decided that additional charge along with EMF & DMF shall be deducted from the work bill of Works and other Engineering Departments in addition to the royalty of the minor minerals used in the projects. The said amount shall be included in the work estimate of the projects.

As regards to fixation of Minimum Guaranteed Quantity(MGQ) and Additional Charges for Minor Mineral Sources, all Collectors have been intimated vide Revenue & D.M. Department Letter No.11111 dtd.07.04.2022 (copy enclosed) to seek advisory assistance from the District Level Committee formed under the Chairmanship of Additional District Magistrate looking after minor mineral administration. The executive agencies may obtain the information relating to rate of additional charge from the Collector concerned.

You are, therefore, requested to issue necessary instructions to all concerned authorities under your administrative control for necessary realization of **additional charge along with EMF & DMF from the work bills** in addition to the royalty of the minor minerals used in the projects and to ensure that the said amount shall be included in the work estimate of the project.

Yours faithfully,

10/11/2022

Additional Chief Secretary to Government

Memo No. 38235 /R&D.M. dated 10 NOV 2022

Copy forwarded to the Secretary, Board of Revenue, Odisha, Cuttack/ Director, Minor Minerals, Odisha / all Sub-Collectors/ all Tahasildars for information and necessary action.

10/11/22

Additional Secretary to Government

Memo No. 38236 /R&D.M. dated 10 NOV 2022

Copy forwarded to National Highways Authority of India, Regional Office, Odisha,301-A, 3rd Floor, Pal Heights, Plot No.J/7, Jayadev Vihar, Bhubaneswar-751013 for information and necessary action.

10/11/22

Additional Secretary to Government

Satyabrata Sahu, IAS
Additional Chief Secretary

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No. 11111 / ACSR&DM, Date 07.04.2022

No. RDM-DRTMM-MISC-0002-2020

To
All Collectors

Sub: Fixation of Minimum Guaranteed Quantity (MGQ) and Additional Charges for Minor Mineral sources.

Madam/ Sir,

Please refer to this Department letter No. 21133, dated 01.07.2020, wherein the meaning and modalities of fixation of Minimum Guaranteed Quantity (MGQ) have been explained with emphasis on fixation of MGQ in a rational and reasonable manner. Needless to say, MGQ and Additional Charge are two vital components of minor mineral administration for the simple reason of their regulating and revenue earning value. Any element of unreasonableness in their fixation will lead to double hazards of encouraging illegal mining and causing heavy revenue loss to the State. Allegations are being received that when the mineable reserve is much more in a source, MGQ is being lowered to favour the selected bidder since on the basis of MGQ all dues payable to Govt. are assessed. In actual operation, illegal mining is being made in excess of the fixed MGQ. Such mining of minor mineral, mostly in an unscientific manner causes environmental degradation.

Additional charge is the base price on which auction for lease of a minor mineral source is conducted. OMMC Rules, 2016 stipulates the lowermost limit of it as not less than five percent of the rate of royalty. Competitiveness in a bidding is greatly influenced by the level of base price. It is alleged very often that additional charge is being so fixed to encourage low competitive limit to favour the bidders at the cost of revenue interest of the State. There are even instances of notable difference between additional charges of two different sand sources situated opposite to each other in a particular river when the quality of sand remains almost the same. Similar is the case of other category of minerals. To do away with heterogeneity in additional charge fixation it is suggested that factors like additional charge executed during last term of lease of the source, if any, quality of mineral available, scope of marketability, additional charge fixed/ executed for similar sources in the vicinity in the same Tahasil or nearby Tahasil or same district or nearby district may be taken into consideration.

MGQ and Additional Charge in respect of non-specified minor minerals occurring within village boundaries are fixed by the Competent Authority (Tahasildar) subject to the approval of the Controlling Authority (Collector). To bring about more accuracy and perfection in their fixation, scrutiny of the proposals with reference to the governing factors is essential. To have proper scrutiny of the proposals a district level committee as below will render advisory assistance to the Collector.

1. Additional District Magistrate looking after minor mineral administration	Chairman
2. Divisional Forest Officer (T)	Member
3. Executive Engineer, Water Resources	Member
4. Executive Engineer, R&B	Member
5. Joint/Deputy Director, Geology or Mining Officers in position in the district	Member
6. Regional Officer, SPCB under whose jurisdiction the district comes	Member
7. Geologist of the Collectorate (Where in position)	Member
8. Deputy Collector looking after Minor Minerals	Member Convenor

It is, therefore, requested that proper care should be taken for fixation of MGQ and Additional Charge following due procedure.

Yours faithfully,

7/4/2022

Additional Chief Secretary to Government

Memo. No.1112 /R&DM Dated: 07 APR 2022

Copy forwarded to Secretary, Board of Revenue/all RDCs for information and necessary action.

Joint Secretary to Government

7/4/22

Memo. No.1113 /R&DM Dated: 07 APR 2022

Copy forwarded to Forest, Environment and Climate Change Deptt./ Steel & Mines Deptt./ Water Resources Deptt./ Works Deptt. for information and necessary action.

Joint Secretary to Government

7/4/22

Memo. No.1114 /R&DM Dated: 07 APR 2022

Copy forwarded to Director, Minor Minerals for information and necessary action.

Joint Secretary to Government

7/4/22

Memo. No.1115 /R&DM Dated: 07 APR 2022

Copy forwarded to all Sub-collectors/all Tahasildars for information and necessary action.

Joint Secretary to Government

7/4/22