

Andhra Pradesh Minor Mineral Concession Rules, 1966

CONTENTS

1. Short title
2. Commencement and Application
3. Repeal
4. Definitions
5. Quarrying to be under lease or permit
6. Non-Government Lands
7. Preparation of plans and demarcation of the leased area
8. Form of lease deed
9. Authority to grant quarry lease or permit
 - 9A. Reservation of areas for exploitation in the public sector, etc
 - 9B. Notification of the Sand Bearing areas, constitution of the District Level Committee and its power
 - 9C. Special Concession to Boatsmen Co-operative Societies
 - 9D. Notice of Sealed Tender-cum-Auction
 - 9E. Submission of Sealed Tender and accepting the Bid
 - 9F. Refund of Earnest Money Deposit
 - 9G. The Hall ticket issuing authority may reject the application of any one who
 - 9H. Rules 9H
 - 9I. Deposit of the lease amount and execution of lease agreement
 - 9J. Maintenance of Registers
 - 9K. Powers of the State Government
 - 9L. Penal Clause
 - 9M. Temporary Permits
 - 9N. Use of authorized Ramps
 - 9O. Legal Heir
 - 9P. Payment of Second year lease amounts
 - 9Q. Rules 9Q
 - 9R. Rules 9R
 - 9S. Rules 9S
 - 9T. Rules 9T
 - 9U. Sand exempted from payment of Seigniorage Fee
 - 9V. Rules 9V
 - 9W. Rules 9W
 - 9X. Persons authorized to check unauthorized transportation of the sand
 - 9Y. Rules 9Y
 - 9Z. Rules 9Z
10. Seigniorage fee or dead rent
 - 10A. Sectors to be made by the Joint Director for grant of Collection of seigniorage fee in respect of specified Minor Minerals

by Sealed-Tender-cum-Public Auction

10B. Notice of Sealed Tender-cum-Public Auction and Mode of disposal of the Sector

10C. Submission of Sealed Tenders and accepting the Bid

10D. Confirming Authority

10E. Deposit of knocked down amount

10F. Power of the Director to cancel the Auction

10G. Liberties of the Tenderer/Bidder

10H. Termination of agreement

10I. Rules 10I

10J. Rules 10J

10K. Rules 10K

10L. Rules 10L

10M. Rules 10M

10N. Rules 10N

11. Power of the Government and the Director

12. Grant of lease

13. Disposal of applications

14. Security Deposits

15. Period of Lease

16. Restriction on determination of lease

17. Lapsing of leases

18. Default in payment of bid amount

19. Rules 19

20. Rights under a Lease

21. Removal of Sand from Port limits

22. Availability of the areas for grant to be notified

23. Removal of sand etc., from lands and tanks in-charge of the Government Department

24. Removal of minor minerals from sources vested in Zilla Parishads, Municipalities, Panchayat Samithis & Gram Panchayats

25. Quarrying or removal of sand in certain river beds

26. Penalty for unauthorised quarrying

27. Registered holder or any lessee held responsible for proper working of the quarry

28. Discovery of new mineral, fencing, accounting, etc

29. Recovery of arrears

30. Report to Chief Inspector of Mines

31. Conditions of permit or lease

32. Special conditions in the lease

33. Head of Account to which amount should be remitted

34. Despatch permit

35. Appeal

35A. Revision

35B. Fees

35C. Application for appeal/revision

36. Particulars of quarry leases

37. Saving

Andhra Pradesh Minor Mineral Concession Rules, 1966

In exercise of the powers conferred by sub-section (1) of Section 15 of the Mines and Minerals (Regulation and Development) Act, 1957 (Act No. 67 of 1957), the Governor of Andhra Pradesh hereby makes the following rules regulating the grant of mining leases in respect of minor minerals in the State of Andhra Pradesh and for purposes connected therewith, namely:-

1. Short title :-

These rules may be called the Andhra Pradesh Minor Mineral Concession Rules, 1966.

2. Commencement and Application :-

(1) They shall come into force on the date of publication of these rules in the Andhra Pradesh Gazette.

(2) They extend to the entire State of Andhra Pradesh.

3. Repeal :-

On the commencement of these rules, the rules in the Mining Manual which regulate the grant of mineral concessions in respect of minor minerals and the rules regulating the working of Minor Minerals, 1954, made by the erstwhile Government of Hyderabad and published at pages 60-73 of Part I-C rules of the Hyderabad Government Gazette, dated 25th February, 1954, shall stand repealed except as regards things done or omitted to be done before such commencement.

4. Definitions :-

In these rules, unless the context otherwise requires:-

(a) "Assistant Director" means the Assistant Director of Mines and Geology in-charge of the district ;

(b) (i) "Deputy Director" means the Deputy Director of Mines and Geology incharge of the region ;

¹[(ii) "Joint Director" means the Joint Director of Mines and Geology.]

²[(iii) "District Panchayat Officer" means the District Panchayat Officer is incharge of the District.]

(c) Director means the Director of Mines and Geology, Andhra Pradesh.

(d) Form means a form appended to these rules ;

(e) Notification means a notification published in the Andhra Pradesh Gazette ;

(f) Ordinary sand or clay means:-

(i) the ordinary sand used for building or other similar purposes, but not used for industrial purposes, such as refractory, ceramic, glass staring and metallurgical industries ; and

(ii) the ordinary clay used for small scale manufacture of bricks, tiles, pots and the like but not used for large scale manufacturing purposes, such as, for the manufacture of ceramics or cement.

1. Inserted by G.O.Ms.No. 238, I & C., dt.9-7-1992, Pub. in A.P. Gaz. No. 33, dt. 15-7-1992, Rules Suppl. to Part-I. Ext.

2. Ins. by G.O.Ms.No.1, Ind. & Com. (MI) Dept., dated 1.1.2001.

5. Quarrying to be under lease or permit :-

No person shall undertake quarrying of any minor mineral in any area, except under and in accordance with the terms and conditions of a quarry lease or a permit granted under these rules :

Provided that the Government shall have power to grant exemption from obtaining a lease or permit for quarrying any minor mineral in any area in the case of any category of persons, subject to such conditions as may be specified in the order granting such exemption.

6. Non-Government Lands :-

The Government may, on application from any person possessing sub-soil rights, grant a share in the quarrying fees.

7. Preparation of plans and demarcation of the leased area :-

When a quarry lease is granted over any area, arrangement shall be made by the Assistant Director at the expense of the lessees for the preparation of a plan and the demarcation of the area granted under the lease, after collecting a fee calculated according to the rates specified below : ¹[Rates of Survey Charges For ²[granite and marble]]:- For other Minor Minerals: Rs. 2500/-- Rs. 500/- per application Per application.]

1. Subs. by G.O.Ms.No. 227, I & C (M. I) Dept., dt. 23-3-2000.

2. Subs. for "granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-

2003.

8. Form of lease deed :-

³[The license deed shall be executed in Form "O" and the lease deed shall be executed in Form "G".]

3. Subs. by G.O.Ms.No. 227, I & C (M. I) Dept., dt. 23-3-2000.

9. Authority to grant quarry lease or permit :-

¹[(i) Every application for grant or renewal of quarry lease for any minor mineral

²[except sand, granite and marble] in respect of a land shall be made in Form B to the Assistant Director Mines and Geology in whose Jurisdiction the land lies.]

(ii) No quarry lease shall be granted in respect of areas covering any tank or river bed, irrigation or drainage channel and of lands under the control of the Public Works Department, a municipality, or a local authority except after consultation with the Executive Engineer of the Division or the River Conservator, or the Commissioner of the Municipality or the Block Development Officer of the Panchayat Samithi or the concerned Executive Officer appointed under Section 30 of the Andhra Pradesh Gram Panchayats Act, 1964, as the case may be.

³[(iii) In respect of minor minerals except ⁴ [x x x] those mentioned in sub-rule (5) of Rule 12 which are worked to meet the immediate or timely requirements, the Assistant Director may permit to carry on quarrying operations on payment of seigniorage fee in advance.]

(iv) Permit granted under sub-rule (iii) shall in no case be for more than ⁵[sixty days]

⁶[x x x]

⁷[Provided that] the applications for grant of a lease or a permit in respect of a reserve forest land shall be disposed of after consultation with the Divisional or the District Forest officer concerned.

⁸[Provided further that on an application or by way of auction for grant of any minor mineral in the scheduled areas referred to it by the Assistant Director of Mines and Geology or the Officer nominated by the State Government, the Gram Sabha or the Gram

Panchayat shall communicate its recommendation, whereupon the application or by way of auction for grant of quarry lease for any minor mineral in such Scheduled Areas shall be processed in accordance with the provisions of Law.]

1. Subs. for "except sand and granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23.9.2003.
2. Subs. by G.O.Ms.No. 238, I & C., dt. 9-7-1992.
3. The words "sand and" omitted by G.O.Ms. No. 46, I & C, dt. 6-2-1996.
4. Subs. by G.O.Ms.No. 238, I & C., dt. 9-7-1992.
5. Ibid.
6. Clause V and proviso thereunder omitted by ibid.
7. Subs. for the words "Provided further that" by ibid.
8. Subs. by G.O.Ms.No. 212, I&C (M1) Dept., dt. 20-9-2004.

9A. Reservation of areas for exploitation in the public sector, etc :-

¹[9-A. Reservation of areas for exploitation in the public sector, etc.:-

(1) The State Government may, by notification in the Official Gazette, reserve any area for exploitation by the Government, a Corporation established by any Central, State or Provincial Act or a Government Company within the meaning of Section 617 of the Companies Act, 1956 (Central Act 1 of 1956).

(2) Availability of area for regrant to be notified:- No area which has been reserved by the Government under Rule 9-A (1) shall be available for grant of quarry lease unless the availability of the area for grant is notified in the Official Gazette specifying a date (being a date not earlier than thirty days from the date of the publication of such notification in the Official Gazette) from which such area shall be available for grant.

(3) Premature applications:- Applications for the grant of a quarry lease in respect of areas whose availability for grant is required to be notified under Rule 9-A (2) shall if,-

(a) No notification has been issued under that rule ; or

(b) Where any such notification has been issued the period specified in notification has not expired, shall be deemed to be

premature and shall not be entertained ; and the application fee thereon, if any paid, shall be refunded.]

1 . Added by G.O.Ms.No. 310, I & C., dt. 11-7-1984.

9B. Notification of the Sand Bearing areas, constitution of the District Level Committee and its power :-

¹[9-B: Notification of the Sand Bearing areas, constitution of the District Level Committee and its power:-

(1) All the sand bearing areas in the State shall be leased out by Sealed Tender cum Public Auction Reach or Mandal wise wherever applicable by the Auctioning Authority as specified under rule 9-H(1) financial year wise in any case not more than 2 years with an yearly enhancement of 20% of the knocked down amount and subject to the conditions prescribed in the notice of Sealed Tender cum Public Auction as prescribed in Rule 9-D and subject to approval of the District Level Committee as specified under sub-rule (5). However, with the approval of the District Level Committee duly recording its reasons in writing, a village or a group of villages can independently be auctioned by the Auctioning Authority.

(2) No Reach/Mandal partly or fully covered by scheduled areas shall be leased out to any person who is not a member of Scheduled Tribe. Provided that this sub-rule shall not apply to an undertaking owned or controlled by the State or Central Government or to a society registered or deemed to be registered under the Andhra Pradesh Co-operative Societies Act, 1964 which is composed solely of members of Scheduled Tribes.

(3) Any Person/Society claiming rights under this sub-rule shall produce certificate issued by the competent authority specified by the Government to the effect that the said Person/Member of the Society belongs to Scheduled Tribe Category.

Explanation:- For the purpose of this rule:-

(a) The expression "Schedule Tribes" shall have the same meaning assigned to it in Clause (25) of Article 366 of the Constitution of India; and

(b) The expression "Scheduled Areas" shall have the same meaning assigned to it in Paragraph 6 of the Fifth Schedule to the Constitution of India.

(4) The sale of sand shall be on the basis of auction cum tender system which denotes that offers of tenders shall be accepted while simultaneously holding auction with a view to maximizing revenues.

(5) The District Level Committee shall consists of the following Officers:- Joint Collector - Chairman
Dy. Director of Mines & Geology - Member
District Panchayat Officer - Member
Dy. Director, Ground Water Dept. - Member
Executive Engineer, Irrigation (Conservator of River concerned) - Member
Asst. Director of Mines & Geology (Concerned) - Member Convener

²[(6) The District Level Committee (DLC) shall be the competent authority to decide the following issues on the proposals received from the Assistant Director of Mines & Geology concerned, only after obtaining the necessary reports/clearances from the concerned Conservator of River/Executive Engineer, Irrigation Department and the Director of Ground Water Department that,--

(i) To identify the Reaches or Mandals to be leased out for conduct of auction.

(ii) To fix up minimum bid amount by taking the following points into consideration:

(a) availability of sand in terms of quantity.

(b) demand, supply, prevailing concessions for transportation of sand by Bullock carts, animals, sand consumed by weaker section housing schemes, and

(c) average knocked down bid amount for the last 3 years wherever particulars are available.

(iii) To separate the Reaches or Mandals if any, which fall within the Scheduled Areas cannot be offered to non-tribals.]

(iv) To club all or few of such remainng Reaches and Mandals, in a district and notify them as a single item for a district as whole as the District Level Committee deem fit.

1 . Added by G.O.Ms.No. 310, I & C., dt. 11-7-1984.

2. Rule 9B to 9Z Subs. for R.9B-9Y by G.O.Ms.No. 84 I&CMI dt. 10-4-2007. Prior to its substitution it read as in Annexure III at Pg. 1732.

9C. Special Concession to Boatsmen Co-operative Societies

:-

(1) The Reaches identified in Major Rivers where the sand is lifted and carried by means of boats, the Registered Boatsmen Co-operative Society registered under the Andhra Pradesh Co-operative Societies Act, 1964 shall be given preference by allowing

10% concession on the highest bid/Tendered amount offered in the Auction Hall. The Concessional knocked amount be paid by the successful Registered Boatsmen Co-operative Society in not more than four equal quarterly installments and each such installment shall be paid 15 days before commencement of each quarter. If there is more than one Boatsmen Cooperative Society participating in the Auction and claims for the same Reach, local registered Boatsmen Co-operative Society shall be given preference. However, if there is more than one local Registered Boatsmen Society participating in such auction and claims for the same Reach, the successful bidder/tenderer shall be decided by drawing lots. Where no local societies participate and if only non-local Societies participate and claim for the same Reach, the successful bidder/tenderer shall be declared by drawing lots among the said non-local registered Co-operative Societies. The Society claiming as local Society to any particular Reach shall submit a certificate from the Divisional Co-operative Officer to the effect that it is a local Society to a particular Reach. Such certificate shall be submitted at the time of filing application.

(2) In case of a Boatsmen Co-operative Society who can participate in the auction in respect of areas like River, water tanks, ponds and from where sand is to be lifted in Boats, such society shall submit genuinity certificate pertaining to the society from the concerned Divisional Cooperative Officer along with a Statement of Annual audited statement of accounts audited by the Co-operative Department of the preceding year or in its absence, the previous preceding year together with bye-laws of the society. These documents are to be submitted at the time of filing of application.

9D. Notice of Sealed Tender-cum-Auction :-

(1) When an area is to be leased out by Sealed Tender cum Auction for sand quarrying, the Assistant Director of Mines & Geology concerned shall issue a Notice in Form S 1 by publishing in the two State level Newspapers (out of which one shall be in leading Telugu dailies) not less than 15 days before the date of auction. The notification shall contain the date, time, venue for the conduct of auction and other details can be furnished in the bid document.

(2) The auction conducting authority, on the day of auction is authorized to postpone the said notified date of auction to any other date for recorded reasons duly announcing the postponement in the auction hall and in such case no fresh notification is

necessary and no fresh applications will be entertained.

(3) The venue of the auction due to any exigency may vary from the notified place in the notification and in such case the same shall be informed while issuing hall tickets.

9E. Submission of Sealed Tender and accepting the Bid :-

(i) Any person, who intends to obtain a lease for quarrying sand in a Reach or Mandal as notified under Rule 9-D shall submit Sealed Tender for the grant of the lease in the prescribed form so as to reach the Assistant Director of Mines & Geology concerned before the date and time as specified in the Notification.

(ii) Each bid document can be obtained by paying Rs. 1000/- in the form of Demand Draft drawn in favour of Assistant Director of Mines & Geology concerned. For each additional Reach/Mandal an amount of Rs. 500/- shall be paid in similar manner. The said amount shall be credited towards user charge head of account within 7 days.

(iii) Any person, who intends to participate in the public auction shall simultaneously submit the sealed tender for any Reach or Mandal separately in Form S-4 in a Sealed Cover superscribing:-

(a) Notification Number;

(b) Name of the Tenderer;

(c) The Reach/Mandal quoted.

(iv) Every such Sealed Tender shall be accompanied by an application in prescribed Form S2 along with the enclosure as required thereunder.

(v) The amounts offered by way of sealed tender shall not be less than the minimum bid amount. Even if the less amounts are mentioned in the sealed tender, it will be read as equivalent to minimum bid amount.

(vi) Soon after the receipt of the Sealed Tenders from the Tenderers, necessary entry should be made in the register by the Asst. Director of Mines & Geology concerned while issuing acknowledgement to the Tenderer. Such Sealed Tenders, so received shall be kept under the safe custody of Asst. Director of Mines & Geology. He has to ensure that all such Sealed Tenders and registers are kept safe under his personal custody duly observing all the possible safety measures.

(vii) Every tenderer shall be eligible to participate in the auction after obtaining Hall tickets From Assistant Director of Mines & Geology.

(viii) The tenderer shall present by himself or through his authorized agent in the auction hall at the time of opening of the sealed tender. There shall be open auction and the bidding from different tenderers / bidders shall continue till the highest bid has been arrived at. The Sealed Tenders shall be opened after the bidding is over for each Reach or Mandal.

The Auctioning Authority shall finalize the highest bid amount by taking the highest bid amount from open auction and sealed tenders whichever is higher.

(ix) 25% of the upset price should be fixed as Earnest Money Deposit in case of those participating in the auction. This amount shall be remitted through Demand Draft drawn in favour of Assistant Director of Mines & Geology concerned.

(x) The Earnest Money Deposit is ordinarily, for a Reach/Mandal for which he has applied for. However, he can opt for all Reaches/Mandals, simultaneously to participate, with the same Earnest Money Deposit. The applicability of Earnest Money Deposit for more than one Reach / Mandal as per the option of the applicant at the time of filing of applications is allowed. The moment he is the 1st or 2nd or 3rd bidder for a particular Reach/Mandal he ceases to participate for the next Reach/Mandal since the validity of the Earnest Money Deposit gets exhausted. In order to participate for more than one Reach/Mandal with one Earnest Money Deposit the applicant shall pay the highest Earnest Money Deposit amount as applicable to a Reach/Mandal. With low amount of Earnest Money Deposit, he will not be allowed to participate for the next Reach/Mandal for which the Earnest Money Deposit is more than what is paid by the applicant. One is entitled to Knock down one area only on one Earnest Money Deposit. Persons who intend to acquire rights for more than one Reach/Mandal shall pay separate Earnest Money Deposits for each area.

(xi) It shall be at the discretion of the Auctioning Authority to accept or reject the tender or bid for the reasons to be recorded.

(xii) A Tender once submitted shall not be withdrawn before the bid is concluded.

(xiii) The Assistant Director of Mines & Geology concerned shall announce the names of person or persons who had submitted Sealed Tender and the Hall Ticket holders before commencement of the bidding for all Reaches/Mandals.

(xiv) The proceedings for the disposal of Reach or Mandal for quarrying sand shall be concluded on tenders or bids as the case

may be by the Auctioning Authority. The tenders shall be opened only when it is ensured by the Auctioning Authority that there is no further bidding for the Reach or Mandal. The Auctioning Authority shall knock down the highest tender or bid provided he is satisfied with the same. In case the highest bid amount and one or more tendered amount remaining the same, of the Reach or Mandal shall be knocked down by drawing lots immediately.

(xv) The Auctioning authority concerned shall have the power to reject the highest tender or bid on substantial grounds to be recorded in writing at the time of auction and accept another next tender or bid.

9F. Refund of Earnest Money Deposit :-

(1) No person shall be admitted in the Auction Hall without the Hall Ticket issued by the Assistant Director of Mines & Geology concerned.

(2) The Earnest Money Deposit (EMD) of an unsuccessful bidders / tenderer except the first, second and third shall be refunded/returned by the Assistant Director of Mines & Geology concerned as early as possible i.e. within 15 days from the date of conducting the auctions.

(3) In respect of the second highest bidder, the Earnest Money Deposit will be refunded only after the completion of the agreement with the first bidder. Similarly, in case of the 3rd bidder, it will be refunded only after completion of the agreement with either first or second highest bidders as the case may be.

(4) The right of quarrying shall be strictly subject to the confirmation or otherwise by the competent authority who has the right to refuse to confirm the right of quarrying sand with the reasons recorded therein.

9G. The Hall ticket issuing authority may reject the application of any one who :-

(i) has been convicted for any offence committed under any law for the time being in force or any offence under the Mines and Minerals (Development and Regulation) Act, 1957; or Mines Act 1952 or any rules made thereunder

(ii) is having mineral revenue dues to the Government as on the date of filing of the application for issue of Hall tickets.

In order to absolve the responsibility of not having dues to the Government in respect of the leases held such applicants shall

produce no dues certificate from the competent authority of the Department. The applicants who do not possess any lease shall produce a notarized Affidavit instead of Mineral Revenue Dues Certificate.

9H. Rules 9H :-

(1) The following are the auctioning, confirming and appellate authority:

(2) The Auctioning authority shall have discretion to fix the minimum and maximum amounts of hike by the bidders in the Auction hall for each Reach.

(3) In case there is no hike of the bid for a particular Reach / Mandal both in the Public Auction and Sealed Tenders offered by all the participants:-

(i) The auction conducting authority may knock down the bid by drawing lots among the applicants in the Auction Hall. For all practical purposes, the bid knocked in favour of a bidder / tenderer in lots will be treated as highest bidder for that Reach / Mandal.

(ii) Similarly, 2nd and 3rd bidders will also be selected by way of lots and all the provisions are applicable to them as if they are 2nd and 3rd highest bidders to that area.

(4) The Auction Authority shall have the discretion to postpone the Auctions in case it is felt that more revenue will be realized if fresh auctions are conducted in all such cases where no hike takes place over and above minimum bid amount.

(5) In case, a single bid is received for any Reach/Mandal, the auction conducting authority at his discretion may knock down the bid in his favour. In such cases, he will be treated as highest bidder for the said Reach/Mandal.

(6) The concerned Assistant Director shall record the proceedings during auction in the proforma enclosed. Soon after the auctions are over on the same day the said proforma shall be made in triplicate and one shall be handed over in a sealed cover to the Auctioning authority and one shall be sent to the Director of Mines & Geology. On the next working day of the completion of the auctions, he shall circulate the file to the confirming authority for obtaining orders by a special messenger. The confirmation authority shall pass orders within a maximum period of 7 days from the date of receipt of the proposals from the Asst. Director of Mines and Geology concerned.

(1) Any appeal or revision as the case may be against the order passed under sub-rule (1) of Rule 9-H can file such appeal or revision application before the concerned in Form J-1 and the fee for such appeal or revision shall be made as per Rule 35-B of APMCMC Rules; 1966 within 15 days from the date of receipt of the order. The Appellant/Revision Authority can condone the period of delay on valid grounds.

9I. Deposit of the lease amount and execution of lease agreement :-

(1) When the tender/bid is knocked down by the competent authority, the successful tenderer or bidder shall remit to Zilla Parishad Head of Account a sum equivalent to 25% of the knocked down amount along with payment of prevailing Income Tax and submit the same to the Asst. Director of Mines & Geology within two working days. This shall be in addition to the Earnest Money Deposit amount paid for the said Reach / Mandal.

(2) The successful tenderer/bidder on receipt of the order of the confirmation shall remit the remaining 70% of the knocked down amount to the Zilla Parishad Head of Account and remaining 5% of the total knocked down amount to the State Head of Account as indicated in the order of confirmation and submit the challans to the concerned Asst. Director of Mines & Geology along with payment of prevailing Income Tax and a security deposit of 10% of the knocked down amount subject to the minimum of Rs. 1,00,000/- (Rupees One Lakh only) or equivalent to bid amount which ever is less through National Saving Certificate duly pledged in favour of Governor or Bank Guarantee issued from any Nationalized Banks and execute the lease deed with the Assistant Director of Mines & Geology concerned in Form G-I on stamped paper as per the Registration and Stamp Act within seven days from the date of confirmation order. The lease period shall commence with effect from the date of the execution of the lease deed.

(3) The successful Bidder is liable to pay any other Taxes payable to the Government as per Statutory Provisions of various Acts and Rules prevailing.

(4) If the successful tenderer or Bidder fails to pay either 25% of the knocked down amount within two working days or the remaining knocked down amount within the specified time as mentioned in the confirmation order, the amount so far paid by the

successful tenderer/bidder shall be forfeited to the Government by the confirmation authority.

(5) In the event, the first bidder did not turn up for further proceedings of execution of a Reach/Mandal by paying the remaining amount, the same Reach/Mandal will be offered to second highest tenderer/ bidder provided 25% of minimum bid deposited in the of EMD is retained with the Assistant Director of Mines & Geology concerned and such tenderer /bidder is willing to pay the highest knock down amount.

Such facility shall be extended to the 3rd bidder in the descending order if the 2nd highest bidder fails to comply with the payment of the highest knock down amount.

9J. Maintenance of Registers :-

The Assistant Director of Mines & Geology concerned shall maintain a register duly mentioning all the particulars of all the participants, who possess hall tickets and have submitted sealed tenders. The person whose tender or bid is knocked down shall sign and mention his name in block letters duly affixing his thumb impression in the register as per the prescribed proforma. At the end of the day of the auctions, the auction conducting authority shall announce that any one who is willing to sign at the end as a witness to the proceeding may sign in the register.

9K. Powers of the State Government :-

(1) The Government shall have the power to cancel the auction conducted and confirmation orders issued thereon by the competent authority duly recording its reasons thereof.

(2) The Government shall have the power to condone the delay in issue of confirmation orders, execution of lease deed, etc. for the valid reasons to be recorded.

(3) The Government shall have the power to issue orders/clarifications, if any, not specifically mentioned in implementation of these rules.

9L. Penal Clause :-

The successful tenderer or bidder shall have no claims for any compensation due to floods or heavy rains or any other situation and extension of the lease period shall not be granted under any circumstances.

9M. Temporary Permits :-

(1) On expiry of the existing leases for the balance period upto the end of March of the particular year the area will be auctioned or alternative arrangement will be made for issue of temporary permits for this limited period only by following the procedures mentioned in sub-rule (2).

(2) Due to any exigency and with the approval of the Government, the Director of Mines & Geology may order for issue of temporary permits in any area pending finalization of auctions on nomination basis to Andhra Pradesh Mineral Development Corporation, who in turn will pay Seigniorage Fee at the rate prescribed in the Rule 10 duly maintaining round the clock check point.

Such temporary permits shall be issued to M/s. Andhra Pradesh Mineral Development Corporation Limited for a period not exceeding 60 days.

9N. Use of authorized Ramps :-

The lessee should make use of authorized ramps and paths only for transportation of sand from the quarry and not open any new ramps or paths. However any new ramps can be permitted by the concerned Assistant Director of Mines & Geology only with the consent of the concerned Mandal Revenue Officer in case of Government Land and River Conservator where the River Conservation Act applies and in case of patta Lands with the consent of the Pattadar duly verifying the claims supported by certification issued by the Mandal Revenue Officer concerned.

9O. Legal Heir :-

If the successful tenderer or bidder dies after the privilege is knocked down to him, his legal heirs shall be responsible to execute the lease deed and to carry out the business by remitting their dues to the Government. If the legal heirs do not want to continue the privilege, they should, within 30 days from the date of death of the auction purchaser intimate the Auctioning authority about their intention in writing by Registered post. In such cases the Auctioning authority shall make alternative arrangement or reauction the privilege. The amounts deposited by the deceased bidder shall be refunded to the legal heirs.

9P. Payment of Second year lease amounts :-

(a) The lessee shall pay the knocked down amount along with 20% enhancement towards the second year lease amount. Out of the total amount, 95% shall be paid towards Zilla Parishad Head of Account and balance 5% amount towards State head of account and submit the challans to the Assistant Director of Mines & Geology concerned on or before 45 days of the expiry of the first year lease period. If no such payment is received the lease period gets expired by the first year ending itself and the Security Deposit gets forfeited to the Government. The Asst. Director of Mines & Geology shall make necessary arrangement for leasing out the area through sealed tender-cum-public auction.

Provided, the Director of Mines & Geology may condone the delay in payment of second year lease amount on the request for the condonation of delay before the expiry of first year lease period.

Provided further that the Government may condone the delay in payment of second year amount if the request is received after the expiry of the first year lease period but within 15 days from the date of expiry of the 1st year lease period in genuine cases.

(b) In respect of the Reaches identified to the boatmen cooperative societies, the society shall pay the second year amount along with 20% enhancement in not more than four equal quarterly instalments and each instalment shall be paid 15 days before commencement of each quarter. If no such payment is received, the lease gets expired by the period ending for which the amount is due and the Security Deposit gets forfeited to the Government.

Provided the Director of Mines & Geology may condone the delay in case the application is filed before the expiry of the due date.

Provided further that the Government may condone the delay in payment even after the expiry of due date in genuine cases, on the request for such delay condonation is received within fifteen days from the expiry of due date.

(c) The condonation of delay as stipulated under clauses (a) and (b) above does not entitle the lessee for extension of lease period.

9Q. Rules 9Q :-

If the Auctioning authority notices that any person in the auction hall behaves or acts in such a manner so as to cause loss to Government or induces or forbids any person from bidding, is liable for suspension from participating in the auction and auction conducting authority may order for his removal from the auction

hall.

9R. Rules 9R :-

The lessee shall abide by all the conditions and statutory provisions under Mines & Minerals (Development & Regulation) Act, 1957, and rules made thereunder viz., Andhra Pradesh Minor Mineral Concession Rules, 1966, Andhra Pradesh Mineral Dealers Rules 2000, Mines Act 1952, Mines & Metalliferous Regulations 1961, and Andhra Pradesh Water Land & Trees Act, 2002 and other State and Central Act and Rules and instructions which are applicable.

9S. Rules 9S :-

Leases granted for sand by Tender or by Public auction are not liable for transfer.

9T. Rules 9T :-

The successful bidder or tenderer shall charge the price for sand at the pit head as fixed in the tender notice.

9U. Sand exempted from payment of Seigniorage Fee :-

(1) Sand used in the weaker sections housing programme shall be supplied free of cost at pit head by the bidder / tenderer including exemption of payment of Seigniorage Fee on a certificate issued by the District Collector or any authorized officer by him.

(2) Bullock carts and animals transporting sand are also exempted from payment of Seigniorage fee.

9V. Rules 9V :-

Whenever the Ground Water affect is noticed and safety of structures is affected due to sand quarrying in any area, the Government / Director of Mines & Geology shall issue prohibitory orders in consultation with Ground Water Department. In case the Director of Mines & Geology issues such order, he shall obtain the approval of the Government as early as possible.

9W. Rules 9W :-

No movement of sand shall be allowed across the border to the neighbouring State. In case any vehicle is found transporting to the neighboring State even with permit it will be treated as violation of

rules and the penal provisions as specified in Rule 9 X will apply besides the lease shall be liable for cancellation.

9X. Persons authorized to check unauthorized transportation of the sand :-

(a) The District Collector shall take all precautionary measures to stop illegal mining of sand in the District. In case of any illegal mining of sand by any person from any quarry or Reach unauthorizedly and is transporting it thereof, the officers empowered under Rule 26 of Andhra Pradesh Minor Mineral Concession Rules, 1966 are competent to check the vehicles and take appropriate action as specified therein or compound is specified in sub-rule (b) hereunder whichever is higher. Besides, the District Collector shall nominate any other officer as he thinks deemed fit to exercise these powers in addition to the officials so specified.

(b) The minimum penalty for each truck carrying sand without valid permit issued by the concerned authority must be Rs. 10,000/- (Rupees ten thousand only) for each truck of 10 tonnes capacity and Rs. 5,000/- (Rupees five thousand only) in respect of Tractor. In case of repeated violations, vehicle will be confiscated by the officer not below in rank to the Assistant Director of Mines & Geology. The powers delegated to various officers under the existing provisions of Andhra Pradesh Minor Mineral Concession Rules, 1966 shall be extended to sand cases also.

(c) The Way bill for transporting sand shall be in the "Form S-5". The way bills will be issued proportionate to the knocked down bid amount by calculating Seigniorage Fee as specified in the Schedule-1 of Rule 10 of Andhra Pradesh Minor Mineral Concession Rules, 1966. The bidder is liable to pay Seigniorage fee additionally and obtain permits for the quantities exceeding the proportionate bid amount.

(d) The Municipalities concerned who are the approving authorities for Housing Plans or Shopping/Commercial Complexes are empowered to recover the component of Seigniorage Fee on sand at the rates specified under Schedule- 1 of Rule 10 of Andhra Pradesh Minor Mineral Concession Rules, 1966 with one-time penalty in case of procurement of sand by any builder without any valid permit in respect of constructions which are of the value of above Rs.1.00 Crore. Any person aggrieved by the said deduction/orders passed by the Municipalities of Grade-I, II, III

appeal lies to the Director of Mines & Geology and in respect of Special Grade, Selection Grade Municipalities and Municipal Corporations appeal lies to Government and the procedure as envisaged in subrule (7) of Rule 9-H shall apply.

(e) The bidders shall not use poclains or any other machinery for the purpose of digging/loading since as per the WALTA Act, 2002, the sand mining is restricted to one Metre only and use of machinery leads to extraction of sand beyond one metre.

9Y. Rules 9Y :-

(1) Removal of sand in patta lands: It is the responsibility of the bidder to obtain the consent of the Pattadar in respect of any area on the land abutting the river, streams etc. which is classified as patta land. The Pattadar, who is claiming the ownership of the land shall produce valid documents and also certificate issued by the concerned Mandal Revenue Officer.

(2) Recovery of Seigniorage fee: The sand consumed in all Government works by the contractors, normal Seigniorage Fee with one time penalty may be recovered from the work bills by the consuming department in case of procurement of sand is without valid permits issued by the concerned Assistant Director of Mines & Geology.

9Z. Rules 9Z :-

The General provisions of Andhra Pradesh Minor Mineral Concession Rules, 1966 shall apply for cases which are not explicitly mentioned herein.

10. Seigniorage fee or dead rent :-

¹[(1) When a quarry lease is granted under these rules, the seigniorage fee or dead rent whichever is higher, shall be charged on all minor minerals despatched or consumed from the land at the rate specified in Schedule I and Schedule II as the case may be.]

(2) When quarry lease is granted, the assessment on the land together with the seigniorage fee or dead rent, whichever is higher, shall also be charged.

²[(3) When the quarry lease is granted-

(a) the dead rent for the 1st year shall be paid by the lessee at the time of execution of lease deed and for the subsequent years, every year in advance.

(b) the seigniorage fee shall be paid before the mineral is removed from the leased area.]

³[(4)(a) Notwithstanding anything contained in sub-rules (2) and (3), every quarry lease holder including temporary permit holder except the person/organisations who obtained quarry lease with exemption from payment of seigniorage fee for the specified minerals in the sector shall pay the seigniorage fee to the successful Tenderer, bidder (hereinafter referred to as authorised Agent) as per the relevant rates in Schedule-1 to Rule 10 ⁴[xxx] in force as on the day of notification of the auction notice. All the quarry lease holders for the specified Minor Minerals are deemed to have come under this provision for the payment of seigniorage fee from the date, the authorised Agent makes agreement in Form-M for the concerned Sector.

(b) When the quarry leases are granted under Rule 12 for the specified Minor Minerals, seigniorage fee or dead rent whichever is higher shall be charged on such minerals despatched or consumed from the land at the relevant rates specified in Schedule I and Schedule II ⁵[xxx] along with the land assessment on the assessment made by the Assistant Director concerned. Every lessee who has been granted leases for specified Minor Minerals under aforesaid provisions shall submit the detailed accounts as required by the Assistant Director concerned for the purpose of making annual assessment for the Mineral Revenue before 10th of April every year. The Authorised Agent does not have any claim on the dead rent, if any, fallen due from the lessees on annual assessment made by the Assistant Director concerned.

(c) The additional amount of seigniorage fee over and above the rates in force as on the day of notification of auction notice due to revision of rates of seigniorage fee made from time to time shall be paid by the lessees directly to the Government and the authorised agent shall not have any claim for such payments.

(d) In respect of specified Minor Minerals, the Assistant Director may grant temporary permits for limited quantities and for limited period over the specified areas to meet immediate and timely requirement and the payment of seigniorage fee on such Temporary permits shall be made to the Authorised Agent.

(e) In case, the right of collection of seigniorage fee is not disposed off in Sealed Tender cum Public Auction or even if it is disposed off but the authorised Agent does not perform due to any reason, the Sectors are deemed to have not been notified for public Auction and the collection of seigniorage fee and dead rent shall be made

as per sub-rule (1) of Rule 10 ⁶[xxx].

⁷[(5)(i) In respect of granite and limestone slabs used for cutting and polishing covered under item No.15 and 17 of Minor Mineral Schedule, in order to facilitate easy accountability for the purpose of levy of Seigniorage Fee, the machinery as specified in Schedule III shall be taken as unit and Seigniorage fee shall be collected at that point by following the rates prescribed in Schedule III of these rules. However, this provision is not applicable in respect of gang saw machines.

(ii) Where Seigniorage Fee is paid under Schedule III by those who are possessing cutting and polishing industry for the material procured by them from the Quarry Leases granted under Rule 5 such leaseholders need not pay the Seigniorage Fee for the quantity covered under Transit Forms by the said cutting and polishing units.

(iii) The Seigniorage fee under Schedule III if not paid before 25th of the preceding month shall be liable for payment of interest as under Rule 19 of the Andhra Pradesh Minor Mineral Concession Rules, 1966 with effect from 1st of the succeeding month. On such payment, Assistant Director of Mines and Geology shall issue transit forms to the extent of slab rate amount paid. However under any circumstances the minimum payments shall be at least for one month at a time.]

1. Subs. by G.O.Ms.No. 331, Ind. & Com.(MI) Dept., dated 21.6.2000.

2. Added by G.O.Ms.No. 238, I & C, dt.9-7-1992, w.e.f. 15-7-1992.

3. Subs. by G.O.Ms.No. 50, I & C (M.I) Deptt., dt. 17-3-1997.

4. The words "and as per the relevant rates in Rule 12(5)(e)" omitted by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

5. The words "or the relevant rates of seigniorage fee or dead rent specified under Rule 12(5)(e) respectively" omitted by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23- 9-2003.

6. The words "and Rule 12(5)(e) as the case may be" omitted by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

7. Ins. by G.O.Ms.No. 104, I&C (MI) Dept., dt. 15-5-2009.

10A. Sectors to be made by the Joint Director for grant of Collection of seigniorage fee in respect of specified Minor

Minerals by Sealed-Tender-cum-Public Auction :-

¹ [10-A. Sectors to be made by the Joint Director for grant of Collection of seigniorage fee in respect of specified Minor Minerals by Sealed-Tender-cum-Public Auction:-

(1) The Joint Director shall form the sectors duly specifying the areas within the Sectors for giving away the right of collection of Seigniorage fee in respect of any specified Minor Minerals in each Sector in Sealed Tender-cum-Public Auction. The minimum bid amount for each of the sector shall be fixed by the Joint Director taking into account the quarrying activity, the demand and supply of Minerals, the infrastructure etc.

(2) Notwithstanding anything contained in sub-rules (1) and (2) of Rule 10, the right of collection of Seigniorage fee for the specified Minor Minerals within the Sector shall be given away in Sealed-Tender-cum-Public Auction for the specified period and in any case not more than one year subject to the conditions prescribed in the notice of auction under Rule 10-B.]

1. Subs. by G.O.Ms.No. 50, I & C (M.I) Deptt., dt. 17-3-1997.

10B. Notice of Sealed Tender-cum-Public Auction and Mode of disposal of the Sector :-

²[10-B. Notice of Sealed Tender-cum-Public Auction and Mode of disposal of the Sector:-

(1) When the right of collection of seigniorage fee for the specified Minor Minerals in the sector is to be disposed off in the Sealed Tender-cum-Public Auction, the Assistant Director shall issue a notice in Form A1, giving due publicity in any local News Paper not less than fifteen days before the date of Auction or in such other manner as deemed fit.

(2) The right of collection of seigniorage fee in a Sector shall be obtained in Sealed Tender-cum-Public Auction. A person intends to participate in Public Auction is entitled to submit a sealed tender and similarly a person who submits a sealed tender is entitled to participate in public auction.]

2 . Ibid.

10C. Submission of Sealed Tenders and accepting the Bid :-

³[10-C. Submission of Sealed Tenders and accepting the Bid:-

(1)(a) Any person who intends to obtain the right of collection of seigniorage fee in respect of specified minor minerals within the sector shall submit sealed tender along with the application for issue of Hall Ticket so as to reach the Asst. Director before the time and date published in the Auction notification.

(b) Any person intending to submit the sealed tender shall do so far any sector for obtaining the right of collection of seigniorage fee in Form A-3 in a sealed cover superscribing the particulars stated below, namely:-

(i) Auction Notification number ;

(ii) Name of the Tenderer ; and

(iii) Name of the Sector.

(c) Every such sealed tender shall be accompanied by an application for issue of Hall Ticket along with the enclosures as required under item (2) of the Annexure to Form A1.

(d) Soon after the receipt of sealed tender from the Tenderer, the necessary entry should be made in the Register by the Assistant Director and issue acknowledgement to the Tenderer. Such sealed tenders shall be kept under the safe custody of the said Assistant Director. He has to ensure that all such sealed tenders and the Registers are kept safe under his personal custody duly observing all possible safety measures.

(e) Every tenderer shall be issued a Hall Ticket to participate in the auction without insisting any further payments as required under item (2) of the Annexure to Form-A1, by the Assistant Director.

(f) The Sealed Tenders shall be opened after the bidding is over in each sector. It is the responsibility of the person/persons who submitted the sealed tenders to make themselves present at the time of opening of the sealed tenders. Sealed tenders shall be opened in the auction hall by Assistant Director irrespective of the presence of the Tenderers.

(g)(i) A tender once submitted shall not be withdrawn before the bid is concluded.

(ii) The Assistant Director shall announce at the commencement of the bidding for each sector the names of the Tenderers as well as the proposed bidders who have obtained Hall Tickets for that Sector.

(2) The proceedings for the disposal of the sector shall be concluded on tender or bid as the case may be by the Assistant Director. The hike in bidding in the auction Hall by the bidders shall not exceed 25% of the minimum bid each time, the tenders for the sector shall be opened only when it is ensured by Assistant Director

that there is no further bidding. He shall knock down the highest tender/bid provided he is satisfied with the procedure. In case the highest bid amount and one or more tendered amounts remaining the same, the knocking down for the sector shall be decided by drawing lots immediately. However, the Assistant Director shall have the power to reject the highest tender/bid on reasons to be recorded therefore and accept any other next lower tender/bid, subject to approval of the Joint Director.

(3) The Assistant Director may at his own discretion reject any persons tender/bid who,

(a) has been convicted for any penal offence or any offence under the Mines and Minerals (Regulation and Development) Act, 1957, or

(b) is a debtor to the Government of Andhra Pradesh in the Mines and Geology Department.

(4) If the Assistant Director noticed that any person in the Auction Hall before or at the time of bidding behaves or acts in such manner as to cause loss to Government or induces or forbid any person from bidding he may suspend him from bidding for participating in the auction and remove him from the Auction Hall.

(5) No person will be admitted into auction hall without the Hall Ticket issued by the Assistant Director. The right of collection of seigniorage fee will be ordinarily knocked down to the highest tenderer/bidder, but the right is reserved to the officer conducting the proceedings or by the Director or by the Government as the case may be to reject any tender/bid without assigning any reason thereof. The right of collection of seigniorage fee shall be strictly subject to the confirmation by the competent person who has the right to refuse to confirm with reasons recorded.

(6) The Assistant Director shall maintain a register by duly mentioning all the particulars of the participants who have submitted sealed tenders and the persons who have obtained Hall Ticket forbidding. The persons whose tender/bid is knocked down shall sign and mention his name in block letters by duly affixing his signature/thumb impression in the Register.

(7) If the successful Tenderer/Bidder dies after the privilege is knocked down, his legal heirs shall have the right and be responsible to execute the agreement and to carry-out the business by remitting the dues to the Government. If the heirs do not want to exercise the privilege, they should within fifteen days from the date of death of the successful tenderer bidder intimate the Assistant Director their intention in writing by registered post. The amounts deposited by the deceased Tenderer/Bidder shall be

refunded to the legal heirs. In such cases the Assistant Director shall submit proposals to the competent authority for issuing confirmation to the next highest eligible Tenderer/Bidder.]

3. Ibid.

10D. Confirming Authority :-

(1) The Deputy Director shall confirm the knocked down amounts provided he is satisfied with the publicity, procedures, participation in the Sealed Tender-cum-Public Auction and the knocked down amount.

(2) The Director may issue confirmation orders in favour of any persons/organisations for the sectors not disposed off in Sealed Tender-cum-Public Auction or even if disposed off, not resulted in making agreement, any time on the offers received with 25%, of the offered amount in the form of demand draft in favour of the Director.

(3) If the agreement made by the Authorised Agent is cancelled due to any reason, the Director may nominate and issue confirmation in favour of any person or organisation on specific conditions for the unexpired period of original agreement. Such nominee shall make the agreement in Form M with the Assistant Director as stipulated in the confirmation order.

10E. Deposit of knocked down amount :-

(1) The successful Tenderer/Bidder shall pay the knocked down amount in four quarterly instalments. The amount equivalent to 25% of the knocked down amount towards first instalment shall be paid in the Government Treasury within the immediate next two working days and produce challan to the Assistant Director.

(2) The confirmation orders will be issued by the competent authority on making payment of 25% of the knocked down amount as required under sub-rule (1). The successful Tenderer/Bidder on receipt of order of confirmation shall furnish security deposit of 2% of knocked down amount subject to the minimum of Rs. 1,000/- and maximum of Rs. 25,000/- in the manner as prescribed in the confirmation order and execute agreement in Form M with the Assistant Director within the time prescribed in the confirmation order on stamped paper as per the Registration and Stamps Act by duly furnishing three bank guarantees in favour of the Assistant Director concerned for an amount equivalent to 25% of the

knocked down amount under each guarantee which are valid for six, nine and twelve months against the respective quarterly instalment payments. The respective Bank Guarantees shall be released by the Assistant Director on payment of the respective quarterly instalments. The Security Deposit shall be released by the Assistant Director soon after the expiry of the lease period provided the Authorised Agent fulfilled all the lease conditions and other provisions of the Andhra Pradesh Minor Mineral Concession Rules, 1966.

(3) In the event of default by the first successful Tenderer/Bidder for payment of 25% of the knocked down amount as required under sub-rule (1) or completion of formalities for executing the agreement as required under sub-rule (2) the competent authority may issue confirmation orders in favour of the second or the third highest Tenderer/Bidder in the descending order with due stipulations of time limits for payment of 25% of the amount offered by the respective Tenderer/Bidder and discharging the other formalities for making agreement as required under sub-rule (2). However in case the second and third highest Tenderer/Bidders also become defaulters, the other Tenderers/Bidders who offered and participated over and above the minimum bid and who retained their deposit of 10% of the minimum bid with the Auctioning Authority after the auctions, may be considered for issue of confirmation orders in the descending order by the competent authority duly stipulating the time limits for payment of 25% of the offered amount by the respective Tenderer/Bidder and discharging the other formalities for concluding agreement as required under sub-rule (2).

(4) The successful Tenderer/Bidder on executing the agreement in Form M shall pay the subsequent quarterly instalments atleast fifteen days before the end of the proceeding quarter.

(5) The Director may condone the delay in payment of the amounts, fulfilment of other formalities and making agreement under sub-rules (1) to (4) on valid grounds.

(6) If the successful Tenderer/Bidder fails to pay 25% of the knocked down amount within two immediate working days or fails to furnish the bank guarantee of 75% of knocked down amount within the time specified in the confirmation order or fails to make agreement in Form M after completing all the formalities or fails to pay the quarterly instalments within the prescribed time, the amount so far paid by the successful Tenderer/Bidder by way of deposits and the amounts under bank guarantee shall be forfeited

to the Government by the confirming Authority. If the second or the third highest Tenderer/Bidder fails to pay the amounts or complete the formalities as stipulated in the confirmation order, the confirming authority forfeit the amounts so far paid by way of deposits including the Bank Guarantees to the Government. If the fourth or any subsequent bidder who has been issued confirmation order and made agreement in Form M after completing the formalities fails to pay the second or any subsequent instalments in time, the confirming authority shall forfeit the security deposit and the Bank Guarantee to the Government. Any forfeiture shall be done by the confirming Authority after giving an opportunity.

(7) The deposit of second and third highest Tenderer/Bidders shall be returned after the agreement is made in Form M in case they are not found to be defaulters for the payment of 1/4 of the amount as required under sub-rule (1) and the completion of other formalities under sub-rule (2). The deposits of others shall be returned after three days of auction on a written request by the participants for the same and the deposits of those who like to avail the opportunity of getting the lease in case the first, second and third highest Tenderer/Bidder become defaulters will be retained with the Assistant Director and returned after the agreement is made

10F. Power of the Director to cancel the Auction :-

The Director shall have the power to cancel at any time the Sealed Tender-cum-Public Auction conducted under Rule 10A(2) and the confirmation issued by the Deputy Director concerned under Rule 10-D if the Director feels that the publicity, participation and the amounts knocked down are not satisfactory and also due to any other lapses.

10G. Liberties of the Tenderer/Bidder :-

The Tenderer/Bidder after executing the agreement in Form M prescribed in Rule 10-E(2) will be at liberty to collect the seigniorage fee in force as on the day of notification of the auction notice from the lease holders including temporary permit holders except persons/organisations who obtained quarry leases with exemption from payment of seigniorage fee, in respect of Minor Minerals specified in the Auction notification at the relevant rates mentioned in Schedule 1 of Rules 10(1) and 12(5)(e) at or before the time of despatch of the minor minerals from the leased areas.

He shall have no right to collect the seigniorage fee from any persons/companies who are not the quarry lease holders. The Authorised Agent shall also be entitled to collect the seigniorage fee from all the new leases granted and executed from the specified Minor Minerals during the currency of the Agreement period. He, however does not have any right for any type of compensation arising out of non-working of the quarries and due to expiry, lapse, determination, cancellation etc., of the leases

10H. Termination of agreement :-

The successful 1[tenderer/bidder] shall abide by the conditions of the agreement executed in Form-M. The Director shall be competent to terminate or cancel the agreement for any violation of the provisions of the Andhra Pradesh Minor Mineral Concession Rules, 1966 or conditions of the agreement after giving due notice. The Director shall also be competent to forfeit all the amounts by way of deposits or otherwise or amounts covered under bank guarantee to the Government upon such termination or cancellation.

10I. Rules 10I :-

(i) No specified minor mineral shall be despatched from any of the leased areas in the sector without a valid way bill duly stamped by the Assistant Director concerned issued through the authorised agent or his representative. Contravention of this clause shall result in levy of normal seigniorage fee along with five times penalty by the Assistant Director concerned on a complaint filed by the authorised agent and on establishing the same by the Assistant Director. The normal seigniorage fee and the penalty so levied shall be paid to the authorised agent. If by any chance, the complaint by the authorised agent results in non-establishing the unauthorised transportation by the lessees due to inadequate or insufficient evidence in the complaint does not confer any right on the authorised agent to claim any sort of compensation from the Government. However the persons/organisations who are holding the quarry leases with exemption from payment of seigniorage fee shall obtain despatch permits from the Assistant Director directly as required under Rule 34.

(ii) The valid way bills duly stamped by the Assistant Director concerned shall be supplied to the lessees other than persons/organisations who obtained leases with exemption from

payment of seigniorage fee in the sector on payment of the normal seigniorage fee as per his requirement by the authorised agent.

(iii) The Assistant Director concerned shall stamp on the way bills for different specified minor minerals once in a month for the estimated quantity on submission of the requisition by the authorised agent without any payment and he shall submit the particulars to the Director and the Deputy Director concerned before 5th of the succeeding month.

(iv) The authorised agent shall submit monthly return in Form C-1 to the Assistant Director, Deputy Director concerned and the Director for every month before 5th of the succeeding Month

10J. Rules 10J :-

The successful Tenderer/Bidder after making agreement shall be bound to observe the laws, rules and regulations, instructions of Mines and Geology Department and the Government that might be enforced during the currency of the lease or the privilege.

10K. Rules 10K :-

The right of collection of seigniorage fee obtained through sealed tender-cum-auction is not liable for transfer.

10L. Rules 10L :-

The successful Tenderer/Bidder shall have no claim for compensation or extension of lease period for the delay in passing orders or the delay caused by himself in paying the required amounts and executing the agreement. However, Government may exempt or waive the proportionate amount for the non performed periods on valid reasons.

10M. Rules 10M :-

The Director may nominate any officer of the Department to discharge the functions under any of the provisions under Rule 10 in the event of non-availability of the concerned officer or due to any other exigency.

10N. Rules 10N :-

In case of any doubt as the application or interpretation of the version of any of these conditions the decision of the Government

of Andhra Pradesh on the issue shall be final

11. Power of the Government and the Director :-

(1) Power of Government:- Government reserves the right-

- (a) to cancel the quarry lease granted and executed under these rules, if it is considered necessary to do so either due to change in the policy or in the public interest by giving previous notice ;
- (b) to grant the leases for any minor minerals by duly exempting from the priorities fixed under different provisions under these rules on nomination or otherwise subject to certain specified conditions for any category of land in favour of any section of the society;
- (c) to waive the collection of seigniorage fee and dead rent at their discretion.

(2) The Director shall have the powers:-

- (a) to prohibit quarrying operations in part or in the whole of the area under lease or free-hold areas for the reasons recorded in consultation with the competent authority ;
- (b) to impose any special conditions in quarry leases granted under these rules;
- (c) to close any quarry or prohibit quarrying operations or reserve the land for being worked by any particular department of the Government or a local authority and to regulate quarrying operations according to the law in force ;
- (d) to regulate the quarrying operations by issuing temporary permits for any minor mineral during the transmission period whenever there is a proposal to change the policy by the Government for the grant of the leases

12. Grant of lease :-

(1) A quarry lease for any minor mineral [except sand, granite useful for cutting and polishing and marble] shall be granted on application subject to the provisions of sub-rules (2) and (3) and each such application for grant of quarry lease shall be accompanied by Treasury or Bank challan for rupees one thousand in token of the remittance towards fees.

(1-A) [xxx]

(2) Whenever more than one application are received for grant of a quarry lease [for minor minerals [except sand, granite useful for cutting and polishing and marble] and also the minerals specified under [items at Sl.No. 1 to 3(a)] under Schedule-I to Rule 10] the [Deputy Director] shall dispose of the applications in order of

preference specified below:-

- (i) Applications of Government Department and Government Corporations and Companies ;
- (ii) Applications of Labour Contract Co-operative Societies ;
- (iii) Applications of unemployed persons who possess any recognised qualification in Geology, Geophysics, or Mining Engineering or any other allied subjects ;
- (iv) Other applications ;

[Provided that the above priorities shall prevail if the subsequent applications are received within 7 (Seven) days of the receipt of the first application, otherwise the applications shall be disposed off in the order of their receipt.]

Provided [further] that in cases falling under any of the categories (i) to (iii) above, the grant of lease shall be subject to the condition that lessee shall work the quarry directly and shall not hand it over to any other party for working :

Provided [also] that the Deputy Director may refuse to accord preference to the application of a Labour Contract Co-operative Society, if he finds that the particular Society does not work properly in the interest of the workers concerned :

Provided also that whenever more than one application falling under any of the categories (i) to (iii) above are received for grant of a quarry lease and have to be considered under the order of preference prescribed above, [Deputy Director] shall refer matter to Government with his recommendation for a direction :

Provided also that whenever more than one application falling under category (iv) above are received for grant of a quarry lease and have to be considered in the order of preference specified above, such preference shall be given to the applications according to the date of their receipt, unless the Government, for special reasons, otherwise direct and in case of applications received on the same day, the [Deputy Director] after taking into consideration the particulars furnished in the applications, may grant the lease to any deserving applicant ; or he may, with the previous approval of the Director, grant a quarry lease to an applicant whose application was received later in preference to an earlier application for any special reason to be recorded in writing.

[(2-A) Notwithstanding the order of preference contained in sub-rule (2), the landholders (Pattadars) owning land not exceeding 2.024 Hectares or 5 Acres shall be given preference for grant of small scale quarry lease in their patta lands:]

[(3) The quarry lease applications for minor minerals under [items

at at Sl.No. 1 to 3(a)] of Schedule-I to Rule 10 shall be disposed of by the Deputy Director in order specified below:-

(1) Applications of Societies of Professional/(local) Traditional stone cutters (waddaras).

(2) Crusher owners who do not have quarries.

(3) Unemployed youth holding Geology degree, and businessmen who propose to set up crushers.

(4) Others:

[Provided that the above priorities shall prevail if the subsequent applications are received within 7 (Seven) days of the receipt of the first application, otherwise the applications shall be disposed off in the order of their receipt.]

1[Provided 2 [further] that the Deputy Director may with the prior approval of the Government grant a quarry lease overlooking the above priorities for any special reasons to be recorded in writing:

Provided 3 [also] that whenever more than one application falling under category (1) above are received for grant of quarry lease and have to be considered, the Deputy Director shall refer the matter to the Government with his recommendations for a direction.

4[Provided also that whenever more than one application falling under any of the categories (2) to (4) above are received for grant of quarry lease and have to be considered in the order of preference specified above, such preference shall be given to the applications falling in the same category, according to the date of their receipt and in case of applications of the same category received on the same day, the Deputy Director after taking into consideration the particulars furnished in the applications with the prior approval of the Director, may grant the lease to deserving applicant, Further, he may with the prior approval of the Director, grant a quarry lease to the applicant whose application was received later in preference to the earlier application for reasons to be recorded in writing.]

5[(3-A) Notwithstanding the order of preference contained in sub-rule (3) above the pattadars or their consent holders shall be given preference for grant of quarry leases in respect of the patta lands.]

(4) In cases where the quarry lease holders fail to apply for renewal of the lease of the areas within ninety days before the expiry of the lease held by them, as required under sub-rule (2) of Rule 13, fresh application for grant of quarry lease, in respect of those areas, will be entertained thirty days before the expiry of the lease.

6[(5)(a)(i) A Prospecting Licence or Quarry Lease for 7 [granite useful for cutting and polishing and marble] shall be granted by the

Director on an application made to the Assistant Director of Mines and Geology concerned in Form N/P and each such application for grant of P.L. or Q.L. shall be accompanied by a sketch drawn to the Scale demarcating the boundaries for easy identification on the ground duly signed by the applicant and by a qualified Surveyor and by a treasury or bank challan for Rs. 5,000/- (Rupees Five thousand) towards non-refundable application fee and a deposit of Rs. 10,000/- (Rupees Ten thousand) for every hectare or part thereof in the form of crossed Demand Draft obtained in favour of the Assistant Director Mines and Geology of the District concerned in whose jurisdiction the area falls. The application fee and deposit are subject to revision from time to time. The deposit is refundable to the unsuccessful applicants. In respect of applications in whose favour the P.L. is granted the deposit amount shall be adjusted towards security deposit and the balance, if any, shall be refunded. In respect of applicants in whose favour the Q.L. is granted the same shall be adjusted towards advance dead rent.

1[Provided that the Andhra Pradesh Mineral Development Corporation Limited, (a wholly owned State Government Undertaking) is exempted from payment of deposit in case of application in Forest area.]

(ii) in any Government or Patta Lands where the 2 [granite and marble] is required to be removed for any purpose other than mining, the Assistant Director Mines and Geology may grant the Temporary Permit duly verifying the site and the purpose for which temporary permit is sought on payment of the required Seigniorage fee.

3[(iii) A quarry lease for 4 [granite useful for cutting and polishing and marble] shall be granted by the Director of Mines & Geology on an application made to the Assistant Director of Mines & Geology concerned in Form P without obtaining any prospecting licence subject to the condition that the applicant gives an undertaking for submitting the scheme of prospecting in the first year, submission of mining plan within (2) years from the date of execution of the quarry lease deed, failing which the lease will be cancelled without giving any opportunity.]

5[(iv) Processing fee of mining plan : Every Mining Plan submitted for Granite useful for cutting and polishing/Marble for approval of Director of Mines and Geology or the Officer nominated, shall be accompanied by a treasury or Bank challan for Rs. 1,000/- (Rupees One thousand only) towards non-refundable processing fee for every mining plan submitted under rules 12 and 17 of the Granite

Conservation and Development Rules, 1999 and under rules 16 and 17 of the Marble Development and Conservation Rules, 2002.]

(b) The application for grant of P.L. or Q.L. for 1 [granite and marble] shall be disposed off by the Director in the order of their receipt. Whenever, more than one application is received on the same day, the Director shall grant licence or lease to the deserving applicant on merits to be recorded in writing:

Provided that the Director may grant a P.L. or Q.L. to an applicant whose application is received later, in preference to earlier application with the prior approval of the Government for any special reasons to be recorded in writing:

2[Provided further that where a prospecting licence has been granted in respect of any land the Licensee shall have preferential right for obtaining a quarry lease in respect of that land over any other person in case he has undertaken prospecting operations to establish mineral resources and submitted a prospecting report in respect of such land and submitted quarry lease application within three months after expiry of the prospecting licence period and such right can be exercised only once over the entire prospected area.]

(c) On receipt of an application for the grant of a Q.L., the Director, shall take decision to grant precise area for the said purpose and communicate such decision to the applicant along with a copy of the surveyed sketch showing the area on which the mining plan has to be prepared. On receipt of the communication from the Director of the precise area to be granted, the applicant shall prepare and submit a mining plan within six months or such other period as may be allowed by the Director. The applicant shall then submit the mining plan duly approved by the Director or by any officer duly authorised in this behalf.

(d) The Director shall reject the application for P.L. or Q.L. in the event of any default on the part of applicant, in attending the inspection and survey or submission of valid mineral revenue clearance certificate or any other material papers required by the Director.

(e) Execution of Licence or lease deed:- The licence or lease deed shall be executed within sixty days from the date of grant or within such further period as the Director may allow in this behalf provided the grantee applies for extension of time within fifteen days from the date of expiry of period stipulated for execution. Such, extension may be granted by the Director not exceeding two times, and each time not exceeding 30 days. Provided that any

such application may be entertained even after the prescribed period specified above, if the applicant satisfies the Director that he had sufficient cause for not making application within the specified time. Provided further that in case no licence or lease deed is executed within the stipulated period or the extended period due to any default on the part of the applicant, the Director shall revoke the order granting licence or lease and the deposit amount paid along with application shall be forfeited to the Government.

(f) Period and Extent to be granted for P.L. or Q.L.:-

1[(i) A prospecting licence for granite and marble shall be granted for a period not exceeding two years. The area covered by prospecting licence for granite shall not be less than one hectare, but not exceeding fifty hectares. The area covered by prospecting licence for marble shall not be less than four hectares with a restriction that the dimension of any one side of such area shall not be less than two hundred meters but not exceeding fifty hectares.

(ii) The maximum period for which a quarry lease for granite and marble may be granted shall not exceed thirty years : Provided that the minimum period for which any such quarry lease may be granted shall not be less than twenty years. The area covered by lease for granite shall not exceed fifty hectares and minimum area shall not be less than one hectare. The area covered by quarry lease for marble shall not be less than four hectares with the restriction that the dimension on any one side of such area shall not be less than two hundred metres, but not exceeding fifty hectares.]

(iii) The Director Mines and Geology if he is satisfied on the basis of production level, Geological or Topographical condition may for reasons to be recorded in writing, grant or renew a licence or lease over an area more than the maximum area or less than the minimum area specified under this rule.

(g) Prospecting fee, Seigniorage fee or Dead Rent:-

2 [(i)(a) Every prospecting licence holder shall pay prospecting fee of rupees fifteen thousand and rupees twenty thousand for colour granite and black granite respectively and rupees ten thousand for marble per hectare per annum.]

(b) The licensee may win and carry for purposes of testing and marketability a 3 [maximum quantity of 100 Cub. Meters or the quantity permitted by the Director of Mines & Geology based on progress of prospecting work] per year 4 [irrespective of Colour or Black Granite or marble] on payment of Seigniorage fee for the time being specified under Schedule I of Rule 10 of the APMMC Rules, 1966.

(ii) Every quarry lease holder shall pay seigniorage fee or dead rent whichever is higher, as per Schedules I and II of Rule 10 of APMMC Rules, 1966.

(iii) The licensee or lessee shall pay the prospecting fee or dead rent at the time of execution of licence or lease deed respectively and for the subsequent years one month in advance every year along with land assessment and cess on land assessment.

(h) Conditions of licence or lease:-

1[(i) The licensee or lessee for granite or marble shall observe the provisions of Granite Conservation and Development Rules, 1999 or the provisions of Marble Development and Conservation Rules, 2002, as the case may be;]

(ii) The licensee or lessee shall deposit in any Government Treasury and file challans with the Asst. Director concerned for all sums payable to the Government under the terms of licence or lease or permit.

(iii) The lessee shall pay the seigniorage fee as per the rates prescribed from time to time in Schedule-I in advance for the quantity intended to be despatched and submit the original challans to the Asst. Director of Mines and Geology concerned and then only despatch the material. The lessee shall furnish the details of 2[granite and marble] despatches with block numbers, quality, quantity and place of consignment to the Asst. Director of Mines and Geology concerned immediately soon after the despatch of material. However, the lessee is required to obtain the transit forms in advance for transportation of 3 [granite and marble] and shall render the account of the Asst. Director concerned once in a month. No second consignment of way bill shall be issued unless the lessee has rendered the account of the previous account of consignment of way bill:

Provided that any misuse of the transit forms despatch of any 4 [granite and marble] without paying Seigniorage fee and not accompanied by the transit forms issued by the Assistant Director, the lessee liable to pay 5 [five times] of the normal Seigniorage fee as penalty for first time offence and 6 [ten times] penalty for the second time offence in addition to the Normal Seigniorage fee. Any subsequent offence shall result in termination of the Lease.

(iv) The Deputy Director of the region shall be the competent authority to assess and fix in consultation with the concerned department, any compensation payable by the licence or lessee for any loss, injury or damage done to the person concerned or to his property.

(v) The licensee or lessee shall erect and maintain at its own expenses boundary pillars of substantial material standing not less than one metre above the surface of the ground at each corner or angle on the line of the boundary of the area under licence or lease and at intervals of not more than 183 metres along with the boundary delineated in the plan attached to the area under the licence or lease.

(vi) The licensee or lessee shall without delay send to the Assistant Director concerned a report of any accident involving death or injury to any person which may occur in and around the licence or lease area and shall observe all the rules for the time being in force regarding the working of licence or lease.

(vii) Lapsing of Licence or Lease:-

(a) Where the licensee shall not commence prospecting operations within a period of six months from the date of execution of licence or is discontinued for continuous period of six months after commencement of such prospecting operations, the Director shall by an order declare the P.L. as lapsed and communicate the declaration to the licensee.

(b) Where the mining operations are not conducted within a period of two years from the date of execution of the lease or is discontinued for a continuous period of two years, after commencement of such mining operation, the Director shall by an order declare the lease as lapsed and communicate the declaration to the lessee :

Provided that where the licensee or lessee submits an application to the Director within a period of one month from the date of receipt of such order and on being satisfied about the adequacy and genuineness of the reasons for the non-commencement of prospecting or quarrying operations or discontinuance thereof, the Director may recommend to the Government for revival of the licence or lease :

Provided further that such application shall be accompanied by payment of a fee of Rs. 2,500/- (Rupees Two Thousand and Five Hundred) to the State Government.

(viii) The licensee or lessee shall not assign, sub-let, transfer or otherwise dispose of the under licence or lease without obtaining the previous sanction in writing of the Director. The transfer application shall be made to the Assistant Director of the District concerned in Form R along with non-refundable application fee of Rs. 5,000 (Rupees Five Thousand only). The licence or lease deed shall be executed as per the provision under clause (e):

Provided that such sanction shall be accorded that there is no speculation involved in the transfer of licence or lease : Provided further that the transferor and the transferee shall not be in arrears of any mineral revenue to the Government.

(ix) The licensee or lessee shall obtain the permission of the Assistant Director concerned before he would erect on the area under licence or lease any building or structure for prospecting or quarrying purpose, if the area belongs to Government.

(x) If, in the course of prospecting or quarrying any mineral not specified in the licence or lease is discovered, the licensee or lessee shall at once report such discovery to the Assistant Director concerned to enable him to obtain the order of the Director for prospecting/quarrying of the same.

(xi) Renewal of Q.L.

(i) If the lessee to whom a quarry lease has been granted has duly observed all the conditions of the lease and filed an application for renewal in Form Q, to the Assistant Director before twelve months of the expiry of the lease and accompanied by a treasury or bank challan for Rs. 5,000/- (Rupees Five Thousand only) towards nonrefundable application fee, the Director shall grant renewal for a period not exceeding 20 years subject to adherence to and nonviolation of rules during the period of occupation by the lessee.

(ii) The renewal of quarry lease application shall be disposed of by the Director before the expiry of lease :

Provided that where the renewal of quarry lease application is not disposed of before the expiry of lease, it is deemed to have been extended till the application is disposed of by the Director.

(iii) The Director may condone the delay in filing an application for renewal of quarry lease made after the time limit prescribed under sub-rule (1) above.

(xii) In case of any breach on the part of licensee or lessee of any covenant or conditions contained in the grant, the Director may after giving an opportunity to the defaulter, determine the licence or lease and take possession of the premises under licence or lease and forfeit the security deposit.

(xiii) On determination of the licence or lease for violation of the conditions, all sums, paid by the licensee or lessee by way of deposits shall be forfeited and adjusted towards the amount if any to be realised.

(xiv) The Director may in consultation with the Government determine the licence or lease, if it is considered necessary to do so in public interest after giving two calendar months notice in writing.

(xv) Any 1 [granite and marble] extracted under quarry lease and not removed by the lessee within 30 days or the determination of the lease, or the extended period given by the Director, shall be the property of the Government and the Assistant Director may disposed of the same in public auction.

(xvi) Granite waste which cannot be sold as granite shall be sold as road metal or otherwise with the permission of the Director. The rate of Seigniorage fee for such mineral shall be as per Schedule-I under Rule 10 of the APMMC Rules, 1966.

Note:- In respect of matters for which no special provision is made in this sub-rule for granite, the provisions contained in other rules shall apply.

(6) Notwithstanding anything contained in sub-rules (2) to (4) a quarry lease shall be granted in favour of Co-operative Societies consisting of exclusively of Adivasis/Tribals or individual Adivasis/Tribals in the notified Tribal Areas.

13. Disposal of applications :-

1[(1) The applications for the grant of quarry leases for any minor minerals 2 [except sand, granite useful for cutting and polishing and marble] shall be disposed of by the Deputy Director concerned. The Deputy Director concerned shall reject the applications in the event of default on the part of the applicants for not attending inspection or survey or non-submission of Mineral Revenue Clearance Certificate or any other material papers as required by Deputy Director. The lease deed shall be executed within ninety days from the date of grant or within such further period as the Director may allow in this behalf provided the grantee applies for extension of time within thirty days from the date of expiry of the period stipulated for execution. Such extensions can be granted by the Director not exceeding two times and such time not exceeding thirty days. If no lease deed is executed within the stipulated period or extended period due to any default on the part of the applicant, the authority who is competent to grant quarry lease shall revoke the order granting lease.]

1[Provided that any such application may be entertained for the first time even after the prescribed period specified above, if the applicant satisfies that he had sufficient cause for not making the application within the specified time.]

(2) The application for the renewal of a quarry lease 2 [the application for the renewal of a quarry lease shall be accompanied

by a Treasury or Bank challan for rupees one thousand in token of remittance towards fee and] shall be made at least ninety days before the expiry of the period of lease to the 3[Deputy Director] and it shall be disposed of before the expiry of the lease period. 4[x x x]

5[Provided that where the renewal of quarry lease application is filed within the stipulated time and not disposed off before the expiry of the lease, the period of quarry lease shall be deemed to have been extended till the renewal application is disposed of by the Deputy Director.]

6[Provided 7[further] that where an application for the grant of quarry lease is rejected or deemed to have been refused under these rules, the fee paid by the applicant under sub-rule (1) of Rule 12 shall be refunded to the applicant :

Provided 8 [also] that where an application for grant of quarry lease is rejected on account of any lapse on the part of the applicant in supplying any material information, the fee paid by the applicant under sub-rule (1) of Rule 12 shall be forfeited to the Government.]

9[x x x]

14. Security Deposits :-

An applicant for Prospecting Licence shall before the licence deed is executed deposit a sum of Rs. 10,000/- (Rupees Ten thousand only) for every hectare or part thereof for which, the licence is granted.

An application for a quarry lease shall before the deed is executed, deposit as security, for the due observance of terms and conditions of the lease, a sum, equivalent to one year dead rent.]

15. Period of Lease :-

2[(1) Quarry lease may be granted by the Deputy Director for a period of five years in respect of minerals which can be extracted without much equipment or investment like sand, morrum, gravel, limeshell and lime kankar, chalcedony pebbles, shingle, reh-matti. In respect of the minerals which require investment, equipment to develop the quarry, such as boulders, building stone, lime stone, mosaic chips, Fullers earth, shale, slate, marble, Shabad slabs, napa slabs, bentonite, lime shell, road metal without crushing unit for a period of 10 years and in respect of minor minerals useful for road metal, ballast serving as a captive source for a crusher unit for

a period of fifteen years.]

(2) If the Government are satisfied that for the proper and systematic development of the quarry, a period longer than 3 [5/10/15] years is necessary and that the applicant or lessee is capable, financially and technically, of developing the quarry on a large scale, a quarry lease may be granted for a longer period not exceeding twice the fixed period such lease may, however, be renewed from time to time.

16. Restriction on determination of lease :-

4[16. Restriction on determination of lease:-

(1) The lessee shall not not abandon the lease except after a notice in writing of not less than six calendar months to the Deputy Director 5 [other than 6 [granite and marble] and to the Director in case of 7 [granite and marble].]

(2) Every application for surrender of part of the leasehold area in accordance with the provisions of sub-rule (1) shall be accompanied by 8 [a deposit of Rs. 500/-] for meeting the expenditure for the purpose of survey and demarcation of the area to be surrendered: Provided that where a lessee applies for the surrender of the whole or part of the leasehold area on the ground that such area is barren or the deposits of minerals being since exhausted or depleted to such an extent that it is no longer economical to work such area, the 1 [Deputy Director or the Director of Mines and Geology] 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 leasehold area to be surrendered has been properly surveyed and the retained area is contiguous ;

(b) The lessee has paid all the dues payable to the Government under the lease upto the date of application ;

(c) Surrender of the area by the lessee has not already been permitted earlier.]

17. Lapsing of leases :-

2[17. Lapsing of leases:-

(1) Subject to the other conditions in this rule, where quarrying operations are not commenced within a period of six months from the date of execution of the lease or is discontinued for a continuous period of six months after commencement of such operations or the payments as required under Clause (iv) of rule 31

are not made, the Deputy Director shall by an order, declare the quarry lease as lapsed and communicate the decision to the lessee.

(2) Where the lessee is unable to commence the quarrying operations within a period of six months from the date of execution of the lease or discontinued quarrying operations for a period of six months for reasons beyond his control, he may submit an application to the Director explaining the reasons for the same atleast 30 days before the expiry of such period.

(3) Every application under sub-rule (2) shall be accompanied by 3 [a fee of Rs. 500/-.]

(4) The Director may on receipt of application made under sub-rule (2) and on being satisfied about the adequacy and genuineness of the reasons for the non-commencement of the quarrying operations or discontinuation thereon, pass an order extending or refusing to extend the period of the lease.

(5) The Director may condone, the delay in submission of the application under sub-rule (2) before the lapse of the lease.]

18. Default in payment of bid amount :-

4[If the lessee or the bidder makes default in payment of any money due from him under these rules within the stipulated period or neglects to furnish security deposit or to execute the lease deed when required, the Deputy Director may pass an order forfeiting all sums paid by him and cancel the quarry lease.]

19. Rules 19 :-

The State Government may without prejudice to the provisions contained in the Act or any other rule in these Rules, change simple interest at the rate of Twenty four per cent, per annum on any amount payable under these rules or under the terms and conditions if any quarry lease from the sixteenth day of the expiry of the date fixed for payment of such amount and until payment of such sums is made.]

20. Rights under a Lease :-

Subject to a contract to the contrary, a quarry lease granted under the rules shall confer on the lessee, the right to quarry, carry away, sell or dispose of the minor mineral or minerals specified in the lease deed and found upon under the lands specified therein.

21. Removal of Sand from Port limits :-

2[(1) Removal of sand may be allowed with the previous permission of the Conservator of Port under sub-section (1) of Section 3 of Indian Ports Act, 1908 from the Ports under the administrative control of the State Government for scrubbing decks and ballast on small country crafts or for other marine purposes free of charge in case the sand removed is not exceeding half a tonne and in other cases, the prevailing rate of seigniorage fee for ordinary sand as specified in Schedule I under Rule 10 from time to time shall be levied on the quantity removed in excess over half a tonne. The seigniorage fees so collected shall be credited to the Andhra Pradesh Minor Port Fund or the Landing and Shipping Fund, as permitted Authority directs.]

(2) Quarrying and removal of sand for non-marine purposes shall, however, be subject to the previous permission of the Conservator and payment of the seigniorage fee.

22. Availability of the areas for grant to be notified :-

3[xxx]

23. Removal of sand etc., from lands and tanks in-charge of the Government Department :-

(1) Nothing in the foregoing rules shall apply to removal of sand, earth or silt for non-commercial purpose from the lands and tanks in-charge of the Public Works Department and the Revenue Department.

(2) Sand, earth or silt from the beds of tanks under the control of the Public Works Department or the Revenue Department, which are notified by the Assistant Director under this rule, may be allowed to be removed free of charge for bona fide domestic, agricultural or non-commercial purposes. Such removal shall be subject to the following restrictions, namely:-

- (i) pits shall be a distance of at least twice the height of the bund from the toe of the bund, and they shall not be of such depth as would expose porous strata and at any rate more than one metre;
- (ii) earth shall not be carted along tank bund unless the bund is a road or car track ;
- (iii) bunds shall not be cut to enable carts to pass ;
- (iv) silt removed shall not be stocked on tank beds, bunds or slopes of bunds ; and
- (v) cart shall not touch any portion of the revetment sluice or any

other masonry works of the tank and cause damage to them.

(3) Before issuing the notification under sub-rule (2) in respect of the tanks in-charge of the Public Works Department or the Revenue Department, the Assistant Director shall consult the Executive Engineer or the Collector of the revenue district concerned.

24. Removal of minor minerals from sources vested in Zilla Parishads, Municipalities, Panchayat Samithis & Gram Panchayats :-

The Assistant Director may, subject to the provisions of Rule 12, grant lease for the removal of any minor mineral from any sources of water supply vested in any Zilla Parishad, Municipality, Panchayat Samithi or Gram Panchayat, after consulting it.

25. Quarrying or removal of sand in certain river beds :-

1[25. Quarrying or removal of sand in certain river beds:-

Whenever the Director or the Officer authorised by him decides to lease-out the right of quarrying for sand in sealed Tender-cum-Public Auction, in River beds to which the Andhra Pradesh (Andhra Area) River Conservancy Act, 1884 applies he shall prior to the issue of notice under Rule 9-C consult the Conservator of Rivers.]

26. Penalty for unauthorised quarrying :-

2[(1)] If any person carries on quarrying operations or transports minor minerals in contravention of these rules, he shall be liable to pay as penalty, such enhanced seigniorage fee together with assessments as may be imposed by an Officer nominated by the Director of Mines and Geology.

(2) Whenever any person raises or transports minor minerals without any lawful authority, such minerals may be seized by an Officer nominated by the Director of Mines and Geology in this behalf in addition to the imposition of the penalty under sub-rule (1) : Provided that in no case, the penalty shall exceed 3 [ten times] the normal seigniorage fee and the lease or permit already granted may, at the discretion of the Deputy Director, be liable to be terminated or cancelled

1[(3)(i) For the purpose of ascertaining the position of payment of Mineral Revenue due to the Government or for any other purpose under these rules, the person authorised under sub-rule (2) may-

(a) enter and inspect any premises ;

- (b) survey and take measurements ;
- (c) weigh, measure or take measurements of stocks of minerals ;
- (d) examine any document, book, register or record in the possession or power of any person having the control of, or connected with any mineral including the processed mineral and place marks of identification thereon and take extracts from, or make copies of such document, book, register or record ; and
- (e) order the production of any such document, book, register, record as is referred in Clause (d).

(ii) If no documentary proof is produced in token of having paid the mineral revenue due to the Government by any person who used or consumed or in possession of any mineral including the processed mineral, he shall notwithstanding anything contained in sub-rule (1) be liable to pay 2[five times] of the normal seigniorage fee as penalty in addition to normal seigniorage fee leviable under the rules.

3[Explanation:- It shall be competent to the officer nominated by the Director of Mines and Geology to determine the question whether quarrying operation or transportation of minerals are carried or not within the meaning of this rule.]

4[(4) The applicant/applicant company convicted for an offence relating to unauthorised mining/quarrying of minor minerals shall be debarred/disqualified for getting new Quarry Lease or renewal of the existing Quarry Lease for a period of ten (10) years.]

27. Registered holder or any lessee held responsible for proper working of the quarry :-

In a case where the land is leased out, the lessee and where no lease is granted, the registered holder shall be responsible for the proper working of the quarry and shall be liable to the Government for his wrongful act or default.

28. Discovery of new mineral, fencing, accounting, etc :-

(1) If any minor mineral not specified in the lease or the order sanctioning the permit is discovered in the area, under lease or permit, the lessee or the permit holder shall not win or dispose of such mineral without obtaining permission of the Assistant Director and without payment of such seigniorage fee as well as the acreage assessment as would be due if permission was granted in respect of such mineral.

(2) The lessee 1[xxx] shall at his own expense, erect boundary

marks round the area shown in the plan annexed to the lease or mentioned in the order sanctioning the permit, as the case may be, and maintain and keep boundary marks in good repair.

(3) The lessee or the person to whom a permit is given shall keep true accounts of the quantity and other particulars of all minor minerals obtained and dispatched from the quarry in Form C.

(4) Any officer authorised by the Deputy or Assistant Director in this behalf shall have access to such account for examination and inspection and the permit holder or the lessee shall furnish the officer with such information and returns as may be specified by him.

(5) The lessee or the person to whom a permit is given shall strengthen and support any part of the quarry for the safety of any railway, reservoir, canal, road or any public work or structure to the satisfaction of the Railway Administration, local authority or the State Government, as the case may be, according to the requirements.

29. Recovery of arrears :-

Any amount due to Government under these rules may be recovered as an arrears of land revenue.

30. Report to Chief Inspector of Mines :-

The lessee or his agent or the manager of the quarry shall forward to the Chief Inspector of Mines, Dhanbad, India and the 2 [Assistant Director] concerned a report in Form F1.

(i) whenever the depth of the quarry measured from its highest to its lowest point reaches six metres ;

(ii) whenever the number of persons employed in the quarry on any day is more than 50 ; and

(iii) at such times as the Assistant Director may direct.

31. Conditions of permit or lease :-

Every quarry lease shall, in addition to such conditions as may be specifically stipulated in each case, be subject to the following conditions, viz-

(i) 1 [xxx]

(ii) 2 [xxx]

(iii) The lessee shall pay annually the land assessment, if any, of the area under lease or permit ;

3[(iv) The lessee shall pay the advance dead rent at the time of execution of the lease deed and the annual dead rent for the subsequent years, one month in advance every year and all other sums payable to the Government in any Government Treasury and file the challans to the Assistant Director concerned ;]

(v) The Deputy Director, shall be the competent authority to assess and fix, in consultation with the concerned departments, any compensation payable by the lessee for any loss, injury or damage done to the person concerned or to his property.

(vi) The lessee shall, 4 [xxx] effect and maintain at his own expense, boundary pillars of substantial material, standing not less than one metre above the surface of the ground at each corner or angle in the line of the boundary of the area under lease or permit and at intervals of not more than 183 metres along with the boundary, delineated in the plan attached to the area under lease or permit ;

(vii) The lessee shall commence quarrying operations within two months from the date of the grant and shall thereafter carry on such operations effectively in a proper, skillful and workman like manner, as regards prevention of waste within the quarry and shall not work it in such a manner as may prove dangerous to human life or cattle and shall, if so directed by the Assistant Director, cause such quarry or any part thereof to be securely fenced to the satisfaction of the Assistant Director.

(viii) The lessee shall without delay send to the Assistant Director a report of any accident involving the death or injury to any person which may occur in or around the quarry and shall observe all rules for the time being in force regulating the working of quarries;

(ix) The lessee shall not assign, sublet, transfer or otherwise dispose of the area under lease or permit without obtaining the previous sanction in writing of the Deputy Director ; 5 [A quarry lease granted in public auction for sand is not open for transfer ;]

(x) The lessee shall not cut or injure any trees in the area under lease or permit ;

(xi) The lessee shall obtain the permission of the Assistant Director before he would erect on the area under lease or permit any building for quarrying purposes if the area belonged to the Government ;

(xii) If, in the course of quarrying, any mineral not specified in the lease is discovered, the lessee shall at once report such discovery to the Assistant Director to enable him to obtain orders of the Government regarding the working of the same ;

(xiii) If the lessee stops to work the quarry without the prior sanction of the Assistant Director for a continuous period of six months, the lease granted for quarrying shall be liable to be cancelled;

1[(xiv) If the lessee to whom a quarry lease is granted has duly observed all the conditions of the lease and file an application under Rule 9(i) to the Deputy Director (through Assistant Director) 2[x x x] the Deputy Director may grant renewal for not more than two times to the period of the quarry lease. The renewals are further subject to the following criteria:-

First Renewal:-

(a) Systematic development of the quarry/quarries.

(b) Development of good communication facilities and their maintenance.

(c) Investment on transport.

(d) Training of skilled labour and commitments on labour retention and inducement.

(e) Preliminary work and investment for establishment of a processing (dressing or upgrading) plant utilising the product from the quarry/quarries in question.

(f) Establishment of market for the product, either in raw form or in processed or semi-processed form. Second Renewal:-

(a) Establishment of processing plant, either individually or in joint partnership with others.

(b) Development of market in the country or abroad.

(c) Any long term contracts with established industries for supply of quarry product.

(d) Setting up of an industry in the region either individually or in partnership with others.

Note:- (1) Adherence to and non-violation of rules during the term of occupation is a primary prerequisite in all cases of consideration of renewal.

(2) In case of patta lands, renewals may be automatic.

(3) In case of leases for minor minerals useful for road metal ballast serving as a captive source for a crusher unit the renewal may be granted as long as crushing unit is in operation.]

(xv) If the seigniorage fee or dead rent payable by the lessee is not paid within three months next after the date fixed in the grant or otherwise for its payment, the Deputy Director or any Officer authorised by him, may after giving an opportunity to the defaulter, enter upon the area under lease or permit and distrain all or any of the mineral or the movable property belonging to him and

standing on the land, and may order for the sale of the property distrained or so much of it as will suffice to cover the arrears due to the Government together with all costs and expenses occasioned by the non-payment thereof and may also determine the lease or permit ;

(xvi) In the case of any breach on the part of the lessee of any covenant or condition contained in the grant, the Deputy Director, may, after giving an opportunity to the defaulter, determine the lease 1 [xxx] and take possession of the premises under lease 2 [xxx] and forfeit the security deposit ;

(xvii) On the determination of a lease or permit for violation of condition (iii), (xv) or (xvi), all sums paid by the lessee by way of deposit shall be adjusted towards the amounts, if any, due to the Government and any further dues remaining unpaid shall become recoverable from the lessee.

(xviii) The Deputy Director may, in consultation with the Government determine the lease, if it is considered by him necessary to do so in the public interest after giving two calendar months notice in writing ;

3[(xix) Any minor mineral extracted from the quarry and not removed by the lessee before the date of expiry of the determination of the lease or permit may be dispatched within 30 days or extended period granted by the Government from the date of such expiry or determination after paying dead rent and seigniorage fee and any other sums which may be due. If the lessee does not remove the extracted mineral from the leased area within the permitted and extended period mentioned above it shall be the property of the Government and the Assistant Director may sell it in public auction.]

4[(xx) When the quarry lease is granted by public auction the lessee shall pay the quarrying fee or lease amount in the manner prescribed in these rules.]

1[(xxi) (a) The lessee shall follow and effect the provisions of Labour Laws pertaining to the employment, payment of wages and other welfare measures to the Labour who are employed in quarries and mines.

(b) The lessee further shall take all precautionary measures in conducting mining operations as per the relevant stipulations made under Metalliferous Mines Regulations, 1961.

(c) If the lessee violates the provisions as stipulated above, necessary action shall be taken for cancellation of the lease after obtaining the information from the concerned departments after

giving an opportunity.]

32. Special conditions in the lease :-

The grant may include any special conditions for working in forest areas and the lessees shall not interfere with exploitation of the forest produce in the area or with the rightful exercise of any other rights other than the exploitation of the minor minerals for which the grant is made to him.

33. Head of Account to which amount should be remitted :-

Any stocks of minor minerals excavated by the lessee or the person who worked at the quarry under a lease or permit under these rules and left lying on the area after the expiry of the lease or permit shall be the property of the Government and the Assistant Director may sell it in public auction. The amount so collected as cost of cesses, if any, shall be credited to the following Head Account.
1Major Head : 128 - Mines and Minerals ; Minor Head : Mineral Concession Fee ; Sub-Head : Seigniorage fee or dead rent on minor minerals.

34. Despatch permit :-

2[(1) No minor mineral shall be dispatched from any of the leased areas without a valid permit issued by the Assistant Director of Mines and Geology concerned or an officer authorized in this behalf by the Director of Mines and Geology:

3[Provided that any misuse of the transit forms without paying Seigniorage Fee and not accompanied by the transit forms used by the Assistant Director of Mines & Geology concerned or an officer authorized in this behalf by the Director of Mines & Geology and any other contravention, shall result in forfeiture of Security Deposit and levy of normal Seigniorage Fee along with "five times" penalty by the Assistant Director of Mines & Geology concerned or the Officer as authorized by the Director of Mines & Geology.]]

(2) The application for the despatch permit under sub-rule (1) shall be made by the lessee to the Assistant Director concerned in Form-K by duly enclosing challans towards advance payment of seigniorage fee for the proposed quantity to be despatched at least ten days before the proposed date of despatch of the mineral. The permit shall be issued by the competent authority in FormL:]

4[(3) Those who are covering under Rule 10(5) shall obtain

dispatch permits from the Assistant Director of Mines and Geology concerned in Form L1 duly filing application in Form-KI for procuring material from the lease hold source by duly paying the Seigniorage Fee under Schedule III of these rules. The dispatch permits shall be issued for a period proportionate to the amounts paid by them, but for a period not less than one month. However they shall invariably procure the raw material from the authorized licenses/ lessees concerned for respective mineral under the provision of the Andhra Pradesh Minor Mineral Concession Rules, 1966. In case they resort for unauthorized quarrying they are liable for action under Rule 26 of these rules.

(4) In case of units under 10(5)(1) if declared sick for a period exceeding six months shall represent to Assistant Director of Mines and Geology by duly paying Rs.1,000/- and concerned Deputy Director of Mines and Geology will enquire and pass orders.]

35. Appeal :-

An appeal against any order passed by the Assistant Director or Deputy Director, 1 [Joint Director] under these rules shall lie to the Director within a period of two months from the date of communication of such order to the party aggrieved and an appeal against an order of the Director 2[xxx] shall be to the Government in like manner.

35A. Revision :-

The Government may either suo motu at any time or on an application made within ninety days, call for and examine the record relating to any order passed or proceeding taken by the Director, 3 [Joint Director],

Deputy Director or Assistant Director under these rules for the purpose of satisfying themselves as to the legality or propriety of such order or as to the regularity of such proceedings and pass such order in reference thereto as they think fit :

Provided that no order adversely affecting any person shall be passed under this rule unless such person has been given an opportunity of making his representation.

1[Explanation:- For purposes of this rule where a Deputy Director has failed to dispose of an application for the grant or renewal of a quarry lease within the period specified in respect thereof under these rules, the Deputy Director shall be deemed to have made an order refusing the grant or renewal of such lease on the date on

which such period expires.]

35B. Fees :-

1[35-B. Fees:-

Every appeal under Rule 35 or application for revision under Rule 35-A shall be accompanied by a treasury receipt showing that 2[a fee of rupees five hundred if it is an appeal or a fee of rupees one thousand if it is an appeal for revision], has been paid into a Government Treasury or in any Branch of the State Bank of Hyderabad doing the Treasury business, to the credit of the State Government under the following Head of account:- 3[128. Mines and Minerals-M.H. 10 Minerals Concession Fees, Rents and Royalties - S.H. (03) - Miscellaneous Revenues.]

35C. Application for appeal/revision :-

Any appeal against any order passed by the Assistant Director or the Deputy Director or Joint Director filed before the Director under Rule 35, of revision against any order passed by the Director, Joint Director, Deputy Director or Assistant Director filed before the government under Rule 35-A of these rules shall be made in triplicate in Form J within the period specified in Rule 35 or 35-A of these rules, alongwith Treasury receipt shown that the fees specified in Rule 35-B of these rules has been paid into a Government Treasury, or in any Branch of State Bank of India/Hyderabad conducting the Treasury business to the credit of the head of account is specified therein :

Provided that any such application may be entertained after the said period of two months/ninety days specified in Rule 35-A, if the applicant satisfies the Director/State Government that he had sufficient cause for not making the application within the specified time.]

(2) Where the fee under sub-rule (1) has been deposited, but no application for appeal/revision has been made, the fee shall be refunded to the person concerned or an application made by him in this behalf to the Director/State Government.

(3) In every application made under sub-rule (1) the person to whom a quarry lease was granted in respect of the same area or part thereof, shall be impleaded as a party.

(4) Along with the application under sub-rule (1) the applicant shall submit as many copies as there are parties impleaded under sub-rule (3).

(5) On receipt of the application the Director/State Government shall send a copy of the application to each of the parties impleaded under sub-rule (3) specifying a date on or before which he may make his representation if any against the appeal/revision application filed under sub-rule (1).]

36. Particulars of quarry leases :-

The Assistant Director shall furnish by the fifth of every month in Form D the full particulars of all the quarry leases granted in the preceding month indicating the situation, survey number and extent, the mineral and the period for which it was granted, with names and addresses of lessees to the Director of Mines and Geology and shall thereafter provide, from time to time, as and when arising, the particulars of quarry leases terminated, relinquished or expired. He shall also furnish to the Director, the particulars as to the mineral receipts in respect of all quarries granted under these rules every half year in Form E.

37. Saving :-

Nothing in these rules shall apply to search for minerals at the surface not involving any substantial disturbance of the soil.