



IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.10424 of 2026

M/s. GM Iron and Steel Company Petitioner
Ltd., Kolkata

Represented by Adv.–
Mr. Durga Prasad Nanda, Senior Advocate
Mr. Subhankar Rout, Advocate

-Versus-

State of Odisha and others Opposite Parties

Represented by Adv.–
Ms. Aishwarya Dash, Additional Standing Counsel

CORAM:
HON' BLE THE CHIEF JUSTICE
AND
HON'BLE MR. JUSTICE MURAHARI SRI RAMAN

Order No.

ORDER
07.05.2026

02. 1. The demand notice whereby differential mining dues has been directed to be deposited *vide* letter dated 6th December, 2024 issued by the Deputy Director of Mines, Baripada Circle, Baripada (Annexure-9) is assailed in the instant writ petition on the sole premise that the authorities failed to adhere the provisions contained under sub-rule (7) of Rule 10 of the Odisha Minerals (Prevention of Theft, Smuggling and Illegal Mining and



Regulation of Possession, Storage, Trading and Transportation) Rules, 2007 and, therefore, the same is liable to be quashed and set aside.

2. It is not in dispute that the State Level Enforcement Squad (SLES) (Team-I) conducted a field inspection on 23rd September, 2024 at the petitioner's unit and, subsequently, issued a letter on 23rd October, 2024 for securing the compliance of the observations and the findings of the said SLES team within a stipulated time. Since the petitioner intended to remove the minerals after uploading and issuance of Form-K, applied in Form-J. The dispute was raised on the analysis of sample and the examination report being submitted with respect to the sample collected at the spot.

3. Sub-rule (5) of Rule 10 of the said Rules contained an exhaustive provision relating to drawing of the sample as well as sending the same for its chemical analysis to the laboratories mentioned therein. Sub-rule (7) of Rule 10 postulates that in the event the analysis report submitted by the lessee and the analysis report collected from another sample by the Government is at variance, the provisions contained therein mandates the 3rd sample, which is commonly known as "umpire sample" to be drawn and be



sent to the Government laboratory for reanalysis. It is further indicated therein that such report shall be final and binding on the parties.

4. In the instant case, the petitioner raises a dispute on the report submitted by the laboratory to whom the Government sent the second sample which appears to be at variance with the report submitted by the petitioner on the first sample. Therefore, request was made to send the “umpire sample” so drawn at the time of such inspection to the laboratory in terms of sub-rule (7) of Rule 10. According to the petitioner, without taking recourse to the statutory provision, the demand notice is issued which cannot be sustained on the legal parameters.

5. Sub-rule (7) of Rule 10 of the said Rules is quoted hereunder:

“(7) If after the submission of analysis report by the lessee and before the dispatch of the stack, during surprise check, any significant upward deviation in the grade of mineral is observed, then, the mineral transportation from the concerned leases may be suspended. Resumption of transportation may be allowed after the conclusion of enquiry, which shall be



concluded within 15 days. In case of any dispute raised by a lessee within three months from the date of analysis of second part of the sample, the Director may allow analysis of the umpire sample at the Government Laboratory in presence of the lessee or his authorized representative, if he is satisfied with the genuineness of the dispute and on the representation of the lessee. The analysis result of the Government Laboratory shall be final and binding:

Provided that in case the lessee declares to pay highest rate of royalty as prescribed under the Second Schedule of the Act, stacking and sampling shall be dispensed as provided under rules 5, 6 and 7 above and the Deputy Director of Mines or Mining Officer shall issue permit after permission accorded by the Director of Mines for such dispense. The Director of Mines may prescribe conditions, as he deems fit, for such permission. Average blast hole samples data in terms of quality and quantity of each blast representing the average run of Mines grade shall be submitted to the concerned Deputy Director of Mines or Mining Officer, as the case may be, for record and verification, further the lessee shall be required to submit a monthly average analysis report for quality and grade:

Provided further that in case of the lessees availing exemption from stacking & sampling as above, the



application for issue of permit submitted in Form-J shall be forwarded by the Designated Officer or Authorized Officer without any certification and the verification of the land from which mineral has been raised, balance stock from previous permitted quantity, if any, and total stock at mines site shall be done and reported once in every month.”

6. Ms. Aishwarya Dash, learned Additional Standing Counsel for the State-opposite parties submits that the “umpire sample” was not sent for its analysis in terms of the provisions contained under sub-rule (7) of Rule 10 and there is no inhibition on the part of the Government if the same is sent in terms of the said provisions.

7. In view of the stand taken before us and the law as it stands, more particularly, sub-rule (7) of Rule 10 of the said Rules, we quash and set aside the demand impugned in the instant writ petition.

8. Let the “umpire sample” so drawn in terms of the provisions as aforesaid be sent for reanalysis to a Government laboratory within seven days from the date of communication of this order. After having received the report from the said laboratory, the same would be communicated to the petitioner and



in the event, it is found that the petitioner is liable to pay any amount being differential or otherwise, the demand shall be raised by the State as sub-rule (7) of Rule 10 of the said Rules in unequivocal terms provides the finality to such report which remains binding on the parties.

9. With these directions, the writ petition is disposed of. No order as to costs.

(Harish Tandon)
Chief Justice

(M.S. Raman)
Judge

S.K. Guin/PA

Signature Not Verified

Digitally Signed
Signed by: SUBASH KUMAR GUIN
Reason: Authentication
Location: High Court of Orissa, Cuttack
Date: 15-May-2026 10:04:15

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