

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

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No. 8147 /SM, Bhubaneswar, dated the 21<sup>st</sup> ~~16<sup>th</sup>~~ December, 2010.

From

Manoj Ahuja  
Commissioner-cum-Secretary  
to Government

To

The Director of Mines, Orissa,  
Bhubaneswar.

**Sub: Violation of rule 37 of MC Rules, 1960.**

Sir,

Kindly refer to letter No.7403/SM dated 18.11.2010 of the Under Secretary, Department of Steel & Mines wherein you had been requested to submit a consolidated report on cases violation of rule 37 of MC Rules, 1960 within 15 days. No such report has been received in the Department till date.

In order to have a comprehensive enquiry into the matter, the relevant provision of law and an illustrative list of issues which need to be looked into are given below:

**Section – 37 (1):** *“The lessee shall not, without previous consent in writing of the State Government [ in the case of mining lease in respect of any minerals specified in [ Part A and Part B] of the First Schedule of the Act, without the previous approval of the Central Government.*

- (a) *assign, sub-let mortgage, or in any other manner, transfer the mining lease, or any right, title or interest thereon; or*
- (b) *enter into or make any [bonafide] arrangement, contract or understanding whereby the lessee will or may be directly financed to a substantial extent by or under which the lessee's operations*

*or understanding will or may be substantially controlled by any person or body of persons other than the lessee.*

**Section 37 (3) :** *The State Government may by order in writing determine any lease at any time if the lessee has, in the opinion of the State Government, committed a breach of any of the provisions of sub-rule (1) or sub-rule (1A) or has transferred any lease or any right, title, or interest therein otherwise than in accordance with sub – rule (2).*

*Provided that no such order shall be made without giving the lessee a reasonable opportunity of stating his case.*

Needless to say, a detailed enquiry will have to be made in all such cases where lessee may not be carrying out operations on his own. Some of the issues which need to be looked into are given below. This list is only illustrative and DDM/MO should satisfy himself that all relevant records have been verified.

- (i) Whether the actual mining carried out by lessee himself or through contractor / any other agency
- (ii) If through contractor / any other agency the details of agreement and financial arrangement
- (iii) Has the lessee entered into a formal / informal agreement with an agency for purpose of mining / financing / sharing of profits?
- (iv) Balance sheet & profit and loss accounts of the lessee / contractor/ Power of Attorney holder / or any person / agency involved in formal or informal arrangements with the lessee regarding mining/ financing / sharing of profit etc.
- (v) Who is providing employment to persons engaged in the mine under the Mines Act, 1952, including executive and non-executive staff. The Register of payment of wages as certified by the Labour & Employment officer may be verified for the purpose.
- (vi) Agency / persons making applications for issue of permission and permits and the sale to consumers.

- (vii) Installation of crushers and beneficiation units within ML area and the agency operating these and the agreements if any with the lessee.
- (viii) Correspondences with firms / consumers and payments details by the lessee / agency / contractors etc.

All the Dy. Directors of Mines / Mining Officers of all Circles are directed to verify all the working mines and satisfy themselves that the lessee is not violating any provision of Section – 37 of MCR, 1960. In case, there appears to be a violation, the same should be brought to the notice of the Director of Mines for necessary action as per law. In any case, a consolidated report on all working leases, regarding adherence to or violation of Section 37 of MCR, 1960, as the case may be, should be submitted to the Director of Mines with a copy to the Department of Steel & Mines within 30 days of the receipt of this letter.

Yours faithfully,

  
Commissioner-cum-Secretary  
to Government

Memo No. 8148 /SM Dated <sup>21st</sup> ~~16th~~ December, 2010.

Copy to All DDMs / MOs/ All Collectors for information and necessary action.

  
20.12.2010  
✓ Under Secretary to Govt.

Memo No. 8149 /SM Dated <sup>21st</sup> ~~16th~~ December, 2010.

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

  
20.12.2010  
✓ Under Secretary to Govt.