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GOVERNMENT OF MANIPUR
SECRETARIAT : COMMERCE & INDUSTRIES DEPARTMENT

NOTIFICATION

Imphal, the 7th March, 2013

No. 43/3/2012-C & I : In exercise of the powers conferred by Section 15(1) of the Mines and Minerals (Regulation and Development) Act, 1957 (No. 67 of 1957), the Governor of Manipur hereby makes the following rules, namely, "The Manipur Minor Mineral Concession Rules, 2012", which is attached as annexure.

O. NABAKISHORE SINGH,
Principal Secretary (Commerce & Industries),
Government of Manipur.

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THE MANIPUR MINOR MINERAL CONCESSION RULES, 2012

CHAPTER - I

PRELIMINARY

1. ***Short title, extent and commencement:-***

- (1) These rules may be called the Manipur Minor Mineral Concession Rules, 2012.
- (2) They shall extend to the whole of the State of Manipur.
- (3) They shall come into force from the date of their publication in the Official Gazette.

2. ***Definitions:-*** In these rules, unless the context otherwise requires.-

- (a) "Act" means the Mines and Minerals (Regulation and Development) Act, 1957 (Central Act 67 of 1957);
- (b) "Competent Officer" in relation to any provision of these rules, means any such officer appointed by the State Government to be the Competent Officer for the purposes of that provision;
- (c) "Deputy Commissioner" means the Deputy Commissioner of a revenue district and includes any officer appointed by the State Government to exercise and perform all or any of the powers and function of a Deputy Commissioner under these rules;
- (d) "Directorate" means the Directorate of Commerce & Industries, Government of Manipur;
- (e) "Director" means the Director of Commerce & Industries, Government of Manipur, or any officer empowered by the State Government to exercise and perform the powers and duties of the Director under these rules;
- (f) "forest" may as understood in Indian Forest Act, 1927;
- (g) "Form" means a form set out in Schedule -IV appended to these rules;
- (h) "Licensee", Lessee", "Permit holder", and "Contractor" means a person holding a prospecting licence, a quarrying lease, a quarrying permit, a quarrying contract, respectively under these rules;
- (i) "Local body" means a Municipal Committee, District Board or other authority legally entitled to, or entrusted, by the Government with, the control or management of a municipal or local fund;

- (j) "minor minerals" means minor minerals as defined in sub-clause (e) of section 3 of the Act;
- (k) "Owner of Land" or " occupier of surface land" means an individual or body or authority who , by lawfully being the owner of a land, owns the right to its surface and other properties than the mines, minerals, and mineral products in and over the same;
- (l) "person" means an individual , a firm, a company, an association or body of individuals, an institution or department of the State or Central Government;
- (m) "Presiding Officer" means the Director or any other officer nominated or authorised by the Director for holding auction / calling tenders under these rules;
- (n) "prospecting operations" means any operations undertaken for the purpose of exploring, locating or proving minor mineral deposits;
- (o) "Quarrying operation" means any operation undertaken for the purpose of quarrying or mining any minor mineral;
- (p) "Quarrying concession" means any of the types of concessions such as quarrying lease, permit, or contract, granted under these rules;
- (q) "Quarrying lease" means a mining lease for minor minerals granted under these rules;
- (r) "Quarrying permit" means a permit granted to extract and remove a minor mineral in specified quantity from specified area during specified period;
- (s) "Quarrying contract" means a contract granted, through auction or tenders, to extract and remove a minor mineral during specified period from specified areas notified by the Government;
- (t) "Schedule" means a schedule appended to these rules;
- (u) "State Government" means the State Government of Manipur;
- (v) Words or expression used but not defined in these rules shall have the same meaning as are respectively assigned to them in the Act.

3. Limitation of application of Rules :-

- (1) Notwithstanding anything contained in these rules, no rent, royalty or permit fee for extraction of ordinary clay, ordinary sand, masonry stones, as the case may be, from areas which are not held by lessee or permit holder or contractor shall be charged for-
 - (a) making earthen pots on a cottage industry scale by a hereditary or traditional potter whose annual turnover does not exceed ten thousand rupees.
 - (b) bonafide personal requirements, such as betterment of agricultural land, construction of house, etc. of the owners of the surface land.
- (2) Nothing in these rules shall affect the provisions of any Central Act or Rules or Regulations made thereunder for the purposes of regulation and development of mines and minerals and of the safety of the persons working in the quarries or mines.

CHAPTER-II

GENERAL RESTRICTIONS AND CONDITIONS ON UNDERTAKING PROSPECTING AND QUARRYING OPERATIONS**4. Prospecting or quarrying operations to be under licence or concession:-**

(1) No person shall undertake any prospecting or quarrying operation in any area, except under and in accordance with the terms and conditions of a prospecting licence or, as the case may be, a quarrying concession, granted under these rules:

Provided that nothing in this sub-rule shall affect any prospecting or quarrying operation undertaken in any area in accordance with the terms and conditions of a prospecting licence, or as the case may be, a quarrying concession, granted before the commencement of these rules which are in force at such commencement;

Provided further that nothing in this sub-rule shall apply to any prospecting operations undertaken by the Directorate or its agent, the Geological Survey of India, the Indian Bureau of Mines, the Atomic Minerals Division of the Department of Atomic Energy of the Central Government and the Mineral Exploration Corporation Limited, and any other such Central or State Government organisation, or Company (within the meaning of Section 617 of the Companies Act, 1956) as may be exempted by the State Government from the application of this sub-rule.

(2) No prospecting licence or quarrying concession shall be granted otherwise than in accordance with the provisions of these rules.

5. Restrictions on the grant of prospecting licence or quarrying concession:-

(1) No prospecting licence or quarrying concession shall be granted to a person who is not an Indian National, except with the previous approval of the Central Government.

(2) The State Government as it deems fit may, by notification in the Official Gazette, reserve lands for the purpose of the grant of quarrying concessions, the type of which being specified or not, and no quarrying lease shall be granted in such lands so specified for quarrying permit or contract.

(3) No quarrying contract shall be granted in respect of any land of which the property right to its surface does not vest in the Government, either permanently, or temporarily at least for the period prescribed for such contract.

(4) No prospecting licence or quarrying concession shall be granted in respect of lands notified by the Government as reserved for the use of the Government, or local Authorities, or for any other public or special purposes except with the previous approval of the Government.

(5) No prospecting licence or quarrying concession shall be granted in any forest areas without the concurrence of the Ministry of Environment and Forest, Government of India, under Section 2 of the Forest (Conservation), Act, 1980;

(6) No extraction of minor mineral from river bed shall be granted if the river is in National Park/Wild Life Sanctuary/Wildlife protected areas/Biosphere Reserve/Eco-sensitive zones;

(7) No prospecting licence or quarrying concession under these rules shall be granted in respect of an area or a mineral in respect of which a prospecting licence or mining lease granted under the Mineral Concession Rules, 1960 subsists.

(8) Where there subsists during the subsistence of an application for prospecting licence or quarrying concession under these rules an application for prospecting licence or mining lease under the Mineral Concession Rules, 1960 in respect of the same mineral or different mineral in the same area, the application under these rules shall not be considered till the application under the Mineral Concession Rules, 1960 is not decided.

6. Minimum and Maximum area for which a prospecting licence or quarrying concession may be granted:-

(1) Where the mining area is homogeneous, it should not be broken into smaller sizes and that the minimum area for grant of quarrying concession should be five hectares.

Provided that in cases of isolated, discontinued mineral deposits in less than five hectares, lesser areas may be considered but keeping in view the mineral conservation. However, the area should not be less than one hectare.

Provided that cluster approach in cases of smaller mine leases will be adopted considering the economic conditions of the leasees and the likely difficulties to be faced in monitoring the environmental impacts and implementation of necessary mitigation measures.

Provided that the sum total of minor mineral leases granted in an area of 5 km radius from the core zone of mining, less than 50 hectares area shall be defined as cluster of minor mineral mining for which environmental clearance shall be required on regional level by a separate corporate body whose composition and framework as given in Indian bureau of Mine's "Framework of Cluster of Mining of Minor Mineral".

(2) No person shall acquire in the State in respect of any minor mineral -

- (a) one or more prospecting licences covering a total area of more than three hundred hectares; or
- (b) one or more quarrying concessions covering a total area of more than fifty hectares:

Provided that if the State Government is of opinion that in the interest of the development of any minor mineral, it is necessary so to do, it may, for reasons to be recorded by it in writing, permit any person to acquire one or more prospecting licences or quarrying concessions covering an area in excess of the aforesaid total area;

Explanation:- Where a person has acquired more than one prospecting licence or quarrying concession in the State and the aggregate area covered by such licences or quarrying concessions, as the case may be, exceeds the maximum area permissible under these rules, only that prospecting licence or quarrying concession the acquisition of which has resulted in such maximum area being exceeded shall be deemed to be void.

- (c) any quarrying concession or prospecting licence in respect of any area which is not compact or contiguous:

Provided that if the State Government is of opinion that in the interest of the development of any minor mineral, it is necessary so to do, it may, for reasons to be recorded in writing, permit any person to acquire a prospecting licence or quarrying concession in relation to any area which is not compact or contiguous.

(3) For the purposes of determining the total area referred to in sub-rule (1), the area held under a prospecting licence or quarrying concession by a person as a member of a co-operative society, company or other corporation, or a Hindu undivided family or a partner of a firm, shall be deducted from the area referred to in sub-rule (1) so that the sum total of the area held by such person, under a prospecting licence or

quarrying concession, whether as such member or partner, or individually, may not, in any case, exceed the total area specified in sub-rule (1).

7. Length and breadth of area under quarrying concession:-

The length of an area held under a quarrying concession shall not exceed four times its breadth:

Provided that the Director may, in any special case for reasons to be recorded in writing subject to such general instructions and directions as may be issued by the Government from time to time regarding conservation and scientific and economic development of the minerals, relax the provisions of this rule.

8. Payment of surface rent to the occupier of surface land:-

(1) The holder of a prospecting licence, or as the case may be, a quarrying lease or permit shall be liable to pay, through the Deputy Commissioner or his authorised officer of the district concerned, to the occupier of the surface land over which he holds the prospecting licence or the quarrying lease or permit, as the case may be, such surface rent towards compensation therefor at such rate or amount as may be determined by the Deputy Commissioner of the district concerned in the manner provided in the sub-rules (2) to (4).

(2) In the case of agricultural land, the amount of surface rent shall be worked out on the basis of the average annual net income from the cultivation of similar land for the previous three years.

(3) In the case of non-agricultural land, the amount of surface rent shall be worked out on the basis of average annual letting value of similar land for the previous three years.

(4) The amount of surface rent referred to in sub-rule (1) shall be worked out for the whole period of the prospecting licence, or as the case may be, the quarrying lease or permit, and shall be payable in one or more instalments as shall be decided by the Deputy Commissioner in consultation with the occupier of the surface land and the licensee or the lessee or the permit holder, as the case may be, on or before such date as may be specified by the Deputy Commissioner in this behalf.

9. Payment of compensation for damage to the occupier of surface land:-

(1) After the termination of a prospecting licence, or as the case may be, the quarrying lease or permit, the Deputy Commissioner of the district concerned shall assess the damage, if any, done to the land by the prospecting or quarrying operations and shall determine the amount of compensation payable by the holder of the prospecting licence or the quarrying lease or permit, as the case may be, to the occupier of the surface land.

(2) Every such assessment shall be made within a period of six months from the date of termination of the prospecting licence or quarrying lease or permit.

(3) The holder of the prospecting licence or the quarrying lease or permit shall pay the compensation amount so determined on or before such date as may be specified by the Deputy Commissioner in this behalf.

10. Separate applications for separate block:-

The area under any quarrying concession shall be in a compact block, and for every compact block separate applications shall be filed for grant of quarrying concessions.

11. Boundaries below the surface:-

The boundaries of the area granted under a quarrying lease shall run vertically downwards below the surface towards the centre of the earth.

12. Periods for which prospecting licence may be granted or renewed:-

(1) The period for which a prospecting licence may be granted shall not exceed two years.

(2) A prospecting licence shall, if the Competent Officer recommends and the Director is satisfied that a longer period is required to enable the licence to complete prospecting operations, be renewed for a period not exceeding one year:

Provided that such prospecting licence may, subject to such recommendation of the Competent Officer and satisfaction of the Director, also be renewed for a further period not exceeding one year.

13. Period for which quarrying lease may be granted or renewed:-

(1) The period for which a quarrying lease may be granted or renewed shall not exceed ten years.

(2) A quarrying lease may be renewed for two consecutive periods, each not exceeding five years:

Provided that if the lease holder uses the minor mineral in his own industry, he shall be entitled for the renewal of his quarrying lease for a period of ten years at a time unless he applies for a lesser period.

(3) The minimum period for which a quarrying lease may be granted is five years and maximum 10 years. However, under exceptional circumstances to be recorded in writing, mining leases may be granted for shorter period.

(4) Notwithstanding anything contained in sub-rule (1), if the Director or the Competent Officer considers that a longer period of lease is necessary in the interest of development of mineral and mineral-based industry in the State, the lease may, with the previous approval of the Government, be granted for a longer period but not exceeding fifteen years.

14. Need for prospecting before quarrying under specific circumstances:-

Whereas the obtaining of prospecting licence and submission of prospecting report in respect of a minor mineral in any area shall not as a matter of rule be always essential as a precondition for obtaining of quarrying concessions, the Director shall always have the authority to decide whether such licence and submission of report should precede the obtaining of quarrying concessions in respect of that minor mineral and area on the ground that certain geological and other scientific information thereon shall be required before the commencement of its quarrying.

15. Preferential right of certain persons:-

(1) Where a prospecting licence has been granted in respect of any land, the licensee shall have a preferential right for obtaining a quarrying concession in respect of that land over any other person:

Provided that the Director is satisfied that the licensee -

- (a) has undertaken prospecting operations to establish mineral resources in such land;
- (b) has not committed any breach of the terms and conditions of the prospecting licence; and
- (c) is otherwise a fit person for being granted quarrying concession.

(2) Subject to the provisions of sub-rule (1), where two or more persons have applied for a prospecting licence or a quarrying concession in respect of the same land, the applicant whose application was received earlier shall have a preferential right for the grant of the licence or concession, as the case may be, over an applicant whose application was received later:

Provided that where any such applications are received on the same day, the Director, after taking into consideration the matter specified in sub-rule (3), may grant the prospecting licence or quarrying concession, as the case may be, to such one of the applicants as it may deem fit.

(3) The matter referred to in sub-rule (2) are the following:

- (a) any special knowledge of, or experience in, prospecting operations, or quarrying operations, as the case may be, possessed by the applicant;
- (b) the financial resources of the applicant;
- (c) the nature and quality of the technical staff employed or to be employed by the applicant;
- (d) such other matter as may be prescribed by the Government.

(4) Notwithstanding anything contained in sub-rule (2) but subject to the provisions of sub-rule (1), the Director may, for any special reasons to be recorded and with the previous approval of the Government, grant a quarrying concession to an applicant whose application was received later in preference to an applicant whose application was received earlier; and, while giving such preference the topmost priority shall always be in favour of the Government Departments, Public Sector Undertakings of the State or Central Governments and local bodies, where the grant is required for work directly concerned with such departments, undertakings or bodies if they fulfill the conditions required for such grant.

Explanation:- Intention to use the minor mineral in the applicant's own existing or proposed mineral-based industry in the State and consideration of the policy of the State Government pertaining to development of mineral and mineral-based industry may be a special reason on which preferential right shall be given under this sub-rule (4).

(5) Where the area is large enough, the Director may, with the previous approval of the Government, divide the area into blocks keeping in view of the size and shape conducive to economic quarrying and give the applicant whose application was received earlier such of the blocks as he may select.

16. Termination of prospecting licence or quarrying lease:-

(1) Where the State Government is of opinion that it is expedient in the interest of regulation of mines and mineral development, preservation of natural environment, control of floods, prevention of pollution, or to avoid danger to public health or communications or to ensure safety of buildings, monuments or other structures or for such other purposes, as the State Government may deem fit, it may, by an order, in respect of any minor mineral, make premature termination of a prospecting licence or quarrying concession with respect to the area or any part thereof covered by such licence or lease:

Provided that the State Government may, after the premature termination of a prospecting licence or quarrying concession under this sub-rule (1), grant a prospecting licence or quarrying lease in favour of such Government company or corporation owned or controlled by Government as it may think fit.

(2) No order making a premature termination of a prospecting licence or quarrying concession shall be made except after giving the holder of the licence or lease a reasonable opportunity of being heard.

17. Prospecting licences and quarrying concessions to be void if in contravention of Rules :-

Any prospecting licence or quarrying concession granted, renewed or acquired in contravention of the provisions of these rules or orders made thereunder shall be void and of no effect.

CHAPTER-III

GRANT OF PROSPECTING LICENCE

18. Application for grant of prospecting licence and its renewal:-

(1) An application for grant of a prospecting licence and its renewal shall be made to the Director in Form-A and Form-B respectively through such officer or authority as he may specify in this behalf, the Director being the granting authority.

(2) Every application shall be accompanied by -

(a) a non-refundable fee of Rs. 500/-;

(b) a valid clearance certificate, in Form-E of payment of quarrying dues, such as, royalty or dead rent and surface rent payable under these rules, from the Competent Officer;

(c) an affidavit stating that the applicant has-

(i) filed up-to-date income tax returns;

(ii) paid the income tax assessed on him; and

(iii) paid the income tax on the basis of self- assessment as provided in the Income Tax Act, 1961;

(d) an affidavit showing particulars of areas mineral-wise in the State, which the applicant or any person jointly with him-

(i) already holds under a prospecting licence;

(ii) has applied for but not granted; and

(iii) being applied for simultaneously;

(e) a statement in writing that the applicant, where the land is not owned by him, has obtained surface rights over the area or has obtained the consent of the owner for starting prospecting operations:

Provided that no such statement shall be necessary where the land is owned by the Government;

Provided further that the consent of the owner for starting prospecting operations in the area or part thereof may be furnished after execution of the prospecting licence but before entry into the said area;

Provided also that no further consent would be required in the case of renewal where consent has already been obtained during grant of the licence.

19. Acknowledgment of application:-

- (1) Where an application for the grant or renewal of a prospecting licence is delivered personally, its receipt shall be acknowledged forthwith.
- (2) Where such application is received by registered post, its receipt shall be acknowledged on the same day.
- (3) In any other case, the receipt of such application shall be acknowledged within three days of the receipt.
- (4) The receipt of every such application shall be acknowledged in Form-F.

20. Disposal of application for the grant and renewal of prospecting licence:-

- (1) An application for the grant of a prospecting licence shall be disposed of within one year from the date of its receipt.
- (2)(a) An application for the renewal of a prospecting licence shall be made at least ninety days before the expiry of the prospecting licence and shall be accompanied by-
 - (i) a statement relating to the prospecting operations already undertaken by the applicant;
 - (ii) the amount of expenditure incurred;
 - (iii) the number of hours and days for which the work was undertaken; and
 - (iv) the period which is required to complete the prospecting work.
- (b) an application for the renewal of a prospecting licence shall be disposed of by the Director before the expiry of the period of prospecting licence and if the application is not disposed of within that period, the licence shall be deemed to have been renewed for a period not exceeding the period prescribed for renewal of prospecting licence under sub-rule (2) of rule 12 of these rules, or the period for which an application is made, which ever is less.
- (3) The Director may, for reasons to be recorded in writing and communicated to the applicant, at the time of renewal, reduce the area applied for.

21. Refusal of application for a prospecting licence:-

- (1) The Director may, after giving an opportunity of being heard and for reasons to be recorded in writing and communicated to the applicant and with the previous approval of the Government, refuse to grant or renew a prospecting licence over the whole or part of the area applied for.
- (2) An application for the grant or renewal of a prospecting licence made under rule 18 shall not be refused by the Director only on the ground that Form-A or Form-B, as the case may be, is not complete in all material particulars, or is not accompanied by the documents referred to in clauses(b),(c),(d) and (e) of sub-rule (2) of the said rule.
- (3) Where it appears that the application is not complete in all material particulars or is not accompanied by the required documents, the Director shall by notice, require the applicant to supply the omission or, as the case may be, furnish the documents without delay and in any case not later than thirty days from the date of receipt of the said notice by the applicant.

(4) An application for the grant of a prospecting licence shall not be refused on the ground only that, in the opinion of the Director, a quarrying concession should be granted for the area for which the application for a prospecting licence has been made:

Provided that where applications for the grant of prospecting licence and applications for the grant of quarrying concession in respect of the same area are received on the same date or on different dates within a period of thirty days, the applications for the grant of quarrying concession shall, if the area was previously held and worked under a quarrying concession, be disposed of before the applications for the grant of prospecting licence are considered.

22. Status of grant on death of the applicant for prospecting licence:

(1) Where an applicant for the grant of a prospecting licence dies before the order granting him a prospecting licence is passed, the applicant for the grant of a prospecting licence shall be deemed to have been made by his legal representative.

(2) In the case of an applicant in respect of whom an order granting a prospecting licence is passed but who dies before the deed referred to in sub-rule(1) of rule-24 is executed, the order shall be deemed to have been passed in the name of the legal representative of the deceased.

23. Conditions of a prospecting licence:-

(1) Every prospecting licence granted under these rules, shall, in addition to any other conditions that may be specified therein, be subject to the following conditions, namely-

- (i) the licensee shall pay non-refundable prospecting fees @ Rs.5/- per hectare of land covered by the licence for each year or part of a year of the period for which the licence is granted or renewed;
- (ii) the licensee shall not win or carry away the minor minerals for commercial purposes:

Provided that the licensee may win and carry away for purposes other than commercial purposes-

- (a) any quantity of such minor minerals within the limits specified in Schedule - III without any payment;
- (b) any quantity of such minor minerals exceeding such limits but not exceeding twice such limits, which is won during prospecting operations, on payment of royalty for the time being specified in the Schedule - II in respect of those minor minerals:

Provided further that if any quantity in excess of the quantities specified in sub-clause (b) of the proviso is won and carried away, the Director may recover the cost of the excess quantity of minor minerals won and carried away.

- (iii) with the previous approval of the State Government, the Director may allow the licensee to carry away quantities of minor minerals in excess of twice the limit specified in Schedule-III, on payment of royalty for the time being specified in Schedule-II, for chemical, metallurgical, ore-dressing and other test purposes;

- (iv) save in the case of land in respect of which the licensee is granted a quarrying concession, he shall, within six months next after the determination of the licence or the date of abandonment of the prospecting operations, whichever is earlier, securely plug all bores and fill up or fence all excavations in the land covered by the licence;

- (v) the licensee shall report to the Director the discovery of any mineral not specified in the licence within a period of sixty days from the date of; such discovery and shall not undertake any prospecting operations in respect of such minerals unless such mineral is included in the licence;
 - (vi) the licensee shall not employ, in connection with the prospecting operations, any person who is not an Indian national;
 - (vii) the licensee shall not, except with the previous sanction of the State Government, transfer his licence;
 - (viii) the licensee shall not pay a wage less than the minimum wage prescribed by the State Government from time to time under the Minimum Wages Act, 1948;
 - (ix) the licensee shall -
 - (a) take immediate measures for the planting in the same area or any other area selected by the state Government not less than twice the number of trees destroyed by reason of; any prospecting operations;
 - (b) look after them during subsistence of the licence after which these shall be handed over to the Director;
 - (c) restore, to the extent possible, other flora destroyed by prospecting operations;
 - (x) the licensee shall pay to the occupier of surface of the land such compensation as may become payable under these rules:

Provided that the State Government shall not give its sanction under clause (vii), unless -

 - (a) the licensee has furnished an affidavit along with his application for transfer of the prospecting licence specifying therein the amount that he has already taken or proposes to take as consideration from the transferee;
 - (b) the transfer of the prospecting licence is to be made to a person or body directly undertaking prospecting operations:

Provided further that no prospecting licence shall be transferred to any person who has not filed an affidavit stating that he has filed an up-to-date income tax returns and paid the income tax assessed on him and paid the; income tax on the basis of self-assessment as provided in the Income Tax Act, 1961 (43 of 1961) and except on payment to the Director of a fee of five hundred rupees.
- (2) A prospecting licence may contain such other conditions relating to the following, namely -
- (i) compensation for damage to land in respect of which the licence has been granted;
 - (ii) indemnity to Government against the claim of a third party for any damage, injury or disturbance caused to him by the licensee;
 - (iii) restrictions regarding felling of trees on unoccupied and unreserved Government land;
 - (iv) restrictions on prospecting operation in any area prohibited by any competent authority;
 - (v) operations in a reserved or protected forest;

- (vi) conditions regarding entry on occupied land;
- (vii) facilities to be given by the licensee for working other minor minerals in the licensed area or adjacent areas;
- (viii) filing of civil suits or petitions relating to disputes arising out of the area under prospecting licence.

(3) In the case of breach of any condition imposed on any holder of a prospecting licence by or under this rule, the Director may, with the previous approval of the State Government, by order in writing, cancel the licence, and /or forfeit, in whole or part, the amount deposited by the licensee under rule 29:

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

24. Licence to be executed within three months:-

(1) Where on any application for a prospecting licence an order has been made for the grant of such licence, a deed granting such licence shall be executed within ninety days of the date of the communication of the order or such further period as the Director may allow in this behalf, and if no such deed is executed within the said period due to any default on the part of the applicant, the Director may revoke the order granting the licence and in that event the fee paid shall be forfeited to the State Government.

(2) The deed referred to in sub-rule(1) shall be in Form-G, or in a form as near thereto as may be modified by the Director as circumstances of each case may require.

(3) The date of commencement of the period for which a prospecting licence is granted shall be the date on which the deed is executed under sub-rule(1).

25. Report of information obtained by the licensee:-

(1) The licensee shall submit to the Director a quarterly report of the work done by him stating the number of persons engaged and disclosing in full the geological, geophysical or other valuable data collected by him during the period. The report shall be submitted within three months of the close of the period to which it relates.

(2) The licensee shall also submit to the Director within one month of the expiry of the licence, or abandonment of operations or termination of the licence, whichever is earlier, a full report of work done by him and all information relevant to mineral resources acquired by him in the course of prospecting operation in the area covered by the licence.

(3) While submitting report under sub-rule (1) or sub-rule (2), the licensee may specify that the whole or any part of the report or data submitted by him shall be kept confidential; and the Director shall thereupon keep the specified portions as confidential for a period of two years from the expiry of the licence, or abandonment of operations or termination of the licence, whichever is earlier.

26. Pending application for prospecting licence:-

An application for a prospecting licence pending at the commencement of these rules shall be disposed of in accordance with the provisions of these rules.

27. Maintenance of accounts:-

Every licensee shall maintain accurate and faithful accounts of all the expenses incurred by him on prospecting operations and also the quantity and other particulars of all mineral obtained during such operations and their despatch.

28. Inspection:-

(1) The licensee shall allow every officer authorised by the State Government or the Director or the Competent Officer in this behalf to examine at any time accounts maintained under rule 27 and furnish them with such information returns as they may require.

(2) The licensee shall allow any officer authorised by the Central Government or the State Government or the Director or the Competent Officer in this behalf to inspect any prospecting operations carried on by him.

29. Security deposit:-

(1) An applicant for a prospecting licence shall, before the deed referred to in sub-rule (1) of rule 24 is executed, deposit as security for the due observance of the terms and conditions of the licence a sum of ten rupees in respect of every hectare or part thereof for which the licence is granted.

(2) Any deposit made under sub-rule (1), if not forfeited under these rules, shall be refunded to the applicant as soon as the report referred to in rule 25 is submitted.

30. Registers:-

(1) A register of applications for prospecting licences shall be maintained by the Director in Form-J.

(2) A register of prospecting licences shall be maintained by the Director in Form-K.

(3) The register maintained by the Director under sub-rule (1) and (2) shall be opened to inspection by any person, on payment of a fee of Rs. 50/- only for each register for each day of inspection.

C A P T E R - I V

GRANT OF QUARRYING LEASE

31. Application for grant of quarrying lease:-

(1) An application for a quarrying lease shall be made to the Director in Form-C through such officer or authority as he may specify in this behalf, the Director being the granting authority.

(2) Every application for the grant or renewal of a quarrying lease shall be accompanied by -

- (a) a non-refundable fee of Rs. 1,000/-;
- (b) a valid clearance certificate in Form-E of payment of quarrying dues, such as, royalty or dead rent and surface rent payable under these rules from the Competent Officer;
- (c) an affidavit stating that the applicant has -
 - (i) filed up-to-date income tax returns;
 - (ii) paid the income tax assessed on him; and
 - (iii) paid the income tax on the basis of self-assessment as provided in the Income Tax Act, 1961;
- (d) an affidavit showing particulars of area mineral-wise in the State, which the applicant or any person jointly with him -

- (i) already holds under a quarrying concession;
- (ii) has already applied for but not granted;
- (iii) being applied for simultaneously;
- (e) a statement in writing that the applicant has, where the land is not owned by him, obtained surface rights over the area or has obtained the consent of the owner for starting prospecting operations:

Provided that the no such statement shall be necessary where the land is owned by the Government;

Provided further that the consent of the owner for starting quarrying operations in the area or part thereof may be furnished after execution of the lease deed but before entry into the said area;

Provided also that no further consent would be required in the case of renewal where consent has already been obtained during grant of the lease.

32. Acknowledgment of application:-

- (1) Where an application for the grant or renewal of a quarrying lease is delivered personally, its receipt shall be acknowledged forthwith.
- (2) Where such application is received by registered post, its receipt shall be acknowledged on the same day.
- (3) In any other case, the receipt of such application shall be acknowledged within 3 days of the receipt.
- (4) The receipt of every such application shall be acknowledged in Form-F.

33. Disposal of application for quarrying lease:-

An application for the quarrying lease shall be disposed of within one year from the date of its receipt:

Provided that for reasons to be recorded in writing by the Director any such application may be considered and disposed of after the said period of one year but not exceeding one-and-half years from the date of receipt of the application.

34. Payment of preliminary expenses:-

When the quarrying lease is granted or renewed the applicant shall, before execution of the lease deed, make non-refundable deposit of Rs.1000/- for meeting the preliminary expenses:

Provided that the applicant shall make such further deposit as may be asked by the Director within one month of the date of demand of such deposit.

35. Security deposit:-

The applicant shall, before execution of the lease deed, deposit as security for the due observance of the terms and conditions of the lease, a sum equal to the annual dead rent fixed for the lease or a sum of Rs.3,000/-, whichever is less, which shall be refundable to him after the expiry of the period of the lease, by the Director unless and until the same is withheld in part or in full by the Director for any cogent reason including non-payment of quarrying dues.

36. Survey of the area leased:-

When the quarrying lease is granted, arrangement shall be made for the survey and demarcation of the area granted under the lease by the Director at the expense of the lessee.

37. Renewal of quarrying lease:-

(1) An application for the renewal of a quarrying lease shall be made to the Director in Form-D at least one year before the date on which the lease is due to expire, through such officer or authority as he may specify in this behalf, the Director being the granting authority.

(2) If an application of renewal of a quarrying lease within the time referred to in sub-rule (1) is not disposed of by the Director before the date of expiry of the lease, the period of that lease shall be deemed to have been extended by a further period till the Director passes order thereon.

38. Refusal of application for grant or renewal of quarrying lease:-

(1) The Director may, after giving an opportunity of being heard and for reasons to be recorded in writing and communicated to the applicant, refuse to grant or renew a mining lease over the whole or part of the area applied for.

(2) An application for the grant or renewal of a mining lease made under rule 31 or rule 37, as the case may be, shall not be refused only on the ground that Form-C, Form-D, as the case may be, is not complete in all material particulars, or is not accompanied by the documents referred to in sub-rule (2) of rule 31.

(3) Where it appears that the application is not complete in all material particulars or is not accompanied by the required documents, the Director shall by notice, require the applicant to supply the omission, or as the case may be, furnish the documents, without delay and in any case not later than thirty days from the date of receipt of the said notice by the applicant.

39. Condition of quarrying lease:-

(1) Apart from the provisions contained in any of these rules, wherever applicable in this respect, every quarrying lease shall be subject to the following conditions-

- (a) The conditions embodied in Form-H shall be deemed to be conditions imposed under this rule.
- (b) The lessee shall report to the State Government the discovery in the lease area of any mineral not specified in the lease within sixty days of such discovery.
- (c) If any mineral not specified in the lease is discovered in the lease area, the lessee shall not win and dispose of such mineral unless such mineral is included in the list or a separate lease is obtained therefor.
- (d) The lessee shall pay, for every year, except the first year of the lease, such yearly dead rent at the rates specified in Schedule-1, irrespective of whether the lease permits the working of one or more minerals in the same area:

Provided that the lessee shall be liable to pay the dead rent or royalty in respect of each minor mineral whichever be higher in amount but not both.

- (e) The lessee shall also pay, for the surface area over which he holds the quarrying lease, surface rent, as may be determined by the Deputy Commissioner concerned under these rules, water rate and cesses assessable on the land by the Competent Officer from time to time.
- (f) The lessee shall at his own expenses erect and at all times maintain and keep in good repair boundary marks and pillars necessary to indicate the demarcation shown in the plan annexed to the lease.
- (g) The lessee shall not carry on, or allow to be carried on, quarrying operations at any point within a distance of fifty metres from any reservoir, canal or other public works, or buildings, except under and in accordance with the previous permission of the State Government.
- (h) The lessee shall keep accurate and faithful accounts showing the quantity and other particulars of all minor minerals obtained and despatched from the quarry, the number of persons employed therein, and complete plans of the quarry, and shall allow any officer authorised by the Director or the Competent Officer in this behalf to examine at any time any accounts, plans and records maintained by him and shall furnish them with such information and returns as they may require.
- (i) The lessee shall keep accurate records of all trenches, pits and drillings made by him in the course of quarrying operations carried on by him under the lease, and shall allow any officer authorised by the State Government or the Director or the Central Government to inspect the same. Such records shall contain the following particulars, namely-
- (a) the subsoil and strata through which such trenches, pits or drilling pass;
 - (b) any mineral encountered;
 - (c) such other particulars as the State Government or the Director or the Competent Officer may from time to time require;
- (j) The lessee shall strengthen and support, to the satisfaction of the State Government or the Director any part of the quarry which in its or his opinion requires such strengthening or support for the safety of any reservoir, canal, road or any other public works or buildings.
- (k) The lessee shall allow any officer authorised by the State Government or the Director or the Competent Officer or the Central Government to enter upon any building, excavation or land comprised in the lease for the purposes of inspecting the same.
- (l) The State Government or the Director shall at all time have the right of pre-emption of the minor minerals won from land in respect of which the lease has been granted:

Provided that the fair market price prevailing at the time of pre-emption shall be paid to the lessee all such minor minerals.

- (m) As soon as the workings in the quarry extend below superjacent ground, or the depth of any open cast excavation measured from its highest to the lowest point reaches six metres, or the number of persons employed on any day is more than 50, or any explosives are used, whereby attracting the provisions of the Mines Act, 1952 and rules made thereunder, the lessee shall give a notice in Form-Q, under intimation also to the Director, to-
- (i) The Chief Inspector of Mines, Government of India, Dhanbad;
 - (ii) The Controller General, Indian Bureau of Mines, Government of India, Nagpur;
 - (iii) The Deputy Commissioner of the District in which the quarry is situated;

- (n) The lessee shall store properly the un-utilised or non-saleable sub-grade ores or minor mineral for future beneficiation.
 - (o) The lessee shall pay to the occupier of the surface of the land such compensation as may become payable under these rules.
 - (p) The lessee shall observe the provisions of any of the Central Acts and Rules framed thereunder whichever may, for the time being, be applicable in this respect.
 - (q) The lessee shall-
 - (i) submit by the tenth day of every month, to the Director, a return in Form-S giving the total quantity of minor minerals raised in the preceding calendar month;
 - (ii) furnish by the 15th April of every year to the Director, a statement in Form-T giving information regarding quantity and value of minor minerals obtained during the last financial year, an average number of labourers employed (men and women separately), number of accident, compensation paid and number of days worked separately;
 - (r) The lessee shall transport the minor mineral from the quarry-hold only on permits issued by Director or the Competent Officer on the basis of pre-paid royalty.
 - (s) The lessee shall comply with any such further condition or conditions as may be prescribed or imposed by the State Government or the Director as it or he think fit in the interest of mineral development and other considerations, irrespective of the quarrying lease not specifying such condition or conditions.
- (2) The Director may, with concurrence of Forest Department, impose such other conditions as he deems necessary in regard to the following, namely-
- (a) The compensation for damage to the lands covered by the lease;
 - (b) The felling of trees;
 - (c) The restriction of surface operations in any area prohibited by any authority;
 - (d) The notice by lessee for surface occupation;
 - (e) The provisions of proper weighing machines;
 - (f) The facilities to be given by the lessee for working other minerals in the leased area or adjacent area;
 - (g) The entering and working in a reserved or protected forest;
 - (h) The reporting of accidents;
 - (i) The securing of pits/shafts;
 - (j) The indemnity to Government against claims of third party;
 - (k) The delivery of possession of lands and quarry on the surrender, expiration or determination of the lease;
 - (l) The forfeiture of property left after determination of the lease;
 - (m) The power to take possession of plan, machinery, premises and quarry in the event of war or emergency.
- (3) The Director, if he is of the opinion that in the interest of mineral development it is necessary so to do, may, in any case with the previous approval of the Government, impose such further condition as he thinks fit.
- (4) Quarrying shall be as per approved mining plan incorporating stretch wise safety limits/zones. The mining plan should clearly spell out, among others, the aspects of reclamation and rehabilitation of mined out areas and progressive mine closure plan.
- (5) For extraction of minor minerals from river beds, the following may be observed:

- (a) Quarrying shall be from the river bed after leaving one fourth of the river bed on each bank untouched as safety zones;
- (b) Quarrying should be restricted to unsaturated zone above water table. The lessee shall prepare a detailed Hydro-geological report for mining operations below water table.

(6) If the lessee makes default in the payment of rent/royalty as required under rule 45 or commits a breach of any of the conditions referred to in this rule or embodied in the quarrying lease Form-H the Director or the Competent Officer shall give notice to the lessee requiring him to pay the rent/royalty or remedy the breach, as the case may be, within thirty days from the date of the receipt of the notice and if the rent/royalty is not paid or the breach is not remedied within such period, the Director or the Competent Officer may, without prejudice to any other proceedings that may be taken against the lessee, determine the lease and forfeit the whole or part of the security deposit.

40. Creation of Separate Corpus/ Financial Assurance for reclamation/ rehabilitation of mines of minor minerals:

- (1) Every lease holder shall furnish a financial assurance of Rupees fifteen thousand per hectare of lease area; the minimum amount being Rupees fifty thousand:

Provided that a lease holder shall be required to enhance the amount of financial assurance with the increase in the area of mining and allied activities:

Provided further that where a lease holder undertakes reclamation and rehabilitation measures as part of the progressive closure of mine, the amount so spent shall be reckoned as sum of the financial assurance/corpus already spent by the lease holder and the amount of financial assurance/corpus, to be furnished by the lessee, shall be reduced to that extent.

- (2) The lessee shall submit the financial assurance to the officer authorized by the State Government in this behalf, as the case may be, before the executing the mining lease deed. In case of an existing mining lease, the lessee shall submit the financial assurance along with the progressive mine closure plan.

41. Restriction on determination of lease:-

- (1) The lessee shall not determine the lease except after notice in writing of not less than twelve calendar months to the Director:

Provided that where a lessee applies for the surrender of the whole or a part of lease-hold area the Director shall permit the lessee, from the date of receipt of the application, to surrender that area if the following conditions are satisfied, namely-

- (a) the lessee has paid all the dues payable to the Government under the lease up to the date of application;
- (b) the lease-hold area to be surrendered has been properly surveyed and is contiguous;
- (2) Every application for the surrender of a part of lease-hold area in accordance with the provisions of sub-rule (1), shall be accompanied by a non-refundable deposit of Rs.500/- for meeting the expenditure for the purpose of survey and demarcation of the area to be surrendered:

Provided that the lessee shall deposit such further amount, not exceeding Rs.500/-, as may be demanded by the Director for meeting any additional expenditure for the said purpose within one month from the date of demand of such deposit.

42. Rights of lessee:-

Subject to the conditions mentioned in rule 39, the lessee with respect to the land leased to him shall have the right for the purpose of quarrying operations on that land-

- (a) to work the quarries;
- (b) to sink pits and shafts and construct buildings and roads;
- (c) to erect plant and machinery;
- (d) to quarry and obtain building and road materials and make bricks;
- (e) to use water;
- (f) to use land for stacking purposes;
- (g) to do any other thing specified in the lease.

43. Lease to be executed within six months:-

(1) Where, on an application for the grant of a quarrying lease, an order has been made for the grant of such lease, a lease deed in Form-H or in a form as near thereto as may be modified by the Director as circumstances of each case may require, shall be executed within six months of the order or within such further period as the Director may allow in this behalf, and if no such lease deed is executed within the said period due to any default on the part of the applicant, the Director may revoke the order granting the lease and in that event the application fee shall be forfeited to the State Government.

(2) The date of the commencement of the period for which a quarrying lease is granted shall be the date on which the deed is executed under sub-rule (1).

44. Transfer of lease:-

(1) The lessee shall not, without the previous consent in writing of the Director-

- (a) assign, sublet, mortgage, or in any other manner, transfer the quarrying lease, or any right, title or interest therein, or
- (b) enter into or make any arrangement, contract or understanding whereby the lessee will or may be directly or indirectly financed to a substantial extent by, or under which the lessee's operations or undertakings will or may be substantially controlled by any person or body of persons other than the lessee:

Provided that the Director shall not give his written consent unless-

- (a) the lessee has furnished an affidavit along with his application for transfer of the quarrying lease specifying therein the amount that he has already taken or proposes to take as considerations from the transferee;
- (b) the transfer of the quarrying lease is to be made to a person or body directly undertaking quarrying operations.

(2) An application for transfer of quarrying lease shall be disposed of by the State Government within twelve months from the date of its receipt and, if it is not disposed of within that period, it shall be deemed to have been refused.

(3) Without prejudice to the provision of sub-rule (1) the lessee may, transfer his lease or any right, title or interest therein to a person who has filed an affidavit stating that he has filed an up-to-date income tax returns, paid the income tax assessed on him and paid the income tax on the basis of self-assessment as provided in the Income Tax Act, 1961 (43 of 1961), on payment of a fee of Rs.500/- to the Director:

Provided that the lessee shall make available to the transferee the original or certified copies of all plans of abandoned workings in the area and in a belt 65 metres wide surrounding it;

Provided further that the lessee shall not charge or accept from the transferee any premium in addition to the sum spent by him, in obtaining the lease, and for conducting all or any of the operations referred to in rule 41 in or over the land leased to him.

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

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

45. **Transfer of lease to be executed within three months:-**

Where on an application for transfer of quarrying lease under rule 43, the Director has given consent for transfer of such lease, a transfer lease deed in Form-1 or in a form as near thereto as may be modified by the Director, shall be executed within three months of the date of the consent, or within such further period as the Director may allow in this behalf.

46. **Payment and fixation of rent, royalty and compensation:-**

(1) The lessee shall pay to the State Government, dead rent at the rates specified in Schedule-I, irrespective of whether the lease permits the working of one or more minor minerals in the same area, or royalty at the rates specified in Schedule-II in respect of each of the minor minerals as the lease permits to work in the same area:

Provided that only either of the dead rent or the royalty, whichever be higher in amount, but not both, shall be paid.

(2) The lessee shall pay to the occupier of the land, through the Deputy Commissioner or his authorised officer of the district concerned, such surface rent and compensation at the rates or amounts as shall be determined under rules 8 and 9 by the Deputy Commissioner concerned in this respect:

Provided that the Deputy Commissioner shall confirm in writing to the Director and the lessee the receipt of the surface rent and compensation within six days of such receipt.

(3) Whoever removes or uses minor minerals or on whose behalf such removal or use is made otherwise than in accordance with the provisions of these rules, shall be liable to pay royalty specified for the minor minerals in Schedule-II without prejudice to other action being taken against him under these rules.

(4) The State Government may, by notification in the Official Gazette, amend the first and second Schedules so as to enhance or reduce the rate at which rents/royalties shall be payable in respect of any minor mineral with effect from the date of publication of the notification in the Official Gazette:

Provided that the State Government shall not enhance the rate of royalty or dead rent in respect of any minor mineral for more than once during any period of three years.

47. **Pending application for quarrying lease:-**

An application for the grant of renewal of the quarrying lease pending at the commencement of these rules shall be disposed of in accordance with the provisions of these rules.

48. **Pending applications for transfer:-**

An application for the transfer of a quarrying lease pending at the commencement of these rules shall be disposed of in accordance with these rules.

49. Registers:-

- (1) A register of applications for quarrying leases shall be maintained by the Director in Form-L.
- (2) A register of quarrying leases shall be maintained by the Director in Form-M
- (3) The registers maintained by the Director under sub-rule(1) and (2) shall be opened to inspection by any person, on payment of a fee of Rs.50/- only for each register for each day of inspection.

CHAPTER - V**GRANT OF QUARRYING PERMIT**

50. Grant of quarrying permit:- Except where otherwise permitted in these rules, the Director may, on an application made to him, grant a quarrying permit in Form-O to a person in any specified land not exceeding one hectare in area not leased to any person to extract and remove any minor mineral not exceeding 5,000 tones in quantity under one permit within a period not exceeding one year, on payment of royalty at the rates specified in Schedule-II and of such surface rent as may be assessable on the land under these rules. Before granting such a permit, the Director shall satisfy himself that the requirement of the permit is genuine and that it does not obviate the necessity of obtaining a quarrying lease in the area in respect of which the permit for extraction of the minor mineral has been applied for :

Provided that the Director may reduce the quantity and/or area applied for or refuse to grant such permits for reasons to be recorded and communicated to the applicant in writing

51. Application for quarrying permit:-

- (1) An application for the grant of a quarrying permit shall be made to the Director in Form-N through such officer or authority as he may specify in this behalf.
- (2) Every application for a quarrying permit shall be accompanied by -
 - (a) a non-refundable fee of Rs.500/-;
 - (b) a valid clearance certificate in Form-E of payment of quarrying dues such as, royalty or dead rent and surface rent payable under these rules, from the Director or the Competent Officer;
 - (c) an affidavit stating that the applicant has -
 - (i) filed up-to date income tax returns;
 - (ii) paid the income tax assessed on him; and
 - (iii) paid the income tax on the basis of self-assessment as provided in the Income-Tax Act,1961;
 - (d) an affidavit showing particulars of area mineral-wise in the state, which the applicant or any person jointly with him -
 - (i) already holds under a quarrying concession;
 - (ii) has already applied for but not granted;

(iii) being applied for simultaneously;

- (e) a certified true copy, certified by an officer not below the rank of a Sub-Deputy Collector, of the relevant extracts from the record of rights, or as the case may be, where such records are not available with or maintained by the Government, of a certificate issued by the Deputy Commissioner of the district concerned, to establish the ownership rights in respect of the surface of the land from which the minor mineral is proposed to be extracted and removed;
- (f) a map, or where the land is unsurveyed, a plan drawn to scale, of the area from which the minor mineral is to be extracted ;
- (g) a consent letter from the occupier of the surface land, where the land is not own by the Government or the applicant, to the effect that he has no objection to the extraction and removal of the minor mineral.

(3) The application fee, royalty and rent shall not be refunded if the occupier of the surface land refuses permission to the holder of a quarrying permit to work in the area after issue of such a permit.

52. Acknowledgement of application:-

- (1) The receipt of an application for a quarrying permit shall be acknowledged in Form-F within three days of the receipt of the application.
- (2) The officer receiving such application shall enter on it the date on which and the hour at which the application has been received by him.

53. Conditions on which quarrying permit shall be granted:-

- (1) Every quarrying permit granted under rule 50 shall contain a condition that the depth of the pit below the surface shall not ordinarily exceed three metres and that for digging pits beyond three metres the permit holder shall obtain the permission of the Director.
- (2) Any quarrying permit granted under rule 50 may contain such other conditions as the Director may deem necessary in regard in the following matters, namely-
 - (a) time limit, mode and place of payment of rents and royalties ;
 - (b) compensation for damage to the land covered by the permit;
 - (c) felling of trees in consultation with the Forests Department in case of forest areas and in consultation with the concerned Deputy Commissioner in other areas;
 - (d) restriction on surface operations in any area prohibited by any authority ;
 - (e) reporting of accidents;
 - (f) indemnity to the Government against claims of third parties ;
 - (g) period within which the minor mineral shall be extracted and removed and delivery of possession over lands on the expiry of such period or on the removal of the quantity of the minor mineral for which the permit is valid ;
 - (h) furnishing of a return in Form-S giving the total quantity of minor minerals quarried and removed from the area ;
 - (i) permission and co-operation to the Government officers concerned to inspect the area at any time ;
 - (j) proper maintenance and clearance of the road where the quarries are located on the road-side:

(k) responsibility to safeguard the water pipe, electric poles and wiring and other public property on the area covered under the permit and in vicinity of the same; and

(1) forfeiture of property left after cancellation of the permit

(3) In case of breach of any of the conditions subject to which the permit is granted, the Director may cancel the permit issued by him. On cancellation of the permit the quarried materials lying on the land from which they are extracted shall become the absolute property of the Government and may be sold by public auction by the Director.

54. **Pending application for quarrying permit:-** An application for the grant of the quarrying permit pending at the commencement of these rules shall be disposed of in accordance with the provisions of these rules.

CHAPTER - VI

GRANT OF QUARRYING CONTRACT

55. **Grant of quarrying contract:-**

(1) The Director may, with previous approval of the State Government, grant a quarrying contract, either by public auction or tender, to a person in a specified land not exceeding five hectares in area not leased to any person for a maximum period of three years but not less than one year, after which no extension shall be granted.

(2) The amount of the bid or tender to be paid annually by the contractor to the Government shall be equally proportionate to the period of auction or tender and shall be paid in equal quarterly installment in advance on the due dates prescribed in the agreement referred to in sub-rule (2) of rule 57.

(3) No bid or tender shall be treated as accepted unless confirmed by the Government.

56. **Power of the Presiding Officer: -** The Presiding Officer may reject or provisionally accept any bid or tender without assigning any reason to the bidder or tenderer.

57. **Procedure for auction or tender:-**

(1) A notice inviting offers from intending bidders, or as the case may be, tenderers, shall be notified at least thirty days before the last date of receiving the offers. Such a notice shall be published in at least three newspapers and displayed on the notice-board of the Director, a copy of which being sent to the Deputy Commissioner of the district in which the land in question is situated for wide publicity in the area. Such a notice shall contain the following information-

- (a) amount and manner of payment of earnest money; as may be prescribed by the Director; and
- (b) brief description specifying the minor mineral, area and period of contract.

(2) The Director shall, with the previous approval of the Government, make a contract document containing, among others, the terms and conditions, the earnest money to be deposited, forms of agreement, and other related matters of the contract. The document shall be sold to the intending bidder, or as the case may be, tenderer on application with payment of one thousand rupees per document.

(3) The participation of an intending bidder in the auction, or as the case may be, the validity of a tender shall be subject to the compliance of all instructions, including deposit of earnest money, as shall be prescribed by the Director or in the contract document in this respect.

(4) On completion of the auction the result shall be announced provisionally on the same day of the auction, or as the case may be, after opening the tender the result shall be provisionally announced within three days of such opening. The earnest money shall be refunded to all excepting the person whose bid or tender is provisionally selected within six days of such announcement.

(5) The successful bidder or tenderer shall, within the time prescribed in the contract document, deposit 25 percent of the amount of the bid or tender for one year as security for due observance of the terms and conditions of the contract. The earnest money of the successful bidder or tenderer shall be adjusted against such security.

(6) Misbehavior of any bidder or tenderer during the course of auction or opening tenders, can be punished by forfeiting his earnest money or rejecting his bid or tender, if necessary, debarring him for a period of three years from bid or tender in future under these rules, at the discretion of the Director.

58. Contract to be executed within three months:- When a bid is confirmed or a tender is accepted, the bidder or tenderer shall execute a deed in model Form-P. The execution of the deed shall be made within three months from the date of communication of acceptance of bid or tender to the bidder or tenderer and if no such contract is executed within the aforesaid period, the order accepting the bid or tender shall be deemed to have been revoked and the amount paid under rule 57 shall be forfeited to the Government:

Provided that where the Director is satisfied that the bidder or tenderer is not responsible for the delay in the execution of the contract, the Director may permit the execution of the contract within a reasonable time after the expiry of the aforesaid period of three months.

59. No royalty, rents, or compensation shall be charged explicitly: Notwithstanding anything contained in these rules, the contractor shall not be liable to pay any royalty, deed rent, surface rent, or compensation for damage to the land in respect of a quarrying contract, if such payments are charged explicitly.

CHAPTER - VII

MISCELLANEOUS

60. **Power to rectify apparent mistakes:-** Any clerical or arithmetical mistake in any order passed by the Government or any other authority or officer under these rules and any error arising therein from accidental slip or omission may, within two years from the date of the order, be corrected by the Government, authority or officer as the case may be:

Provided that no order prejudicial to any person shall be passed unless he has been given a reasonable opportunity for stating his case.

61. **Register to be maintained by lessee or permit holder or contractor:-** Every holder of quarrying lease or permit or contract under these rules shall maintain Register in Form-R in which his day-to-day transactions shall be entered, and the same shall be opened to inspection at any time by any officer authorised by the Director or the Competent Officer.

62. **Application of these rules to quarrying concessions granted earlier:-** These rules shall also apply to the quarrying leases, permits or contracts granted, as the case may be, renewed but subsisting on or before the commencement of these rules, as they apply in relation to quarrying leases or permits or contracts, granted or renewed after such commencement.

63. **Relaxation of rules in special cases:-** In any case in which the Government is of the opinion that public interest so requires, it may grant or authorise to grant a quarrying lease or a quarrying permit on terms and conditions other than those prescribed in these rules.

64. **Acquisition of land of third parties:-** Notwithstanding anything contained in these rules, where the occupier or owner of a land refuses his consent to the exercise of the right and powers, reserved to the Government and demised to the holder of quarrying lease or permit, the lessee or permit holder shall, with information to the Director, report to the Deputy Commissioner of the district concerned and shall deposit with the Deputy Commissioner the amount offered as compensation and if the Government is satisfied that the amount of compensation is fair and reasonable, or if it is not so satisfied and the lessee shall have deposited with the Deputy Commissioner such further amount as the Government shall consider fair and reasonable, the Deputy Commissioner shall order and ensure the occupier to allow the lessee or permit holder to enter the land and to carry out such operations as may be necessary for the purpose of this lease or permit, in accordance with the provisions of the Land Acquisition Act.

65. **Recovery of Government dues as areas of land revenue:-** Any rent, royalty, fee, contract money or other sum due to the Government under these rules or under the terms and condition of any quarrying lease or permit or contract may, on a certificate in Form-U of the Competent Officer as may be recovered in the same manner as an arrear of land revenue.

66. **Compliance of Central Acts and Rules:-** The holder of a prospecting licence or a quarrying concession under these rules shall observe any such provisions of the Central Acts and Rules framed thereunder as may be applicable thereto for the time being.

67. **Penalty for filing wrong returns or maintaining incorrect accounts:-** If any lessee or permit holder files wrong returns or maintains incorrect accounts, he shall be liable to a penalty of a sum up to four times the annual dead rent and shall also be liable to have his quarrying lease terminated or quarrying permit cancelled, provided that before final orders are passed by the Director, he shall be given a reasonable opportunity of showing cause against the same.

68. Penalty for unauthorised extraction and removal of minor minerals:-

(1) Whoever is found to be extracting, removing, or using minor minerals or on whose behalf such extraction or removal or use is being made otherwise than in accordance with the provisions of these rules, shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to five thousand rupees, or with both, and in the case of continuing contravention, with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention.

(2) Whenever any person is found extracting or removing or transporting minor minerals in contravention of the provisions of these rules, the Competent Officer may seize the minor minerals together with all tools and equipment used in committing such offence.

(3) The Competent Officer who has seized the minor minerals or the tools and equipment under sub-rule(2), may refuse the same on the execution by the claimant thereof of a bond for the production of the property so released, if and when so required before the Court having jurisdiction to try the offense on account of which the seizure has been made.

(4) Where any person trespasses into any land in contravention of the provisions of these rules, such trespasser may be served with an order of eviction by the Competent Officer and the Competent Officer may, if necessary, obtain the help of the police to evict the trespasser from the land.

69. Offence cognizable upon written complaints :- No Court inferior to that of a Magistrate of the First Class shall try any offence punishable under these rules and no Court shall take cognizance of any offence under these rules, except upon a complaint made in writing by the Competent Officer or any other officer empowered by the Government.

70. Compounding of offence:- The Competent Officer may, with the approval of the Director, compound a case instituted against any person.

71. How the fees and deposit to be made:- Any amount payable under these rules shall be paid in such manner as the Director may specify in this behalf.

72. Delegation of powers:- The State Government may, by notification in the Official Gazette, direct that any power exercisable by it or the Director or the Competent Officer under these rules, may in relation to such matters and subject to such conditions, if any, as may be specified in the notification, be exercisable also by such officer or authority subordinate to it or the Director or the Competent Officer as may be specified in the notification.

73. Power to remove difficulties:- If any difficulty arises in giving effect to any provision of these rules, the Government may, as occasion requires, take any action not inconsistent with the provisions of these rules which may appear to it necessary for the purpose of removing the difficulty.

74. Facilities for training of students:-

(1) Every owner, agent or manager of a quarry under these rules shall permit students of mining and geological institutions approved by the State or Central Government to acquire practical training of the quarry and plants operated by them and provide all necessary facilities required for the training of such students.

(2) Applications for training from students of institutions teaching mining or geology should be forwarded to the owner, agent or manager of a quarry by the Principal or Head of the Institution. Cases of refusal to provide facilities for practical training by any owner, agent or manager of a quarry should be referred to the Director.

CHAPTER-VIII

APPEAL AND REVISION

75. Appeal:-

(1) (a) Any person aggrieved by an order passed by the Director, or as the case may be, the Competent Officer in exercise of the powers conferred on him by these rules, may within two months of the date of such orders, apply to the State Government in triplicate in Form-V for revision of the order:

Provided that where the functions of the Director or the Competent Officer have been delegated to any other officer subordinate to him under rule 72 any person aggrieved by an order of any such officer under these rules may appeal to the Director;

Provided also that any such application may be entertained after the said period of two months, if the applicant satisfies the Government, or as the case may be, the Director that he had sufficient cause for not making the application within the specified time.

(b) Where the Director is the appellate authority, any person aggrieved by an order of the former as the Appellate Authority may, within one month from the date of communication of such order to him, prefer a second appeal in Form-V to the Government as the Final Appellate Authority.

(c) A non-refundable fee of Rs.200/- shall be paid in respect of each appeal. Every memorandum of appeal under Cl. (a) or (b) shall be accompanied by a treasury receipt showing that the appeal fee has been paid to the credit of the Government under the head of accounts as shall be specified by the Director in this behalf. No memorandum of appeal without such fee shall be entertained.

(2) In every memorandum of appeal under sub-rule(1) the authority against whose orders the appeal is preferred shall be impleaded as a party.

(3) Along with the memorandum of appeal under sub-rule(1) the appellant shall submit as many copies thereof as there are parties impleaded under sub-rule(2).

(4) On receipt of the memorandum of appeal and the copies thereof the Director or the Government, as the case may be, shall send a copy of the memorandum of appeal to each of the parties impleaded under sub-rule(2) specifying a date on or before which he may make his representative, if any, against the appeal.

76. **Order on appeal:** - Where an appeal is made under Cl. (a) or Cl.(b) of sub-rule (1) of rule 74, the Director or the Government, as the case may be, may confirm, modify, or set aside the order or pass such other order in relation thereto as he or it may deem just and proper. The order passed by the Government shall be final and binding on the parties.

77. **Opportunity for being heard:** No order under rule 75 shall be passed against any person interested, unless he has been given a reasonable opportunity of being heard.

78. **Stay orders:** Pending the final disposal of an application for revision, the Director, or as the case may be, the State Government may, for sufficient cause, stay the execution of the order against which any revision application has been made.