PART III

Statutory Rules, Orders, Notifications, Rules, etc., issued by the Governor, Heads of Departments and High Court

DEPARTMENT OF STEEL & MINES

NOTIFICATION

The 14th June, 1998

SUBJECT—GEMSTONE POLICY OF ORISSA, 1998

S.O. No. 304/98—Formation of Gemstone Policy based on the experience gained and insights encountered in the implementation of the Gemstone Policy laid down in the various Steel and Mines Department Notifications, orders and rules and further consideration of the Government of some time past.

1. Gemstone occurrences of different varieties are found mostly in the districts of Balangir, Subarnapur, Kalahandi, Nabarangapur, Nabarangapur, Kendujhar and others. Find of gemstones in the late seventies attracted the attention of Government and an attempt by the State Directorate of Mines and Geology to explore and develop these gemstone areas during the 1980-81 resulted in the formation of the Gemstone Policy to regulate and control the extraction and development of gemstones by creating a comprehensive framework.

2. In 1986 the State Government received certain areas in the State districts of Balangir, Sambalpur, Kalahandi and Nabarangapur by notifications for exploitation by the Public Sector (OMC) under the then Rules of the Mineral Conservation Rules, 1959 (deleted from M:C Rules, 1965 by an amendment in the 13th April, 1988) and subsequently several Notifications were issued under Rule 75 (2) of the OMC during 1988 and thereafter appointing MOC as an agent of the State Government to operate in these areas. OMC was also authorized to form joint sector Companies and hold 51% shares therein. The Notification issued during 1988 further stipulate that Orissa Mining Corporation would sell gemstones to Joint Sector Companies with a view...
Corporation of Orissa Ltd. (GEMCO) was formed on the 4th January, 1989 and OMC was authorized to open parallel centers to procure gemstones from the local people in order to check smuggling. Royalty was assessed on the purchase price paid by OMC. PL/ML for gemstone was granted to OMC alone in the areas reserved for the purpose. In 1994, exploitation scheme was launched with UNDP assistance to identify and assess the availability of gem bearing areas.

3. GEMSTONE POLICY 1994

31. In 1994 a new Gem Policy based on the experience gained and difficulties encountered was formulated by Government in Steel & Mine Department and announced in Notification No. 49 dated the 1st January 1994. It outlined the following provisions:

(I) Agency of the OMC would be withdrawn limiting it only to cases where illegal mining is detected.

(II) OMC would undertake prospecting and/or commercial mining of the areas held by it on PL/ML either on its own or sub-lease the same to joint venture or assisted companies for similar purpose.

(III) Director, Mining & Geology would prepare a list of gemstone bearing areas to be reserved for prospecting by the Directorate.

(IV) Out of the areas so reserved, the areas having promising gemstone potential would be given to OMC on ML.

(V) The areas not taken by OMC would be thrown open to private parties.

(VI) Applications of private parties for grant of ML would be considered under certain terms and conditions.

(VII) The daily collection of gemstones would be properly accounted for and kept in safe custody.

(VIII) Every two months, the total collection of gemstones should be opened before a committee and valued.

(IX) OMC may operate purchase centres or authorize an assisted/Joint Venture Company to operate the same to procure gemstone from private individuals who find them in their private land.

(X) Royalty would be calculated on the sale price at "pit's mouth value" which the price at which gemstones are sold by the seller.

(XI) The implementation of this policy would be reviewed every two months.

41. The Gemstone Policy, 1994 did not achieve the desired results due to following reasons:

(i) Under the Policy a poor farmer or villager getting a piece of gemstone could sell it only to OMC whose representatives are not readily accessible and who take their own time for assessment of values and payment. As such, gemstones are picked up initially at throw away price through a middleman like one who bought it away and sold it at higher price at centres of gemstone trade. This transaction deprived the finder of a legitimate price for the gemstone and the Government of the royalty. The clandestine trade only benefited the middleman and lower level officials to the detriment of the finder and the Government.

(ii) Large scale scientific and commercial exploitation of the gem-bearing areas through public or private sector did not take place. The only joint venture exploiting a limited leasehold area also did not achieve the desired results. Due to lack of exploitation of gem-bearing areas, the State Government have not been able to benefit from this sector. In fact, the royalty received annually from gemstone is only of the order of Rs. 4.5 lakhs which can increase manifold through a rational policy of wide scale exploitation of gemstone-bearing areas.

(iii) Lapidary units for cutting and polishing of gemstones which would have provided local value addition, large scale employment and income to the State Exchequer became a casualty of the policy. Under the prevailing regime of clandestine extraction and illegal trading of gemstones, genuine entrepreneurs waiting raw materials for the lapidary units were completely starved. A few lapidary units that come up in the State went down for want of raw-materials.
42. Accordingly the State Government in 1996, formed a Committee under the Chairmanship of the Commissioner-cum-Secretary, Department of Steel & Mines to recommend measures for formulation of a new policy with the following objectives:

(i) to ensure higher income for the State from mining of gemstone and local lapidary units
(ii) to ensure greater employment through gemstone mining, cutting and polishing activities
(iii) to stop clandestine extraction and trading and ensure higher income to Government and local villagers.
(iv) to ensure transparency in the matter of grant of lease/license for extraction and trading of gemstones.

5. LEGAL FRAMEWORK.

5.1. Gemstone is not the “specified mineral” indicated in the First Schedule of Mines and Mineral (Regulation and Development) Act 1957. In the first schedule, only “precious stones” have been mentioned as major mineral requiring prior approval of Government of India for grant of PL/ML. The MMRD Act however, does not define precious stones. The gemstones found in Orissa in general are of “semi-precious varieties” and such do not come under specified minerals listed in Schedule-I of the Act. Accordingly, the State Government is competent to grant PL/ML in respect of such gemstones without prior approval of Government of India. However, if precious stones are found during mining operation, the necessary approval is to be obtained by the lesee as per the provisions of MMRD Act and MC Rules.

5.2. Under the UNDP Project 28 gem-bearing tracts have so far been identified. Out of this 18 gem-bearing tracts have been prospected, 11 by the Directorate of Mining & Geology (DMG) and 7 by OMC. Although OMC holds PL/ML in 8 gem-bearing areas already prospected as indicated above and has applied for PL in other areas in the State reserved for them; it is not possible for OMC to exploit all such areas. Government would therefore decide the tracts to be given to OMC under Mining lease for exploitation either by OMC itself or through joint ventures. The other tracts would be opened for exploitation by private parties.

6. PARAMETERS OF THE NEW POLICY

The Committee formed by the State Government to recommend measures for the new policy, has given its report in which the recommendations include:

(a) throwing open 18 prospected tracts to prospective entrepreneurs including OMC for grant of mining lease.
(b) time-bound exploration programme for the unprospected areas
(c) constitution of OMC as an agent of the State Government for the unprospected areas and granting of contract/sub-lease to entrepreneurs under OMC for exploitation of the areas.
(d) selection criteria for parties for grant of mining lease.
(e) grant of trading licence to parties including lessees for purchase of gemstones from all available sources including tenants in a competitive manner.
(f) system of assessment of royalty on pre-determined pit’s mouth value, etc.

6.2. The State Government have carefully considered the prevailing policy, the legal framework, recommendation of the Committee, etc. and keeping in view the over all development of gemstone resources in the State are pleased to lay down a new Gemstone Policy, 1998, as described in the following paragraphs.

6.3. All the gemstone areas can be divided into 3 categories:

(a) 18 gem-bearing tracts which have been identified and prospected by DMG and OMC under UNDP Project.
(b) Remaining 10 tracts identified under UNDP Project where prospecting has started but not completed.
(c) Other areas in the State which have not at all been prospected so far.

6.4. OMC of the gem-bearing tracts already explored (previously eighteen), Government would decide the tracts to be given to OMC under Mining lease. The balance tracts would be derecognized and thrown open for grant of mining lease to private parties.
As indicated at Para-6.3 (c), prospecting of 10 gemstone bearing tracts identified under the UNDP Project has been started and is expected to be completed shortly. The Director, Geology/OMC will be instructed to complete the prospecting work expeditiously. After prospecting is completed, these 10 tracts would be thrown open for grants as at para-6.4 till that time, OMC would continue to be the agent.

6.6. The 3rd category is the areas which have not been prospected so far as indicated at para 6.3 (c). OMC may continue as an Agent of the State Govt. under Rule 75 (2) of MC Rules, 1960 till prospecting is completed over these areas. The areas not at all identified and prospected so far are located in Balangir, Sambalpur, Subarnapur, Kaliahanga, Nawarpah, Prhubeni, Kotagaiu and other districts. The Director, Geology will call out a time frame within which the prospecting of these areas will be completed along with OMC. As soon as the prospecting is completed, it will be thrown open for grant of ML as at para-6.4.

7. SELECTION CRITERIA FOR GRANT OF MINING LEASE:

Preference in grant of ML would be given to the parties on the following parameters:

(a) The financial standing of the party including a commitment that it will put in an investment of at least Rs. 100 lakhs within the specified period in the shape of plant and machinery/other processing facilities.

(b) Technical expertise available with the applicants.

(c) Parties who have the experience of dealing with gemstone and processing thereof including lapidary operations.

(d) OMC may be given preference subject to their ability to handle the areas.

8. CONDITIONS OF LEASE:

(a) The mining lease will be granted for a period of 20 years

(b) A lapidary unit will be set up within a period of 5 years from the date of execution of the lease.

(c) Supply of gemstones to local lapidary units on preferential basis.

9. TRADING LICENCES:

9.1. Gemstones are an important foreign exchange earner and it may contribute sizeable revenue to the State Exchequer. With this in view, the Committee has recommended introduction of Trading Licence for collection of gemstones inside the State.

9.2. Gemstones are minerals which come under the purview of Mines and Mineral (Regulation and Development) Act, 1957. Mining of gem minerals from any land Government or private concern to mining under Section 4 (1) of MM (Reg & Dev) Act. No person can undertake prospecting or mining operations without taking PL/ML from Government over the area from which the gemstones are found. As such, if a person other than a lessee finds a gemstone from an area outside the leasehold area, he has to surrender the same to Government. To encourage people finding gemstones from sporadic areas to surrender the same to Government, the State Government has adopted the policy (in notifications) indicated under para-5.12 that the finders would be paid 40% of the value of the gemstones by OMC which works as the agent of Government for the entire State. Government allowed OMC to retain the gemstones on payment of royalty as per rules. However, this arrangement has not been very helpful as the finders in interior areas are tempted to sell the gemstones clandestinely to middlemen operating in those areas and evading low but ready premium for the gemstones OMC had been getting only Rs. 30-40 lakhs worth gemstones per year through such purchases which is only an insignificant fraction of the total transactions. As such OMC has suspended its purchasing operations for the last two years. Accordingly, a more rational and workable arrangement has to be devised to enable finders to freely sell the gemstones found anywhere from non lease-hold areas to authorized licences who would pay the royalty to Government for the same and be permitted to dispose of the gemstones in an open and transparent manner.
9.3 The best way to achieve this objective is to appoint a number of Trading Licencees under the Orissa Minerals (Prevention of Theft, Smuggling and Unlawful Activities) Act, 1989 and also indue them as agents of the OMC. Under this arrangement, all lessee and selected persons/agents having financial credibility and business experience can be appointed as trading licencees and sub-agents of OMC to collect gemstones from any finder and dispose of the gemstones in any manner they like after payment of royalty to Government. The finders can collect gemstones from any locality (outside the leasehold areas), for which OMC continues as agent of Government. This modification of the existing policy will induce competition among a number of trading licencees to buy gemstones from the finders by paying a better price to them on competitive basis and ensure payment of proper royalty by the trading licencees to the Government. The whole operation will become open and transparent, the finder will get a better price, the Government will get higher royalty and also substantial licence fees from the trading licencees. Local lapidary units would also be able to purchase their requirement from the trading licencees which they are not able to do at present due to prevailing clandestine operations. At any time, Government can frame a certain percentage/amount collected by them from licence fees/royalty in favour of OMC, their agent, through budgetary mechanism.

9.4 As already mentioned, trading licence for all minerals are granted by the competent authority under Section 6 of the Orissa Minerals (Prevention of Theft, Smuggling and Unlawful Activities) Act, 1989. Rules have been framed for such purpose under Section 37 of this Act. To facilitate the arrangement mentioned above, the rules will be suitably amended to provide for appropriate trading licencees for gemstones to lessees and other selected persons for procurement and disposal of gemstones from any non-leasehold area under the following terms and conditions:

(a) Payment of an annual licence fee of Rs. 1 lakh

(b) Security deposit of Rs. 1 lakh from each licensee (in shape of pledged certificates etc., interest on which will accrue to the licensee but in the event of forfeiture to the State).

(c) A licensee should satisfy the following conditions:

(i) he should be a lessee in respect of a gemstone bearing areas;

(ii) if he is a non-lessee, he should have good financial standing with appropriate registration under Sales Tax/Income Tax Act.

Among non-lessees, preference will be given to those who have gem processing units in the State or give a definite commitment for setting up such units inside the State within a period of 5 years.

9.5 Conditions of Licence:

(a) The licence will be granted initially for a period of one year which is renewable annually. For each renewal, the licencee would have to pay a licence fee of Rs. 1 lakh. Renewal can be made on satisfactory performance in terms of the provisions of Acts and Rules.

(b) The licensee would pay royalty on the gemstones sold to him from different sources on the basis of the sale price determined as per rules. The assessing authority will verify the sale price from time to time to ensure that appropriate royalty is realised by Government. Subject to payment of royalty, the licensee can dispose of the stock in any manner he likes.

10. Royalty:

10.1 Prior to the 11th April 1997, royalty on gemstones paid to State Government was calculated on the basis of sale price at pit's mouth as per the Second Schedule of the MM (RD) Act, 1957. This Act does not define the manner in which such sale price at pit's mouth is to be determined. State Government can formulate the modalities for fixation of this price. There are three ways in which it can be assessed:

(a) by auction,
(c) On pre-determined value

10.2 The Committee has suggested that the Joint Venture partners/leases may not agree to disposal of and Government cannot force them to sell the gemstone produced/purchased by them through open auction. On the other hand, valuation by a Group of Experts as envisaged in 1994 Policy encountered several difficulties particularly in respect of reasonable definitions of the valuation of material and delay in valuation. All fairness to things, valuation should be transparent. But gemstone trading does not lend itself to the type of transparency consistent with public service accountability.

Besides, it may not be practical and economically feasible to form a large number of Valuation Committees to value the gemstone on day to day basis for a large number of leases and trading licences throughout the State.

10.3 The said Committee has, therefore, suggested advance royalty "on pre-determined pit mouth value basis" and appointed a Sub-Committee consisting of Director, Mines and Director, Geology, GM (Geology) OMC and one Deputy Director, Geology to suggest the "pit mouth value" of different grades of various gemstones. The Sub-Committee's recommendation which have been accepted by the State Government for the valuation of different grades of various gemstones taking into account the sale price of gemstones, auctioned in the past by OMC suggested price of GST and information collected from different Gem Trading Agencies are as Annexure-1.

10.4 A Lessee/Trading Licencee will be allowed to dispose of his gemstone in the normal course of business. He will pay advance royalty at the rate prescribed by Government of India on the basis of self-assessment at the rate of "pre-determined pit mouth value" indicated in Annexure-1. The advance royalty will be adjusted when the ultimate sale price is determined under the guidelines issued by Government of India/State Government. This kind of advance royalty discipline needs to be enforced since, at present, most of the gemstones are sold outside the State and it might take considerable time and effort to reach a conclusion regarding the sale price on the basis of which royalty would be recovered from the parties. The Government not put any hindrance in the free movement of goods but can make periodic checks. The pit's mouth value indicated in Annexure-1 would be reviewed after a year by a Committee.

11. The new Gemstone Policy, 1998 enumerated above is expected to have the following advantages:

(i) Opening up of the gemstone tracts will ensure large scale scientific exploitation of resources resulting in higher employment and royalty.

(ii) The lessees would be able to gradually set up lapidary units inside the State for value addition and other local lapidary units would be able to procure raw material from the leases as well as the trading licences. All these would help create greater employment and generate higher revenue through sales tax etc. on value added products.

(iii) Introduction of trading licences will encourage entrepreneurs/businessmen to carry out free trade in gemstones and stop clandestine activities and smuggling. Competition by many trading licencees to purchase from finders will ensure reasonable higher price to the latter. Besides, considerably higher trading licence fees will add to the Government income in addition to royalty from the licencees.

(iv) This policy will bring about transparency and openness to exploitation of gemstone resources in the State while augmenting employment and State resources.

12. The Gemstone Policy of Orissa 1998 will come into effect from the date of issue of the Notification.

By order of the Governor

SANTOSH NAUTIYAL

Principal Secretary to Government
Department of Steel & Mines
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Gemstone</th>
<th>Colour other characters</th>
<th>Price range per gram in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ruby (I grade)</td>
<td>Purplish red/flawless transparent</td>
<td>More than 1 caret 6,000</td>
</tr>
<tr>
<td>2</td>
<td>Ruby (II grade)</td>
<td>Purplish red with slight flaw and less transparency.</td>
<td>Less than 1 caret 200</td>
</tr>
<tr>
<td>3</td>
<td>Ruby/Corundum (III grade)</td>
<td>Purplish to reddish, translucent to opaque.</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Sapphire (I grade)</td>
<td>Dark blue to blue, transparent flawless.</td>
<td>More than 1 caret 6,000</td>
</tr>
<tr>
<td>5</td>
<td>Sapphire (II grade)</td>
<td>Dark blue to bluish, Violet blue with slight flaw and less transparency.</td>
<td>Less than 1 caret 200</td>
</tr>
<tr>
<td>6</td>
<td>Sapphire/Corundum (III grade)</td>
<td>Blush, translucent opaque.</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Alexandrite (I grade)</td>
<td>Cream, transparent with sharp colour change from green to violet/red.</td>
<td>1,000</td>
</tr>
<tr>
<td>8</td>
<td>Alexandrite (II grade)</td>
<td>Semi-transparent to translucent with less flaws, colour change to brown to violet/red.</td>
<td>200</td>
</tr>
<tr>
<td>9</td>
<td>Emerald (I grade)</td>
<td>Dark green. Transparent, flawless.</td>
<td>5,000</td>
</tr>
<tr>
<td>10</td>
<td>Emerald (II grade)</td>
<td>Dark green to light green with a transparency and flaw.</td>
<td>200</td>
</tr>
<tr>
<td>11</td>
<td>Green beryl (III grade)</td>
<td>Dark green to light green. translucent to opaque.</td>
<td>50</td>
</tr>
<tr>
<td>12</td>
<td>Aquamarine (I grade)</td>
<td>Bluish to pale green transparent, slight flaw.</td>
<td>More than 10 grams 400</td>
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<tr>
<td>13</td>
<td>Aquamarine (II grade)</td>
<td>Bluish to greenish and lighter shades, semi-transparent.</td>
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<tr>
<td>14</td>
<td>Aquamarine (III grade)</td>
<td>Fractured.</td>
<td>2</td>
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<tr>
<td>15</td>
<td>Chrysoberyl, Cat's eye (I grade)</td>
<td>Yellowish green, transparent with chatoyancy, eye effect.</td>
<td>More than 1 gm. 1,500</td>
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<tr>
<td>16</td>
<td>Chrysoberyl (II grade)</td>
<td>Yellowish green, transparent to semi-transparent.</td>
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<tr>
<td>17</td>
<td>Chrysoberyl (III grade)</td>
<td>Greenish, greenish, translucent to semi-opaque.</td>
<td>100</td>
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<tr>
<td>18</td>
<td>Rhodonite Garnet</td>
<td>Reddish-purple, transparent without flaw</td>
<td>More than 2 pgs. 100</td>
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<td>Item</td>
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<td>12</td>
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<td>23</td>
<td>Topaz</td>
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</tr>
<tr>
<td>24</td>
<td>Topaz</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Topaz</td>
<td>1.00</td>
<td></td>
</tr>
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<td>26</td>
<td>Other</td>
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</tr>
<tr>
<td>27</td>
<td>Iolite</td>
<td>6.00</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Iolite</td>
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<td></td>
</tr>
<tr>
<td>29</td>
<td>Sillimanite</td>
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</tr>
<tr>
<td>30</td>
<td>Moonstone (I grade)</td>
<td>0.50</td>
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</tr>
<tr>
<td>31</td>
<td>Moonstone (II grade)</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Amethyst</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Apatite</td>
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</tr>
<tr>
<td>34</td>
<td>Tourmaline</td>
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</tr>
<tr>
<td>35</td>
<td>Citrine</td>
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<td></td>
</tr>
<tr>
<td>36</td>
<td>Smoky quartz</td>
<td>0.50</td>
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</tr>
<tr>
<td>37</td>
<td>Rock crystal (quartz crystal)</td>
<td>0.10</td>
<td></td>
</tr>
</tbody>
</table>

N.B.: The rate of Gemstone will increase on weight & size.

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES, ORISSA, CUTTACK

NOTIFICATION

The 28th June 1998

S. R. O. No. 368/98—In exercise of the powers conferred on me under the provisions of Rules 34 and 35 of the Orissa Sales Tax Rules, 1947, I, S. K. Samantray, Commissioner of Sales Tax, Orissa, Cuttack, do hereby order the following dealer to file the monthly returns in case of the following dealer with effect from the 1st July 1998 and ordered that the said dealer shall furnish quarterly returns.

A. K. SAMANTRAY
Commissioner of Sales Tax, Orissa, Cuttack
The Orissa Gazette

EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 1458 Cuttack, Thursday November, 12, 1998/Kartika 21 1920

DEPARTMENT OF STEEL AND MINES

NOTIFICATION

The 10th November 1998

S. R. O. No. 64/98—In exercise of the powers conferred by Section 37 of the Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Act, 1989 (Orissa Act 23 of 1989), the State Government do hereby make the following rules to amend the Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Rules, 1990, namely:

1. (1) These rules may be called the Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Amendment Rules, 1998.

(2) They shall come into force on the date of their publication in the Orissa Gazette.

2. In the Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Rules, 1990 (hereinafter referred to as the said rules), in rule 2, after clause (b) the following new clause shall be inserted, namely:

"(b-1) "OMC means the Orissa Mining Corporation"

3. In the said rules, in sub-rule(1) of Rule 3, for the words "each type of ore/mineral" the word "any or group of minerals" shall be substituted.

4. In the said rules, in sub-rule(2) of Rule 3, for clause (1) the following clause shall be substituted, namely:

"(1) a fee of Rs. 10.00 Lakhs (Rupees ten lakhs) only for precious and semi-precious stones and Rs. 5,000/- (Rupees five thousand) only for other minerals payable through treasury chalan and deposited under Head of Account "0433—Non-Ferrous Mining and Metallurgical Industries—102—Mines, Concessions & Royalties"

and the following new clause shall be added, namely:

an undertaking in case of gem stones to the effect that he is willing to act as a sub-agent of
O.A. for purchase of precious and semi-precious stones (Gem stone) from the finders from the lease hold areas and obtain a letter of authorisation to that effect."
5. In the said rules, in rule 5—

(i) for sub-rule (1) the following sub-rule shall be substituted, namely:

"(1) After the enquiry, the Competent Authority shall, within 2 (two) months from the date of receipt of the application, either grant a licence to the applicant on the conditions specified in rule 5, for a period not exceeding one year, if a time for all minerals including precious and semi-precious stones (Gem stone), or refuse to grant the licence as he considers fit," and

(ii) for sub-rule (3) the following sub-rule shall be substituted, namely:

"(3) In case of refusal/rejection of the application, Rs. 500 (Five hundred) only of the application fee shall be deducted and the rest amount shall be refunded to the applicant."

6. In the said rules, in rule 6—

(1) for clause (i) the following clause shall be substituted, namely:

"(i) The licensee shall deposit an amount of Rs. 1,00,000 (Rupees one lakh) only for precious and semi-precious stones (Gem stone) and Rs. 5,00,000 (Rupees five thousand) only for other minerals as security deposit in shape of postal savings account duly pledged to the Competent Authority for observance of the terms and conditions of the licence, provided that the Government, may by a general or special order, exempt any Grama Panchayat, a Co-operative Society, the Orissa Tribal Development Co-operative Corporation and any other Government Undertakings from depositing the said security amount and in the event of cancellation of the licence on account of breach of the terms and conditions, the security deposit as well as the interest accrued on the security deposit will be forfeited.

(2) for clause (iv) the following clause shall be substituted, namely:

"(iv) The licensee shall submit copies of the above forms duly maintained for every month within the first week of the succeeding month to the Competent Authority and in case of gem stones submitted shall also be made to the Orissa Mining Corporation."

(3) after clause (vii), the following new clause shall be added, namely:

(viii) The licensee shall carry on trading of precious and semi-precious stones (Gem stone) as a sub-agent of O.M.C."

7. In the said rules for rule 7 the following rule shall be substituted, namely:

"(7) The licence can be renewed for not more than one year for each term on application in the prescribed form and on payment of renewal licence fee of Rs. 1,00,000 (Rupees one lakh) for precious and semi-precious stones and Rs. 50,000 (Rupees five thousand) only for other minerals to be deposited in a Government Treasury under the Head of account mentioned in sub-rule (2) of rule 3."

8. In the said rules in sub-rule (2) of rule 9 for the words "rupees twenty-five" the words "rupees fifty only" shall be substituted.

9. In the said rules in sub-rule (2) of Rule 13 for the words, figures and brackets "Rs. 200 (Rupees two hundred) only" the words, figures and brackets "Rs. 500 (Rupees five hundred) only shall be substituted.

10. In the said rules in sub-rule (2) of Rule 21 for the words, figures and bracket Rs. 200 (Rupees two hundred) only the words, figures and brackets "Rs. 500 (Rupees five hundred) only shall be substituted.

[No. 9327—XIV.—XIV.—SM.-20,99.—SM.-] By order of the Governor

S. NAUTIYAL

Principal Secretary to Government.
DEPARTMENT OF STEEL AND MINES
NOTIFICATION

The 10th November 1993

S. R. O. No. 639/93—In exercise of the powers conferred by Section 15 of the Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Act, 1989 (Orissa Act 23 of 1989) and in supersession of the notification of Government of Orissa in the Department of Steel and Mines bearing No. 8143—IV (E)—SM-9/91, dated the 16th July 1991, the State Government do hereby appoint the officers of the Department of Steel and Mines mentioned in Column (2) of the Schedule given below to be the competent authorities for the purposes of sub-sections (1) and (3) of Section 6, Section 7, sub-sections (1) and (3) of Section 8, Section 9 and Section 15 of the said Act who shall exercise jurisdiction within the local limits of the areas specified against each in Column (3) thereof in respect of minerals specified in Column (4).

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Officers</th>
<th>Jurisdiction</th>
<th>Minerals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Directorate of Mines, Orissa</td>
<td>Entire State</td>
<td>Precious and semi-precious stones</td>
</tr>
<tr>
<td>2.</td>
<td>Deputy Director of Mines, Joda</td>
<td>Cuttack, Puria, Khurda &amp; Nayagat districts.</td>
<td>All minerals excepting precious and semi-precious stones (Gem stone)</td>
</tr>
<tr>
<td>3.</td>
<td>Deputy Director of Mines, Keonjhar</td>
<td>Angul &amp; Dhenkanal districts.</td>
<td>Ditto</td>
</tr>
<tr>
<td>4.</td>
<td>Deputy Director of Mines, Koira</td>
<td>Baleshwar Subdivision of Sundargarh district.</td>
<td>Ditto</td>
</tr>
<tr>
<td>5.</td>
<td>Deputy Director of Mines, Rourkela</td>
<td>All other Subdivisions of Sundargarh district.</td>
<td>Ditto</td>
</tr>
<tr>
<td>6.</td>
<td>Mining Officer, Cuttack</td>
<td>Baleshwar Subdivision of Sundargarh district.</td>
<td>Ditto</td>
</tr>
<tr>
<td>7.</td>
<td>Deputy Director of Mines, Jajpur Road</td>
<td>Jagatsinghpur &amp; Kendrapara districts.</td>
<td>Ditto</td>
</tr>
<tr>
<td>8.</td>
<td>Deputy Director of Mines, Talcher</td>
<td>Sambalpur, Bhargi and Deogarh districts.</td>
<td>Ditto</td>
</tr>
<tr>
<td>9.</td>
<td>Deputy Director of Mines, Sambalpur</td>
<td>Bolangir &amp; Subarnapur districts.</td>
<td>Ditto</td>
</tr>
<tr>
<td>10.</td>
<td>Mining Officer, Bolangir</td>
<td>Kalahandi and Nuapada districts.</td>
<td>Ditto</td>
</tr>
<tr>
<td>11.</td>
<td>Mining Officer, Bhawanipura</td>
<td>Nawarangapur, Rayagada, Malkangiri and Koraput districts.</td>
<td>Ditto</td>
</tr>
<tr>
<td>12.</td>
<td>Deputy Director of Mines, Koraput</td>
<td>Ganjam &amp; Gajapati districts.</td>
<td>Ditto</td>
</tr>
<tr>
<td>13.</td>
<td>Mining Officer, Berhampur</td>
<td>Sambalpur, Bhargi and Deogarh districts.</td>
<td>Ditto</td>
</tr>
<tr>
<td>14.</td>
<td>Mining Officer, Puri</td>
<td>Bolpur, Bankipore and Barhati districts.</td>
<td>Ditto</td>
</tr>
</tbody>
</table>

[ No. 9530—XIV—SM—20—93-SM. ]

By order of the Government

S. NAUTINDAL
Principal Secretary to Government
DEPARTMENT OF STEEL AND MINES
NOTIFICATION
The 10th November 1998

S. R. O. No. 700/98—In exercise of the power conferred by section (7) of Section 16 of the Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Act, 1989 (Orissa Act 23 of 1989), the State Government do hereby empower the Director, Ministry, Orissa to exercise their powers under the said section in respect of all minerals other than precious and semi-precious stones (Gem stones).

[No. 9533—XIV-SM-20/98-SM.]

By order of the Governor

S. NAUTIYAL
Principal Secretary to Government

DEPARTMENT OF STEEL AND MINES
NOTIFICATION
The 10th November 1998

S. R. O. No. 701/98—In exercise of the powers conferred by section (7) of Section 16 of the Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Act, 1989 (Orissa Act 23 of 1989), the State Government do hereby empower the Secretary, Department of Steel and Mines, to exercise powers under the said section in respect of precious and semi-precious stones excepting other minerals.

[No. 9536—XIV-SM-20/98-SM.]

By order of the Governor

S. NAUTIYAL
Principal Secretary to Government

DEPARTMENT OF STEEL AND MINES
NOTIFICATION
The 10th November 1998

S. R. O. No. 702/98—In exercise of the powers conferred by subsection (1) of Section 10 of Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Act, 1989 (Orissa Act 23 of 1989) and in supersession of the Notification of the Government of Orissa in Steel and Mines Department No. 8145, dated the 1st July, 1991, the State Government do hereby appoint the Director, Mines as the Appellate Authority to whom the appeal shall be preferred against the orders of the competent authority passed under subsection (3) of Section 6, Section 7, subsection (3) of Section 8 and Section 9 in respect of all minerals excepting precious and semi-precious stones.

[No. 9539—XIV-SM-20/98-SM.]

By order of the Governor

S. NAUTIYAL
Principal Secretary to Government
DEPARTMENT OF STEEL AND MINES

NOTIFICATION

The 10th November 1998

S. R. O. No. 703/98—In exercise of the powers conferred by sub-section (1) of Section 10 of Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Act, 1989 (Orissa Act 23 of 1989) and in supersession of the notification of the Government of Orissa in Steel and Mines Department No. 81/40, dated the 15th July, 1991, the State Government do hereby appoint the Secretary, Department of Steel and Mines, as the Appellate Authority to whom the appeal shall be preferred against the orders of the competent authority passed under sub-section (3) of Section 6, Section 7, sub-section (3) of Section 8 and Section 9 in respect of precious and semi-precious stones only.

[ No. 9542—XIV-SM-20/98-SM. ]

By order of the Governor

S. NAUTIYAL

Principal Secretary to Government

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DEPARTMENT OF STEEL AND MINES

NOTIFICATION

The 10th November 1998

S. R. O. No. 704/98—In exercise of the powers conferred under Section 18 of the Orissa Minerals (Prevention of Theft, Smuggling and Other Unlawful Activities) Act, 1989 (Orissa Act 23 of 1989), the State Government do hereby empower the following officers of the Directorate of Mining and Geology, Orissa to exercise the powers under Section 18 of the Act.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Officers</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>All Deputy Directors of Mines</td>
<td>Within their respective jurisdictions</td>
</tr>
<tr>
<td>2</td>
<td>All Mining Officers</td>
<td>Ditto</td>
</tr>
<tr>
<td>3</td>
<td>All Assistant Mining Officers</td>
<td>Ditto</td>
</tr>
<tr>
<td>4</td>
<td>All Senior Inspector of Mines</td>
<td>Ditto</td>
</tr>
</tbody>
</table>

[ No. 9545—XIV-SM-20/98-SM. ]

By order of the Governor

S. NAUTIYAL

Principal Secretary to Government
**DEPARTMENT OF STEEL & MINES**

**NOTIFICATION**

The 10th November 1998

'S. R. O. No. 709/98 — The following Gemstone-bearing areas were reserved for exploitation in the Public sector in State Government’s Notification No. 4644, dated the 4th April 1986 —

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Block &amp; District</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>1.</td>
<td>Block-I</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Biramaharaj-Chormal Badmal belt in Bolangir and Sambalpur district.</td>
<td>530 sq. kms.</td>
</tr>
<tr>
<td>2.</td>
<td>Block-II</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Guchhapara-Antarala Bhutilbahal belt in Bolangir district.</td>
<td>650 sq. kms.</td>
</tr>
<tr>
<td>3.</td>
<td>Block-IV</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Damjhar-Lanji-Amera of Kalahandi district</td>
<td>526-30 sq. kms.</td>
</tr>
<tr>
<td>4.</td>
<td>Block-VI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jhilingdar-Hinjilbahal-Orabahal Orangala belt of Kalahandi district.</td>
<td>4144 sq. kms.</td>
</tr>
</tbody>
</table>

2. The State Government have now decided to deschedule the above Gemstone-bearing areas as follows:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Block &amp; District</th>
<th>Area for which de-reservation proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>1.</td>
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<td>Block-II</td>
<td></td>
</tr>
<tr>
<td></td>
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<td>650 sq. kms.</td>
</tr>
<tr>
<td>3.</td>
<td>Block-IV</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Damjhar-Lanji-Amera of Kalahandi district</td>
<td>525-9605 sq. kms. excluding 0.3355 sq. kms. held by OMC for mining lease.</td>
</tr>
</tbody>
</table>
3. Boundary description of the area proposed to be desreserved is given below. It is therefore notified for information of the public that the said Gemstone bearing areas are now at the disposal of the State Government for grant of mining lease for gemstones. Accordingly, it is notified under Rule 59 (4) of M.C. Rules, 1960 that on and from 1st January, 1999, the said area will be available for grant. The maps of the area are available in the offices of the concerned Mining Officers/Deputy Directors of Mines for inspection. All applications for this area or any part thereof received prior to that date have and will be treated premature and rejected.

SCHEDULE

(1) BLOCK I

Bira maharaj-Chormal-Badmal belt in Balangir and Sambalpur districts.

Boundary description—Boundary description of Bira maharaj-Chormal-Badmal belt to the extent about 380 Sq. Kms. in Balangir district and 150 Sq. Kms. in Sambalpur district.

BLOCK I

Ref.: Topo sheet No. 64/D, 64/P, 73/C and 73/D
Scale 1" = 4 miles or 1: 12, 53,440.

The GTS 1644 of Chandipurhat is the reference point. The starting point ‘A’ is situated with a bearing of 90°-00’ and at a distance about 5 Kms. from the reference point.

Western boundary (Part)—Starts from the Station ‘A’ and runs with a bearing of 180°-00’ for a distance about 18 Kilometres up to the northern bank of the Mahanadi River and meets the Station ‘B’.

Southern boundary—Starts from the Station ‘B’ and runs along the northern bank of the Mahanadi River for a distance about 19 Kilometres and meets the Station ‘C’.

Eastern boundary—Starts from the Station ‘C’ and runs with a bearing of 09°-00’ for a distance about 28 Kilometres and meets the Station ‘D’.

Northern boundary—Starts from the Station ‘D’ and runs with bearing of 270°-00’ for a distance about 18 Kilometres and meets the Station ‘E’.

Western boundary (part)—Starts from the Station ‘E’ and runs with bearing of 180°-00’ for a distance about 12 Kilometres and meets the starting point ‘A’.

(2) BLOCK II

Guchhapara-Antarala-Bhutiarbahal belt in the district of Balangir.

Boundary description—Boundary description of Guchhapara-Antarala-Bhutiarbahal belt to the extent about 650 Sq. Kms. in Balangir district.

BLOCK II

Ref.: Topo sheet No. 64/P
Scale 1" = 4 miles or 1: 12, 53,440.

The GTS 1644 near village Bandhapara is the reference point.

The starting point ‘F’ situated with a bearing of 15°-30’ at a distance of about 250 Kilometres from the reference point.

Eastern boundary—Starts from the Station ‘F’ and runs with a bearing of 270°-00’ for a distance about 10 Kilometres and meets the Station ‘G’. Then the boundary moves with a bearing of 09°-00’ for a distance about 65 Kilometres and meets the Station ‘H’.
Northern boundary—Starts from the Station ‘I’ and runs with a bearing of 270°-00' for a distance of about 17.50 kilometres and meets the Station ‘P’.

Western boundary—Starts from the Station ‘P’ and runs with a bearing of 180°-00' for a distance of about 29 kilometres and meets the Station ‘Q’.

Southern boundary—Starts from the Station ‘Q’ and runs with a bearing of 90°-00' for a distance of about 27.50 kilometres and meets the Station ‘R’.

Eastern boundary (part)—Starts from the Station ‘R’ and runs with a bearing of 0°-00' for a distance of about 18.60 kilometres and meets the starting point ‘P’.

BLOCK IV

Damjhar-Lanj-Amera belt of Kalahandi district.


The GTS 2411 of Guru danger is the reference point. The starting point ‘P’ coincides with the reference point.

Western boundary—Starts from the Station ‘P’ and runs with a bearing of 180°-00' for distance about 19.50 kilometres and meets the Station ‘Q’.

Southern boundary—Starts from ‘Q’ and runs with a bearing of 90°-00' or a distance of 19.90 kilometres and meets the Station ‘R’.

Eastern boundary—Starts from ‘R’ and runs with a bearing of 0°-00' for a distance of 18.30 kilometres and meets the Station ‘S’ of the District boundary line of Kalahandi and Balangir Districts. Then from the Station ‘S’ the boundary line runs along the common district boundary of Kalahandi and Balangir for a distance about 16.60 kilometres and meets the Station ‘T’.

Northern boundary—Starts from the Station ‘T’ and runs with a bearing of 270°-00' for a distance of about 14.40 kilometres and meets the Station ‘U’.

Western boundary (part)—Starts from the Station ‘U’ and runs with a bearing of 180°-00' for a distance about 8.40 kilometres and meets and starting Station ‘P’.

Note—Excluding the granted and executed M.I.E., area of M/s OMC Ltd., over an area of 33.50 Hect or 0.335 Sq. kilometres in village Palsada (Budhapara).
(4) BLOCK VI

Boundary description of Jajapur-Hinjilibahal belt in Kalahandi District

Ref: Topo sheet No: 65/1
Scale 1:41,110 or 1:250,000

The GTS 1283 of Kalapetar is the reference point. The starting point 'C' is situated with a bearing of 351°30' and at a distance about 3.92 kilometers from the reference point.

Eastern boundary—Starts from the station 'C' and runs with a bearing of 0°00' for a distance about 6.43 Kms. and meets the station 'D'.

Northern boundary—Starts from the station 'D' and runs with a bearing of 270°00' for a distance of 6.43 Kms. and meets the station 'E'.

Western boundary—Starts from the station 'E' and runs with a bearing of 180°00' for a distance of 6.43 Kms. and meets the station 'F'.

Southern boundary—Starts from the station 'F' and runs with a bearing of 90°00' for a distance about 6.43 Kms. and meets the starting station 'C'.

Note—The above description excludes the granted and executed M. L. areas over 0.574 Sq. Kms. in village Hinjilibahal and Junagarh and 0.357 Sq. Kms. in village Jullagdhar of M/s. OMC Ltd.

[No. 9593—XIV-SM-20/98-SM]

By order of the Governor
S. NAUTYAL
Principal Secretary to Government

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