IN THE HIGH COURT OF ORISSA AT CUTTACK

WP(C) No.10821 of 2026

Sibasis Sahu .... ***Petitioner***

Mr. P.K. Rath, Senior Advocate
Mr. Anurag Pati, Advocate

-versus-

State of Odisha and others .... ***Opposite Parties***

Ms. Biswabara Dash,
Addl. Government Advocate

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

ORDER
07.05.2026

Order No.

01. 1. The petitioner assailed in the writ petition a notice of demand dated 20th November, 2025 (Annexure-6) issued by the Mining Officer, Rayagada instructing him to deposit the outstanding dues for the financial year 2024-25 and also a demand notice dated 28th February, 2025 (Annexure-5) in respect of Turkaniguda sand bed for the financial year 2025-26.

2. Being declared as successful bidder in the tender process for Turkaniguda sand bed located at Gunupur, an agreement was executed between the Mining Officer, Rayagada and the petitioner on 8th April, 2024 whereby and whereunder the lease of the said sand bed was granted for a terms of five years commencing from financial year 2024-25 to 2029-30 i.e., from 8th April, 2024 to 7th April, 2029. Having deposited an

amount of Rs.68,06,382/- towards royalty/dead rent and other dues, when the petitioner mobilized resources to commence the quarry operation, due to intervention of local villagers, he could not operate the said sand quarry for around one and half years. The demand notice dated 28th February, 2025 has been issued by the Mining Officer, Rayagada directing the petitioner to deposit the amount towards royalty, additional charge, surface rent, DMF, EMF and TCS pertaining to financial year 2025-26. A further notice was issued on 20th November, 2025 directing the petitioner to deposit the balance royalty amount and other charges along with interest relating to the financial year 2024-25.

3. It is submitted by Mr. Prafulla Kumar Rath, learned Senior Advocate for the petitioner that the Odisha Minor Minerals Concession Rules, 2016 ("OMMC Rules", for short) mandates a lessee to be liable to pay royalty only for the minor minerals removed from the leased area or consumed by him during the period of lease. It is submitted that royalty can only be levied with respect to proportion of quantity of mineral extracted from the leased out area. As the quarry in question remained non-operational due to strong protest of the villagers, no sand could be extracted during the period for which the demand for deposit of royalty has been directed by the Mining Officer, Rayagada. He, therefore, urged that the Mining Officer without examining the factual scenario, mechanically issued such demand notices, which are liable to be quashed. Mr. Rath, learned Senior Advocate placed reliance on the view expressed

by this Court in the above respect as reflected in the order dated 25th March, 2025 passed in the case of ***Chintamani Samal v. State of Odisha and others (WPC No.5735 of 2025)***.

4. Ms. Biswabara Dash, learned Additional Standing Counsel having appeared for the State-opposite parties submitted that the view expressed in the case of ***Chintamani Samal*** (supra) applies to the present fact situation.

5. Perusal of the aforesaid order, it emanates that this Court having taken cognizance of Rule 33 of the OMMC Rules and other related provisions came to hold as follows:

> *"10. It is trite that provisions imposing liability is required to be construed strictly. Faced with the language of Rule 32 and Rule 33 as referred to above, one has to look merely at what is clearly said and when the language is unambiguous, there is no room for any intendment. It is admitted by the Mining Officer that the royalty should have been charged at the time of issue of transit pass, i.e., at the juncture of removal of mineral from the leased out area. There is no denial of the fact that the petitioner did not operate the sand quarry since 2022-23, even though agreement was entered into on 24th January, 2023. It is not unreasonable for him to seek for adjustment of royalty as has already been deposited against the liability that may arise on account of removal of sand."*

6. In view of the aforesaid conceded position, this Court is of the considered view that the demand notices dated 28th February, 2025 (Annexure-5) and dated 20th November, 2025 (Annexure-6) issued by the Mining Officer, Rayagada in respect of Turkaniguda sand bed cannot be sustained as the event of liability as contemplated under the OMMC Rules has not yet been arisen.

7. Accordingly, the demand notices dated 28th February, 2025 (Annexure-5) and dated 20th November, 2025 (Annexure-6) are quashed and set aside. The matter is now remitted to the Mining Officer-cum-Competent Authority, Rayagada for taking appropriate decision in the light of the observation made supra, keeping in view that the petitioner could not operate the aforesaid sand source for a certain period despite execution of agreement on 8th April, 2024. Needless to observe that the petitioner shall be afforded an opportunity of hearing.

8. In view of the aforesaid observation and direction, the writ petition stands disposed of and pending interlocutory application(s), if any, shall stand disposed of.

(Harish Tandon)
Chief Justice

(M.S. Raman)
Judge

S.K. Guin/PA