

Tamil Nadu Minor Mineral Concession Rules, 1959

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Tamil Nadu Minor Mineral Concession Rules, 1959

PREAMBLE

In exercise of the powers conferred by Section 15 of Mines and Minerals (Regulation and Development) Act, 1957* (Central Act LXVII of 1957) and in supersession of the Tamil Nadu Minor Mineral Concession Rules, 1956, published at pages 371-387 of Part-I Rules Supplement to the Tamil Nadu Government Gazette, dated the 1st August 1956, the Governor of Tamil Nadu hereby makes the following Rules

CHAPTER 1 PRELIMINARY

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

(1) These Rules may be called the Tamil Nadu Minor Mineral Concession Rules, 1959.

(2) They extend to the whole of the State of Tamil Nadu.

(3) They shall apply to all the lands in the State of Tamil Nadu including the lands in the Estates taken by the State Government under the Tamil Nadu Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Tamil Nadu Act XXVI of 1948).

(4) They shall come into force at once.

2. Definitions :-

¹[2. Definitions.--

In these Rules, unless the context otherwise requires, --

(1) ²["Act" means the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act LXVII of 1957);]

(2) "Agreement" means an agreement to quarry and carry away one or more of the minor minerals specified therein;

(3) "Area assessment" or "assessment" means the assessment levied under these Rules with reference to the total extent of the land granted on quarrying lease and includes land assessment;

(4) "Director of Geology and Mining" shall include Commissioner of Geology and Mining;

(5) "Form" means a Form set out in the Appendices to these Rules;

³[(5-A) "Granite" means dolerites, granite gneisses, migmatites, gabbros, anorthosites, rhyolites, syenites, leptynites, charnockites and any other igneous and orthometamorphic rock types which are

--

(a) amenable to be recovered as dimensional stone;

(b) capable of taking polish; and

(c) commercially exploitable;]

⁴[(5-B) "Local body or bodies" shall mean and include a Village Panchayat, a Town Panchayat, a Township, a Municipality, a Corporation as defined in the respective Act under which each of the above bodies is constituted and in the Rules made under the respective Act;]

(6) "Quarry", "quarrying lease" and "quarrying operations" shall have the same meanings assigned to "mine", "mining lease" and "mining operations" in the Act;

- (7) "Quarrying permit" means a permit granted under these Rules to extract a specified quantity of a minor mineral within the period stipulated in the permit;
- (8) "Registered holder" means a person or persons in whose name the land has been registered;
- (9) "Railway" and "Railway Administration" shall have the meaning respectively, assigned to them in the Railways Act, 1989 (Central Act 24 of 1989);
- (10) "Section" means a Section of the Act;
- (11) "State" and "State Government", respectively, means the "State of Tamil Nadu" and "Government of Tamil Nadu".]

* Now, Mines and Minerals (Development and Regulations) Act, 1957.

1 Substituted by G. O. Ms. No. 166, Industries, dated 16th June 1994 w.e.f. 22nd June 1994.

2 Substituted by G. O. Ms. No. 86, Industries, dated 22nd February 2001.

3 Clause (5-A) was inserted by G. O. Ms. No. 86, Industries, dated 22nd February 2001.

4 Clause (5-A) as originally inserted by G. O. Ms. No. 3, Industries, dated 2nd January 1998 was re-numbered as clause (5-B) by G. O. Ms. No. 86, Industries, dated 22nd February 2001.

CHAPTER 2 GOVERNMENT LANDS IN WHICH THE MINERALS BELONG TO THE GOVERNMENT

3. Grant of quarrying permits :-

¹[3. Grant of quarrying permits.--

(1) An application for grant of a quarrying permit shall be made in the Form prescribed in Appendix X to these Rules to the ²[District Collector]. The application shall be accompanied by the following documents, failing which the application is liable for summary rejection :--

(a) An application fee of one hundred rupees and the seigniorage fee at the rates prescribed, from time to time, in Appendix II to these Rules for the quantity of the mineral applied for. The application fee and the seigniorage fee shall be remitted through a demand draft obtained from any Nationalised Bank and it shall be drawn in favour of the ²[District Collector] by designation only; and

- (b) A properly sworn affidavit stating that no mining dues are outstanding in the applicants name.
- (2) (a) On an application made to him as in sub-rule (1), the ²[District Collector] may grant a quarrying permit for any minor mineral other than the minor minerals covered under Rules 8-A and 8-C of these Rules for a quantity not exceeding 2,000 cubic feet ³[***] to any person who is an Indian national to extract and remove from any land other than the lands covered by the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V 1882) and where quarrying can be permitted.
- (b) The ⁴[District Collector] may, for reasons to be recorded in writing, refuse to grant such permit.
- (c) Quarrying permits shall not be granted for areas which have already been notified for grant of a regular lease but if such an area cannot be granted on regular lease due to any Court orders after a notification is made, quarrying permits for such areas may be given if granting of quarrying permits for that area is not stayed by the Court order.
- (d) After the expiry of quarrying lease for an area and before notifying the area for further grant of a regular lease, quarrying permits for such areas may be granted depending upon the circumstances of each case.
- (3) A quarrying permit granted under this Rule shall be in the Form prescribed in Appendix XI to these Rules and subject to the conditions prescribed in the quarrying permit.
- (4) On no account there shall be re-validation of any quarrying permit. The quarrying permit is not transferable. There shall be no refund of the application fee and seigniorage fee already remitted on the ground that the quarrying permit obtained has not been utilised.
- (5) Application fee and the seigniorage fee shall be refunded, if the application for quarrying permit is rejected.
- (6) A register of quarrying permit shall be maintained by the ⁴[District Collector].]

4. Removal of sand from port limits :-

⁵[4. Removal of sand from port limits.--

Any quarrying and removal of sand from the limits of ports under the administrative control of the State Government for scrubbing docks and ballast on country crafts or for other marine purposes shall be made with the previous permission of the Conservator of

Ports under Section 30(1) of the Indian Ports Act, 1908 and it shall be allowed free of charge if the quantity does not exceed 500 kilograms and if the removal is in excess over 500 kilograms, seigniorage fee shall be charged on the excess over 500 kilograms at the rate prescribed, from time to time, in Appendix II to these Rules. Quarrying and removal of sand for non-marine purposes shall be made with the previous permission of the District Collector in consultation with the Conservator of Ports and to the payment of seigniorage fee at the rate prescribed, from time to time, in Appendix II to these Rules. The seigniorage fee so collected shall be credited to the Tamil Nadu Minor Ports Fund or the Landing and Shipping Fund where one has been constituted for the port.

5. Quarrying in reserve forest :-

(1) (a) In the case of lands which have been constituted as reserved forest under Section 16 of the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V of 1882), all quarrying and removal of turf and the earth by the public is prohibited except in accordance with permits granted under the said Act. The Forest Department may allow other Departments of Government and local bodies to quarry in forest areas and charge for the material quarried. When quarrying permits or regular leases are granted to the public or to the Government Departments, Government owned Corporations or Companies and local bodies, the material quarried shall be charged at the rates specified in Appendix II to these Rules or the lease amount and other charges shall be collected, as the case may be, as provided in these Rules. The procedures and conditions prescribed in Rules 3, 7 and 8 of these Rules, as the case may be, shall be applied to deal with these cases.

(b) Violation of these Rules shall entail prosecution under Rules 13 and 15 of the Forest Rules framed under Section 26 of the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V of 1882);

(2) Quarrying in reserved lands:--

(a) In the case of lands which have been notified as reserved lands under the Rules issued by the Government under Section 26 of the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V of 1882), the public may be allowed to quarry, provided firstly that such quarrying shall not injure the growth of any tree, secondly that it may be prohibited in any area for any special reasons and thirdly the quarrying shall be subject to the payment of seigniorage fee or lease amount, as the case may be, as specified in these Rules. The

procedures and conditions prescribed in Rules 3,7 and 8 of these Rules, as the case may be, shall be applied to deal with these cases.

(b) Violation of these Rules shall entail prosecution under Rules 13 and 15 of the Forest Rules framed under Section 26 of the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V of 1882).

6. Quarrying for domestic or agricultural or other specific purposes :-

In river beds and unreserved lands at the disposal of the Government including poramboke other than village or town sites and bunds of drinking water ponds or tanks --

(1) the public may be allowed to quarry free for bona fide domestic or agricultural purposes without obtaining permits for quarrying, provided that the dwelling place or the agricultural land of the person concerned and the quarrying place shall be in the same revenue village or in the adjoining revenue village;

(2) any individual person engaged in the making of pots or bricks and any registered society as defined in the Tamil Nadu Co-operative Societies Act, 1983 (Tamil Nadu Act 30 of 1983) which has as its principle object the making of pots or bricks with the help of or through its members may, if permitted to do so by the Panchayat Union Council, be allowed to quarry free for bona fide pot or brick making purposes, if such purpose is certified by the Extension Officer (Industries):

Provided that if the minerals proposed to be removed under this sub-rule by any such individual exceeds 800 cart loads of clay and sand or a mixture of both per annum, seigniorage fee at the rates specified in Appendix II to these Rules shall be levied on the excess quantity of the mineral over 800 cart loads.]

7. Quarrying for public purposes :-

Quarrying from unreserved waste lands including poramboke other than bunds of drinking water ponds or tanks may be allowed free of charge in the case of Department of Government of India and the State Government, Panchayat Union Councils, Panchayats and Municipalities or Contractors in their employ, provided firstly, that the products removed are required and used solely for bona fide public purposes and not for sale or commercial profits and secondly that the quarrying shall be subject to the previous permission of the Revenue Divisional Officer being obtained and to the general

conditions already prescribed by the Collector. Contractors in the employ of Panchayat Union Councils, Panchayats and Municipalities shall be given a concession only if the Engineers and Assistant Engineers or the Commissioners concerned certify that the metal is required for a bona fide public purpose and not for sale or commercial profit. In emergent cases, a certificate issued by a Supervisor of the Highways Department or a Supervisor of Panchayats may be accepted provisionally, but in such cases, a further certificate shall be produced from the Assistant Engineer or the Executive Authority of the Panchayat confirming the Supervisors certificate as soon as possible afterwards. In the case of Panchayats, free permits to Contractors shall be granted on the strength of the certificates issued by the Executive Authorities of Panchayats counter-signed by the District Panchayat Officers. If the Revenue Divisional Officer considers that in any case, special conditions should be imposed, he shall report the case to the Collector for orders. With the same restriction, the privilege of free removal may be allowed to other public bodies subject to the further proviso that the operations shall be conducted under the supervision of their establishment and not by Contractors in their employ. The officer concerned while granting certificate shall also certify that the metal is required for a public purpose and shall state that purpose and the quantity of metal required. In all other cases, seigniorage fee at the rates specified in Appendix II to these Rules shall be charged. These provisions shall also apply to the removal of sand from riverbeds. The Collector is empowered to close any quarry or reserve it for any particular department of Government or local bodies or prohibit or regulate quarrying in any way and may require as a condition of quarrying that the land shall afterwards be restored to a state fit for cultivation. Where a local body desires that the exclusive right of quarrying in any such land should be reserved for it, the land shall be leased to the local body concerned subject to the payment of ordinary assessment. Such leases which shall be in the Form set out in Appendix III to these Rules, may be granted by the Collector unless they infringe the general condition laid down in Government of India (Finance and Commerce Department) Resolution No.933, Extraordinary, dated 20th February 1984. The relevant limitations laid down in the said resolutions are as follows:--

(1) If the lease is granted for more than five years, it shall be accompanied by an unconditional power of revocation by the Government at any time during such period on the expiry of six

months notice to that effect and it shall not impose on the public revenue on annual liability in excess of Rs.5,000/-.

(2) The case shall not impose on such revenues, a charge or expenditure or liability to damages in excess of one lakh of rupees.

(3) The case shall not involve the session of proprietary rights, the estimated value of which exceeds one lakh of rupees.

8. Leasing of lands for quarrying minor minerals other than the minerals covered under Rules 8-A and 8-C of these Rules :-

6[8. Leasing of lands for quarrying minor minerals other than the minerals covered under Rules 8-A and 8-C of these Rules.--

(1) (a) The District Collector shall publish a notice in the District Gazette inviting tender applications ⁷[in sealed cover] for grant of lease of areas for quarrying minor minerals other than the minerals covered under Rules 8-A and 8-C of these Rules :

⁸[Provided that in respect of stone quarries, publication of the notice in the District Gazette shall be made only after a notification is made in the District Gazette inviting applications for direct grant of leases to the special categories under sub-rule (10-A) of this Rule. An area for stone quarry lease not notified in the notification under sub-rule (10-A) shall not be included in the notice to be published subsequently under this clause].

(b) The District Collector shall give further publicity to invitation of tender applications --

(i) by advertisement in one issue of a Tamil daily newspaper having wide circulation in the district and in the State; and

(ii) ⁹[by notice in the language of the district put up at the office of the District Collector, the Revenue Divisional Officer, the Tahsildar, Joint Director / Deputy Director /Assistant Director (Geology and Mining) of the district and local bodies concerned having jurisdiction over the area].

(c) Every notice and advertisement published under clauses (a) and (b) shall inter alia specify --

(i) Survey number, extent, village and taluk of the area offered for lease and the name of the mineral allowed for quarrying in the area;

(ii) last date and time for receipt of tender applications;

(iii) address to which the applications shall be sent;

(iv) amount of earnest money deposit;

(v) place, date and time of opening the tender applications.

(d) There shall be atleast fifteen clear days between the date of publication of the notice in the District Gazette and the last date for receipt of the tender applications.

(2) (a) ¹⁰[All applications made in response to any notice or advertisement inviting tender applications shall be made in the tender application Form prescribed in Appendix VI to these Rules or on plain white paper and the sealed tender applications shall be directly sent to the addressee specified in the notice or advertisement in a sealed cover superscribed as "Tender application for quarrying lease-Item No...." The name and address of the applicant shall also be legibly written on the sealed cover].

(b) For each item of the area specified in the District Gazette notification or in the newspaper advertisement, separate tender application shall be made and the District Collector or the officer authorised by the District Collector to receive the tender applications shall prepare and maintain a list of applications received for each area.

(c) ¹⁰[All sealed tender applications shall reach the addressee specified in the notice or advertisement within the specified time and date. Any wrongly addressed or belated application is liable to be summarily rejected].

(d) Only those persons who made applications in the manner specified in this Rule and in the notice and advertisement issued for inviting applications shall be included in the list of eligible applicants for each area notified for grant of lease and shall be allowed to be present at the place of opening the tender applications.

(3) Every tender application made for grant of a quarrying lease shall be accompanied by --

(a) ¹¹[Original challan for payment of non-refundable application fee as specified by the Government, from time to time. The amount can also be remitted through demand draft;]

(b) ¹²[A crossed account payee demand draft for Rs.25,000/- towards earnest money deposit obtained from any Nationalised Bank and drawn in favour of the local body in which the quarry is situated. The demand draft shall not be in any individuals name. In respect of quarries situated in reserved forests and reserved lands governed by the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V of 1882), the demand draft shall be drawn in favour of the District Forest Officer concerned :

Provided that in the case of tender applicants, they shall enclose a

demand draft for a total amount which is equivalent to Rs.25,000/- payable towards earnest money deposit and 10% of the tendered amount being the advance deposit (towards adjustment for initial payment if the tender applicant is eventually declared as successful person to obtain the lease subject to the other conditions laid down in this Rule].

(c) An affidavit showing particulars of areas mineral-wise in each district of the State, which the applicant or any person jointly with him --

(i) already holds under a quarrying lease or quarrying permission;

(ii) has already applied for, but not yet granted;

(iii) is being applied for simultaneously.

(d) a valid mining dues clearance certificate obtained from the Collector of the district where the quarrying or mining lease area is situated in the Form prescribed in Appendix VIII to these Rules for having paid mining dues such as royalty, seigniorage fee, lease amount, dead rent, surface rent, area assessment, local cess and local cess surcharge and the penalty amount payable under the Act or these Rules or under the lease deed or agreement already executed or entered into by the applicant.

(e) An affidavit stating that the applicant has --

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

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

(iii) paid the income tax on the basis of self-assessment, as provided in the Income Tax Act, 1961 or any other later instructions of the Central Government.

(4) (a) Where an application is delivered personally, its receipt shall be acknowledged in the Form in Appendix IX to these Rules. Where an application is sent by post, it shall be sent by registered post with acknowledgement card and its receipt shall also be acknowledged by the addressee in the Form in Appendix IX to these Rules within three days from the date of receipt of it. The acknowledgement for receipt of applications shall be signed only by the official empowered by the District Collector in this behalf.

(b) If any application is made for an area when there is no invitation of applications under clause (a) of sub-rule (1) through notice by the District Collector, it shall summarily be rejected as premature application. If any application is received after the due time or date fixed for receipt of application it shall be rejected by the District Collector as time-barred application. The rejection order passed on the belated application with the demand draft shall be despatched to the applicant within seven days from the date of

receipt of the application, retaining the application and the cover.

13[(5) (a) (i) ¹¹[Before opening tender applications received for each area for which applications are invited through notification and advertisement, an auction shall be conducted in which all eligible applicants who made payment of application fee as applicable, from time to time, and earnest money deposit of ¹⁴[Rs.25,000/-] along with all other documents as are required of a tender applicant can also participate. The tender applicants need not repeat this process b u t can participate straightway in the auction. Applications submitted for direct participation in the auction need not contain particulars of tender / bid amount;]

(ii) ¹⁵[All persons who have made applications for participating in the auction and the tender offering shall be present during the entire auction-cum-tender proceedings so as to know as to who is declared as the successful person eligible to obtain the lease of the area and to make 10% of the bid or tender amount as initial payment immediately after the declaration made by the District Collector. In the absence of the applicant, one nominee of the applicant may be permitted to participate in the auction and allowed to be present when the tender applications are opened provided the nominee produces an authorisation letter from the applicant authorising the nominee to do so and signed before a Notary public who shall attest the signature of the applicant and the nominee].

¹⁰[(b) (i) Before opening the tender applications received for each area, an auction shall be conducted by the District Collector or the officer authorised by the District Collector allowing the tender applicants as well as others to bid at the auction for making further offer of lease amount to obtain the area on lease. Immediately after the conclusion of the auction, all the valid tender applications for the area shall be opened and examined by the District Collector or the authorised officer].

(ii) ¹⁵[The sealed tender applications shall be then opened in the presence of the auction bidders and the tender applicants or their nominees] who may choose to be present. Failure on the part of any tender applicant or his nominee to be present on the date and time of auction or at the time of opening of the sealed tender applications shall not prevent the authorities concerned from conducting the auction and opening the sealed tender applications with the participation of the other tender applicants or their nominees or others.

(iii) **15**[Failure to quote in the tender application specific amount which the applicant is willing to pay as one time lease amount for the area or failure to enclose the demand draft towards payment of earnest money deposit and advance deposit of 10% of the tendered amount as stipulated in clause (b) of sub-rule (3) or failure to sign the application or failure to furnish the affidavits specified in this Rule with the application shall result in rejection of the tender application by the District Collector or by the officer authorised by the District Collector to conduct the auction or to open the tender applications].

(iv) **10**[The authorised officer or the District Collector shall declare the total number of valid applications received for an area, names of the applicants and tender amount offered for highest bid amount offered at the auction and declare the highest bid amount offered at the auction and the highest tender amount quoted in the tender applications and the names of the highest offerors of the bid amount and the tender amount before concluding the proceedings].

(v) **15**[In case where the highest auction amount is found to be less than the highest tender amount and where the said highest tender amount has been quoted by two or more applicants or in case where the highest auction amount has been quoted by two or more applicants or in case where the higher auction amount and the highest tender amount are the same, the District Collector or the officer authorised by the District Collector shall call such persons alone to make their further offers so as to enable the District Collector to declare the name of the successful person who is eligible to obtain the lease of the area, subject to the other provisions of this Rule.

(vi) After the name of the successful bidder or tenderer, as the case may be, is declared by the District Collector, such person shall pay 10% of the bid amount or tender amount, as the case may be, immediately. If he fails to pay the 10% of such amount immediately, he shall lose his bid or tender, as the case may be and his earnest money deposit shall be forfeited to the Government. In such case, the next below highest bidder or tenderer, as the case may be, the offer of whom is greater, shall be declared bidder or tenderer, as the case may be, the person eligible to obtain the lease provided such amount is considered reasonable by the District Collector such person shall be called upon to make the 10 per cent initial payment immediately. Until the District Collector considers the next below bid or tender amount, as the case may be, as reasonable in the circumstances of the case, the

District Collector shall have the option to continue the above process of application of the next below Rule and on the contrary he shall bring the quarry for re-auction and re-tender. Excepting the forfeited earnest money deposit, the earnest money deposit of the bidders and tenderers other than successful bidder or tenderer, as the case may be, shall be returned after the entire process of auction, tender is over and after obtaining acknowledgement for receipt of the demand draft. It shall be sent by registered post in due course to those persons who are not present. A tenderer who may not be present in the place of auction, he may enclose a demand draft for the amount equal to 10% of the amount quoted by him in the tender along with the earnest money deposit amount in the same sealed cover].

12[(vii) The remaining 90 per cent of the tendered amount or bid amount, deducting the earnest money deposit already made, shall be paid within a weeks time thereafter. If this balance amount is not paid within the above stipulated time, 10 per cent amount already paid immediately after the auction or tender opening along with the earnest money deposit shall be forfeited to the Government.]

(6) (a) Where only one tender application is received for an area, **10**[if there is no one to bid in the auction], the District Collector may grant the lease in favour of the single applicant if in his opinion the annual tender amount offered by the applicant is reasonable in the circumstances of the case and the grant of the lease to the applicant will be in the interests of mineral development. If the District Collector is not satisfied in the above aspects, he may reject the application communicating the reasons therefor in writing to the applicant and issue fresh notification in the District Gazette calling for re-tender applications for the area concerned.

(b) **15**[Where two or more applications are received for an area, the District Collector shall, ordinarily, grant the quarrying lease to the applicant who is declared as the offeror of the highest bid amount or highest tender amount whichever is greater :

Provided that where the District Collector is satisfied that the highest bid amount or tender amount fetched for an area is not reasonable in the circumstances of the case, it is open to the Collector to reject the said offer and refuse to accept the payment of 10% of the bid amount / tender amount and the District Collector may order to bring the quarry for re-auction-cum-tender

process. In such a case, it is not necessary to pass any separate order for rejection of the highest bid/tender offer.

(c) On receipt of the original challan for payment of the balance 90 % of the bid amount or tendered amount from the successful bidder or tenderer, the order of the District Collector granting the lease in favour of the said person shall be communicated to him accompanied with--

(i) a copy of the draft lease deed as in the Form in Appendix I to these Rules; and

(ii) a map of the surveyed and demarcated area granted on lease to him.

On receipt of the above order of the Collector, the grantee of the lease shall produce within the stipulated time --

(i) the original challan for remittance of the balance amount indicated in the order of the District Collector towards security deposit which is payable at 10% of the lease amount or five thousand rupees whichever is greater;

(ii) the draft lease deed;

(iii) the map of the area granted on lease with the signature of the applicant; and

(iv) required stamp papers for preparing the original lease deed].

(d) The District Collector is empowered to make additions or modifications or deletions to the extent necessary in the lease deed in the Form in Appendix I to these Rules.

(e) The lease deed shall be executed by the applicant on the appointed day and time with a map of the demarcated leased out area appended to it.

(f) No Lessee is entitled to raise any dispute with reference to survey and demarcation of the area leased out to him after execution of the lease deed.

(7) Where the District Collector has granted a quarrying lease to an applicant, if the applicant fails to produce the original challan for remittance of the amounts specified in the lease granting order or fails to produce the signed copy of the demarcated map of the area or fails to produce the required stamp papers for preparing the lease deed or fails to execute the lease deed within the stipulated time, the District Collector may cancel the order granting the lease to the defaulter and ¹⁶[forfeit the earnest money deposit and all amounts paid by him to the State Government]. In the case of an area for which there are two or more applicants, after cancellation of an order granting the quarrying lease to the defaulter, the District Collector may grant the quarrying lease ¹⁶[in favour of the

next below highest bidder or tenderer, subject to the provisions of sub-rule 6(b)]. If the next highest bidder or tenderer is not communicating his acceptance of such an offer of the District Collector within ten days from the date of receipt of the District Collectors offer, the District Collector shall issue fresh notification in the District Gazette calling for re-tender applications for the area concerned.

(8) ¹⁷[The period of lease for quarrying stone in respect of the virgin areas, which have not been subjected to quarrying so far, shall be ten years. The period of lease for quarrying stone in respect of other areas shall be five years. The period of lease for quarrying sand and other minor minerals, other than the minerals covered under Rules 8-A and 8-C of the said Rules, shall not exceed three years and shall not be less than one year and shall be subject to the following conditions, namely:--

(i) The date of commencement of the period of lease granted under this Rule shall be the date on which the lease deed is executed.

(ii) The lease shall expire on the date specified in the lease deed and in no case extension of the period of lease shall be made].

(9) No applicant shall commence any quarrying operation in any area without remitting the amounts required to be paid towards the lease and without executing the lease deed. If any quarrying is done without complying with the above conditions, it shall be treated as illicit quarrying.

(10) (a) No applicant shall be granted with more than two leases within the State at a given point of time and no area granted in one lease shall exceed five hectares in extent in the case of stone quarries and ten hectares in the case of leases for other minor minerals :

Provided that the limitation of five hectares and ten hectares, respectively prescribed above, shall not be applicable in cases where such sub divisioning of area is considered not possible and the District Collector or the District Forest Officer, as the case may be, shall record the reasons therefor and inform the State Government before any notification inviting applications for the area is published in the District Gazette as required under clause (a) of sub-rule (1).

¹⁸[(b) ¹⁹[In respect of leases granted under this Rule, all Lessees, besides the one time payment of the bid amount], tender amount, which is the lease amount, shall also pay seigniorage fee or dead rent whichever is more in respect of the actual quantity of the mineral removed or consumed at the rates prescribed, from time to

time, in Appendix-II to these Rules. Besides the lease amount and the seigniorage fee or dead rent, the Lessee shall also pay such other levies as may be prescribed by the State Government, from time to time. In the event of failure to pay the seigniorage fee, the lease will be liable for cancellation on that account].

20[(10-A) (a) Notwithstanding anything contrary contained in this Rule, the District Collector shall, by notification in the District Gazette published in the month of April every year, call for applications for direct grant of leases of stone quarries to the

21[Swarna Jayanthi Gram Swarozgar Yojana Scheme Groups (hereinafter called SGSY groups)] registered either under the Tamil Nadu Co-operative Societies Act, 1983 (Tamil Nadu Act 30 of 1983) or under the Tamil Nadu Societies Registration Act, 1975 (Tamil Nadu Act 27 of 1975) and the Societies formed by released bonded labourers, subject to the following conditions, namely:--

(i) Separate application shall be made for each area for which applications are invited by the District Collector through a notification in the District Gazette in the Form prescribed in Appendix VI-B. A challan for Rs.500/- (Rupees five hundred only) remitted towards nonrefundable application fee in the concerned District Treasury shall be enclosed with the application.

(ii) Any application made under this sub-rule shall be made for an area which is located within the area of operation of the co-operative society or other Societies who are eligible to make applications under this sub-rule.

(iii) The area of operation of the applicant Society shall be specified in the applicant Societys bye-laws and such area of operation of the applicant Society shall be within the limits of one Panchayat area only.

(iv) The stone quarry lease shall be granted only in the name of the applicant Society and not in the name of any individual.

(v) The applicant Society shall furnish, along with its application besides other documents that are required to be submitted for stone quarry leases, an attested copy of the Certificate of Registration of the Society either under the Tamil Nadu Societies Registration Act, 1975 or the Tamil Nadu Co-operative Societies Act, 1983 and a copy of the bye-laws of the Society.

(vi) The period of lease for stone quarrying shall be five years. For valid reasons to be recorded in writing, before publishing notification inviting applications for grant of lease, wherever the District Collector considers it necessary, the period of a lease may be fixed for a period of less than five years.

(vii) ²²[All members of the society should have worked in any stone quarry for a period of not less than two years. The District Collector concerned is authorised to issue certificate to this effect.

(viii) Before publication of the notification of areas for direct grant of leases, the District Collector should assess the minimum viable area for optimum stone quarrying by assessing the average strength of the members of the society in the respective Panchayat Union].

Explanations.-- (i) For the purpose of inviting applications for grant of stone quarry leases under this clause, besides the newly identified areas, the areas for which the lease periods have already expired or due to expire within the financial year shall be taken into consideration.

(ii) For the leases granted under this sub-rule, lease deeds shall be executed only when the area is available to take possession by the Lessee of the lease; and

(iii) For the purpose of this sub-rule, "stone quarry" shall mean a quarry from which rough stones and size reduced stones specified in items (1) (a) and (1)(b) of Appendix - II are liable to be produced.

(b) (i) The District Collector shall examine all the applications received within the time-limit fixed in the Gazette notification published under clause (a) of this sub-rule, within fifteen days from the last date fixed for receipt of applications. Where it appears that an application is not complete in all material particulars or is not accompanied by the required documents, the District Collector shall, by a notice sent through registered post with acknowledgement due (RPAD), require the applicant to supply the omission or furnish the document, as the case may be, within fifteen days from the date of receipt of the said notice by the applicant. In such a notice, the applicant shall be specifically informed that his failure to supply the omission or furnish the document within the time-limit will result in summary rejection of his application for the said default.

(ii) The District Collector shall place all the applications made in response to the notification published under this sub-rule and received within the time-limit before a Special Committee. The composition of the Special Committee shall be as follows :-

(1) District Collector- Chairman

(2) President of the District Panchayat - Member

(3) Chairman of the Panchayat Union in which the quarry is located
- Member

(4) Project Director in-charge of Rural Development in the rank of Additional Collector (Development) - Ex Officio Member

(5) Deputy Director of Geology and Mining/Assistant Director of Geology and Mining of the District - Ex Officio Member

The Special Committee shall scrutinise the applications and furnish its recommendations to the District Collector within sixty days from the date of placement of the applications before the Committee :

Provided that in respect of an area for which application is made by a ²¹[SGSY group], the President of the ²¹[SGSY group] or his nominee may be invited as a special invitee for scrutiny of the applications for that area. In case, the President of the ²¹[SGSY group] sends his nominee, he shall produce the nomination letter of the President containing the specimen signature of the nominee. The President and his nominee shall affix their signatures in the nomination letter in the presence of a Notary Public. Scrutiny of the applications shall not be postponed only because of absence of any member or ex officio member or the special invitee at the appointed time and date.

(iii) The District Collector, after obtaining the applications from the Special Committee with its recommendations, shall pass orders on the applications in accordance with the recommendations of the Committee:

Provided that in case there exists difference of opinion among the members of the Special Committee, the opinion of the majority shall prevail over in that matter:

Provided further that if only one application is received for an area, if the Special Committee is satisfied about the bona fide of the applicant, the District Collector shall grant the lease to that applicant. In cases, where more than one applications are received for an area, preference shall be given to the society formed by released bonded labourers over the ²¹[SGSY groups].

(c) In respect of leases granted under this sub-rule, all Lessees besides the one time lease amount, shall pay seigniorage fee or dead rent whichever is more, in respect of the actual quantity of the mineral removed or consumed at the rates prescribed, from time to time, in Appendix-II. The one time lease amount shall be equivalent to the average of the lease amount fixed by the District Collector for the stone quarry leases granted already through tender system or tender-cum-auction system within the Panchayat Union limits and where there is no quarry within that Panchayat Union limits, the average of the lease amounts of all the stone quarries in the district together :

Provided that where a lease is granted to a society formed by ²¹[SGSY group] or released bonded labourers, they are eligible for concession of 50 per cent remission in the total one time lease amount payable by them. In such cases, the balance lease amount shall be paid in four equal instalments and amount payable under each instalment shall be paid fifteen days before the date of commencement of each quarter of the first year of the lease period. In the event of failure to pay the lease amount within the stipulated period, the District Collector shall cancel the lease for the said default and in such cases, the defaulter society shall not be entitled for making application any further for grant of lease under this sub-rule.

(d) Where there is no specific provision in respect of any other matter in this sub-rule, Rules that are applicable generally to stone quarry leases shall apply to the applicants seeking grant of stone quarry leases and for grant of stone quarry leases under this sub-rule].

(11) No lease granted under this Rule shall be renewed.

(12) In the case of a lease for quarrying of any mineral specified in this Rule in any forest declared to be reserved under Section 16 of the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V of 1882) or in any land at the disposal of the State Government in respect of which Rules under Section 26 of the said Act have been made, the District Forest Officer concerned shall exercise the powers and discharge the duties of the District Collector under this Rule.

8A. Lease of quarries to private persons in respect of **24[granite] :-**

²³[8-A. Lease of quarries to private persons in respect of
²⁴[granite].--

(1) The State Government may grant quarry leases to any person subject to the conditions and the procedure given below for grant of lease in respect of [granite].

(2) (a) ²⁵[(i) The maximum period for which a quarrying lease may be granted shall not exceed thirty years and the minimum period for which any such lease may be granted shall not be less than twenty years].

(ii) The quarrying lease shall be granted only in the name under which the industry which by cutting, polishing and by other means add value to the granites has been registered.

(iii) No lease shall be granted unless the applicant is having an

existing industry in Tamil Nadu or is having a distinct industrial programme to utilise the mineral in his granite cutting and polishing industry proposed to be set-up in Tamil Nadu.

(b) (i) In the case of proposed industry, the applicants shall be issued only with a letter of commitment assuring the applicant that the quarrying lease may be granted after receipt of information by the Government from the applicant about the setting up of the industry and after receiving the report of the technical committee and the recommendations of the Director of Geology and Mining about the satisfactory completion of the industry unit. An applicant who is issued with a letter of commitment shall set-up the granite cutting and polishing industry within ²⁵[two years] from the date of receipt of letter of commitment issued by the State Government failing which the letter of commitment issued by the State Government shall be deemed to have been cancelled and the entire amount remitted by the applicant towards the grant of lease shall stand forfeited to the Government.

(ii) Where an applicant who has been issued with a letter of commitment fails to set-up the industry within the prescribed time limit, makes an application to the State Government for extension of time to set-up the industry atleast one month before the expiry of the said time limit, the State Government, on being satisfied that the non-commissioning of the industry within the time limit was for reasons beyond the control of holder of the letter of commitment, may grant extension of time for a period not exceeding one year.

²⁵[(c) The minimum area that may be granted or renewed under this Rule shall not be less than one hectare and the maximum area shall not exceed fifty hectares :

Provided that the State Government, if it is satisfied on the basis of the installed or production capacity of the existing or proposed industry and also on the production level, geological or topographical conditions may, for the reasons to be recorded in writing, grant or renew a lease over an area more than the maximum area or less than the minimum area specified under this Rule].

(3) (a) The District Collector shall publish a notice in the District Gazette and also issue an advertisement in two dailies one in Tamil and another in English having wide circulation in the State of Tamil Nadu inviting tender applications in sealed cover for ²⁵[grant of lease of areas where the existence of granite has been established to quarry the mineral] specified in sub-rule (1).

(b) Every notice and advertisement published under clause (a)

shall, inter alia, specify --

(i) survey number, extent, village and taluk of the area offered for lease and the name of the mineral allowed for quarrying in the area;

(ii) last date and time for receipt of tender application;

(iii) address to which the applications shall be sent;

(iv) place, date and time and the designation of the officer for conducting the auction and for opening of the tender applications.

(c) There shall be atleast fifteen clear days between the date of publication of the notice in the District Gazette and the last date for receipt of the tender applications.

(4) (a) All applications made in response to any notice or advertisement shall be in the Form prescribed in Appendix VI-A to these Rules and they shall be sent directly to the addressee specified in the notice or advertisement in a sealed cover superscribed as "TENDER APPLICATION FOR GRANT OF QUARRYING LEASE-ITEM NUMBER IN THE NOTICE / ADVERTISEMENT, DATED." The name and address of the applicant shall also be legibly written on the sealed cover. For each item of area specified in the District Gazette Notification or in the newspaper advertisement, separate tender application shall be made.

(b) Every tender application made for grant of quarrying lease shall be accompanied by --

(i) original challan for payment of non-refundable application fee as specified by the Government, from time to time, remitted in a Government Treasury in the district concerned. ²⁶[The amount can also be remitted through demand draft issued by a Nationalised Bank or Co-operative Bank];

(ii) ²⁶[a demand draft for 27[Rs. 1,00,000/-] towards earnest money deposit];

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

(i) already holds under a quarrying lease;

(ii) already applied for but not yet granted;

(iii) is being applied for simultaneously;

(iv) a valid mining dues clearance certificate obtained from the Collector of the district where the quarrying or mining lease area is situated in the Form prescribed in Appendix-VIII to these Rules for having paid the mining dues, such as royalty, seigniorage fee, lease amount, dead rent, surface rent, area assessment, penalty amount

or any other dues payable under the Act or these Rules or under the lease deed or agreement already executed or entered into by the applicant;

(v) an affidavit stating that the applicant has --

(i) filed upto date income tax return;

(ii) paid the income tax assessed on him;

(iii) paid the income tax on the basis of the self assessment as provided in the Income Tax Act, 1961 (Central Act 43 of 1961) or any other later instructions of the Central Government.

(c) The application thus made shall contain the particulars about the maximum amount the applicant is willing to offer for getting 26[the area applied for by him on lease for quarrying purpose].

(d) All applications shall reach the addressee specified in the notice or advertisement within the specified time and date.

(5) (a) Where the application is delivered personally, its receipt shall be acknowledged forthwith in the Form in Appendix-IX to these Rules. Where an application is sent by post, it shall be sent by registered post and its receipt shall also be acknowledged by the addressee in the Form in Appendix-IX to these Rules within three days from the date of receipt of it. The acknowledgement for receipt of application shall be signed only by the official empowered by the District Collector in this behalf. ²⁸[The District Collector shall have no responsibility for any delay in receipt or loss in postal transit of any application or communication].

(b) The District Collector or the officer authorised by the District Collector to receive the tender applications shall prepare and maintain a list of applications received for each area.

(c) If any application is made for an area when there is no invitation of application under sub-rule (3), it shall summarily be rejected as premature application. If any application is received after the due time or date fixed for receipt of application, it shall be rejected by the District Collector as time barred application. ²⁸[Failure to satisfy the conditions and to comply with the requirements specified in sub-rule (4) of this Rule will result in summary rejection of an application for participation in auction or tender proceedings and the person who made such application is not entitled to participate in the auction or tender, as the case may be]. The rejection order passed on such application with the demand draft, if any, shall be sent through registered post to the applicant within seven days from the date of receipt of the application retaining the application and the cover.

(6) (a) ²⁶[(i) Before opening tender applications received for each

area for which applications are invited through notification and advertisement, an auction shall be conducted in which all tender applicants and also others who consider themselves as eligible and pay an earnest money deposit of ²⁷[Rs. 1,00,000] by a bank draft can participate. The auction bids of the non-tender applicants will be accepted subject to verification of their eligibility and subject to their submitting the application form and payment of application fee] ²⁷[before commencement of the tender-cum-auction proceedings. For people who have already paid earnest money deposit in tender, no separate fee need be levied for participating in auction.]

(ii) In the absence of the applicant, one nominee of the applicant may be permitted to participate in the auction and allowed to be present when the tender applications are opened provided the nominee produces a letter from the applicant authorising the nominee to do so and signed before a Notary Public who shall attest the signature of the applicant and his nominee.

(b) ²⁶[(i) Before opening tender applications received for each area, auction shall be conducted by the District Collector or the officer authorised by the District Collector allowing all eligible applicants to bid at the auction for making their offer of lease amount to obtain the area on lease. Immediately after conclusion of the auction, all the valid tender applications for the area shall be opened and examined by the District Collector or the authorised officer].

(ii) The sealed tender applications shall be opened in the presence of the tender applicants or their nominees who may choose to be present. Failure on the part of any tender applicant or his nominee to be present on the date and time of auction or at the time of opening of the sealed tender applications shall not prevent the authorities concerned from conducting the auction and opening of the sealed tender applications with the participation of the other tender applicants or their nominees or others.

(iii) Where only one tender application is received for an area if there is no one to bid in the auction, the State Government may grant the lease in favour of the single applicant if in their opinion the tender amount offered by the applicant is reasonable in the circumstances of the case and the grant of the lease to the applicant will be in the interest of mineral development and the industry already set-up by the applicant:

Provided that the applicant who has a distinct industrial programme

for setting up of an industry in Tamil Nadu shall be issued only with a Letter of Commitment subject to the conditions stipulated therein. If the State Government is not satisfied in the above aspects, it may reject the application communicating the reasons therefor in writing to the applicant and may order inviting of fresh applications for the area.

(iv) The authorised officer shall declare the total number of valid applications received for an area, names of the applicants and the tender amount offered for the area by each of the applicants. He shall also declare the highest bid amount offered at the auction and the highest tender amount quoted in the tender applications and the names of the highest offerors of the bid amount and the tender amount before concluding the proceedings.

(v) In a case where the highest auction amount is found to be less than the highest tender amount and where the said highest tender amount has been quoted by two or more applicants, the District Collector or the officer authorised by the District Collector shall call such applicants alone to make their further offers.

(vi) After declaring the name of the highest bidder/tender applicant for an area, the earnest money deposit received from the applicant bidders other than the highest bidder / tender applicant shall be returned forthwith to the applicants / bidders present on obtaining acknowledgement for receipt of the same or sent by registered post in due course, if they are not present. ²⁸[The earnest money deposit made by the highest bid amount or tender amount offeror, as the case may be, shall be adjusted towards payment of lease amount in case he is selected for grant of the area on lease to him for quarrying purpose].

(7) The District Collector, after the conclusion of the auction-cum-tender procedures, shall forward all the applications received to the State Government through the Director of Geology and Mining. ²⁹[He shall prepare a tabular statement for each area notified indicating the applications received in the tender and the bids given in the auction separately with the amount offered by the tenderer or bidder concerned and forward the same within a week with the original applications with the documents relating to the auction and tender proceedings and his recommendations on the reasonableness of the highest bid or tender amount fetched in the said proceedings and] specifying the conditions that should be laid down for the grant of quarry lease or issue of the Letter of Commitment, as the case may be, and with a copy of the draft lease deed in the Form in Appendix-I to these Rules or in a Form

nearer thereto as circumstances of each case may require and a certified copy of the map of the surveyed and demarcated area proposed to be granted on lease. On receipt of the proposal from the District Collector, the Director of Geology and Mining will request the Technical Committee constituted by the State Government, from time to time, to inspect the existing industry of the highest bidder/tender applicant, verify the industrial programme of the applicant and give its report to the Director of Geology and Mining who shall forward the same to the State Government with his recommendations. ²⁷[Where the highest bidder or tenderer, as the case may be, has no existing industry but proposes to set-up an industry, his industrial programme shall be examined by the Technical Committee giving its report on the same to the Director of Geology and Mining who shall forward the same to the State Government with his recommendations].

(8) ³⁰[(a) (i) On receipt of the recommendations of the Director of Geology and Mining for grant of lease for an area, the State Government shall communicate its decision to grant the lease or issue the Letter of Commitment, as the case may be, to the applicant who is declared as the successful offeror of the bid amount or tender amount, whichever is greater.

(ii) In the case of the applicant having existing industry, the State Government shall communicate its decision to grant the lease for the precise area directing to remit the balance amount indicated in the order of the State Government in the District Treasury concerned and to submit the original challan to the State Government within one month from the date of receipt of such communication and to submit the approved mining plan as per Rule 12 of the Granite Conservation and Development Rules, 1999 to the State Government within a period of three months from the date of receipt of the communication from the State Government.

(iii) In the case of the applicant who has furnished a distinct industrial programme to set-up an industry, the State Government shall issue a letter of commitment communicating the Government's intention to grant the lease for the precise area directing the applicant to remit the balance amount indicated in the letter in the concerned District Treasury and to submit the original challan within one month and to set-up the industry within two years from the date of receipt of the letter of commitment and submit a report for having set-up the industry. When the applicant has remitted the balance amount within the specified period and submitted a report on the completion of the setting up of the industry, the

State Government shall place the same before the Technical Committee constituted for that purpose for scrutiny and recommendation about the satisfactory completion of the industrial unit. On receipt of the recommendation of the Technical Committee and the Director of Geology and Mining, the State Government shall communicate its decision to grant the lease to the applicant. The applicant shall submit the approved mining plan as per Rule 12 of the Granite Conservation and Development Rules, 1999 to the State Government within three months from the date of receipt of the communication from the State Government. Where an applicant who has been issued with a letter of commitment fails to set-up the industry within the prescribed time limit, makes an application to the State Government for the extension of time within one month before the expiry of the said time limit, the State Government, on being satisfied that the non-completion of the industry within the time limit was for reasons beyond the control of the holder of the letter of commitment, may grant extension of time for a further period not exceeding one year. In case the holder of the letter of commitment fails to set-up the industry even in the extended period, the letter of commitment issued by the State Government shall be deemed to have been cancelled and the entire amount remitted by the applicant towards the grant of lease shall stand forfeited to the Government.

(iv) Where the applicants referred to in sub-clauses (ii) and (iii) fail to remit the balance amount within the stipulated period, the amount already remitted shall be forfeited and the communication of the letter of commitment issued, as the case may be, shall be deemed to be cancelled. When the said applicants have remitted the amount within the stipulated period but are not able to submit the approved mining plan within the stipulated period for reasons beyond their control, they may apply for extension of time for submission of the approved mining plan. The State Government, on receipt of such request and after satisfying that the balance amount has been paid within the prescribed period, may grant extension of time for a further period not exceeding three months, if satisfied with the reasons furnished by the applicant. On receipt of the approved mining plan, the State Government shall issue the order granting the lease. In case the applicant fails to submit the approved mining plan, even in the extended period, the amounts remitted by the applicant shall be forfeited and the letter of commitment shall be deemed to be cancelled.

(b) Where the State Government is satisfied that the highest

amount offered by the applicant is not reasonable in the circumstances of the case and that it will not be in the interest of mineral development to grant the lease to the said applicant, or that the applicants existing industry or the industrial programme for setting up of the industry is not satisfactory, an order refusing to grant the lease to the applicant shall be passed by the State Government, communicating the reasons therefor to the applicant.]

(c) The lease deed shall be executed by the applicant with the District Collector concerned within one month from the date of receipt of the order of the State Government or ²⁵[within such further period not exceeding a period of thirty days] as the District Collector may allow in this behalf. The lease deed shall be executed by the applicant on the appointed day and time with a map of the demarcated leased out area signed by the District Collector and the Lessee, appended to it.

(d) Where the State Government has granted a quarrying lease to an applicant, if the applicant fails to produce ³¹[***] the signed copy of the demarcated map of the area or fails to produce the required stamp papers for preparing the lease deed or fails to execute the lease deed within the stipulated time, the State Government may cancel the order granting the lease to the defaulter and forfeit all amounts paid by him to the State Government. In the case of an area for which there are two or more applicants, after cancellation of the order granting the quarrying lease to the defaulter, the State Government may grant the quarrying lease in favour of the next below highest bidder or tender applicant subject to the provisions of clauses ²⁵[(a) and (b)]. If the next highest bidder or tender applicant is not communicating his acceptance of such an offer of the State Government within fifteen days from the date of receipt of the State Governments offer, the State Government shall call for fresh tender applications for the area concerned.

(9) (a) The date of commencement of the period for which the quarrying lease is granted under this Rule shall be the date on which the lease deed is executed.

(b) Before execution of the lease deed, the successful bidder/tender applicant shall deposit as security ten per cent of the bid/tender amount for which the lease has been ²⁹[granted by the State Government or Rs. 20,000/- (Rupees twenty thousand only) whichever is higher].

(c) All the Lessees, besides the one time payment of the bid/

amount/tender amount which is the lease amount, shall also pay seigniorage fee or dead rent whichever is more in respect of the actual quantity of the mineral removed or consumed at the rates prescribed, from time to time, in Appendix-II to these Rules. Besides the one-time payment of lease amount and seigniorage fee or dead rent whichever is greater, the Lessee shall pay such other levies as may be prescribed by the State Government, from time to time. ²⁷[In the event of failure to pay seigniorage fee or dead rent whichever is greater, the lease ²⁹[shall be cancelled]:

Provided that the Lessee shall pay the dead rent for the first year of the lease before the execution of the lease deed and for the subsequent years, thirty days before the date of commencement of each year of the lease period :

Provided further that the Lessee is entitled to obtain transport permit and despatch slips for removal of the mineral from the leasehold area without paying seigniorage fee until the amount of dead rent already paid is got adjusted towards seigniorage fee payment.].

(d) No Lessee is entitled to raise any dispute with reference to the survey and demarcation of the area leased out to him after execution of the lease deed.

(e) The lease shall expire on the date specified in the lease deed and in no case extension of the period of the lease shall be made.

(f) No Lessee shall commence any quarrying operation in any area ³²[***] without executing the lease deed. No Lessees shall continue quarrying in the area after the expiry of the stipulated lease period. If any quarrying or transportation of the mineral is done without complying with or in violation of the above conditions, ²⁹[it shall be treated as illicit quarrying and illicit transportation] and the Lessee is liable to be punished for the offence without prejudice to any other actions that can be taken on the person as provided in these Rules or the Act.

(g) The Lessee shall remove and transport the mineral from the leasehold area only to his industry set-up in Tamil Nadu after obtaining transport permit from the District Collector concerned or any officer authorised by him in this behalf and complying with the other conditions stipulated in these Rules.

(h) The Lessee shall not utilise the mineral in any manner other than utilising in his own industry set-up in Tamil Nadu. The Lessee shall keep correct accounts showing the quantity and other particulars of all minerals quarried and transported from the quarry

site, obtained at the factory and despatched from the factory. The Lessee shall also allow any officer authorised by the State Government or the Director of Geology and Mining or the District Collector in this behalf to inspect the industry and verify his records and accounts and furnish such information and returns as may be required by him.

(10) (a) The Lessee shall carry out the quarrying operations in a skilful, scientific and systematic manner keeping in view the proper safety of the labour, conservation of minerals and preservation of the environment and ecology of the area.

(b) The Lessee shall allow any officer authorised by State Government or the Director of Geology and Mining or the District Collector concerned to enter upon the leasehold area and inspect for the purpose mentioned in clause (a) and for any other purpose which may be required for compliance of the provisions of the Act and these Rules or any other Act or Rules framed by the Central Government or the State Government.

25[(11) (a) The lease granted under this Rule may be renewed for a period not exceeding twenty years :

Provided that renewal of lease shall be subject to the satisfactory performance of the Lessee in the past in fulfilling the conditions of lease].

(b) The application for renewal of the quarrying lease in the Form in Appendix XIV shall be made atleast twelve months before the expiry of the lease to the District Collector concerned accompanied with a non-refundable application fee of Rs. 5000/- (Rupees five thousand only) and with documents specified in the application Form and in clause (b) of sub-rule (4) of this Rule except earnest money deposit specified in sub-clause (ii) of the said clause (b).

(c) The Lessee shall submit an approved mining plan / scheme along with the application for renewal of lease valid at the time of filing the renewal application.

(d) The lease may be renewed subject to remittance of the lease amount that may be fixed by the Government, which shall not be less than 200% of the original lease amount. The lease amount for the renewal period shall be paid within thirty days from the date of receipt of communication from the State Government in this behalf.

(e) The conditions and the procedure under this Rule for grant of lease shall mutatis mutandis apply for renewal of lease under this Rule.]

12. In the case of a lease for quarrying of any mineral specified in this Rule in any forest declared to be reserved under Section 16 of

the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V of 1882) or in any land at the disposal of the State Government in respect of which Rules under Section 16 of that Act have been made, the District Forest Officer concerned shall exercise the powers and discharge the duties of the District Collector under this Rule.

8B. XXX XXX XXX :-

8B. ³³[XXX XXX XXX]

8C. Quarrying of granite by the State Government and granting of lease to a State Government Company or Corporation :-

³⁴[8-C. 35[Quarrying of granite by the State Government and granting of lease to a State Government Company or Corporation.--

(1) Notwithstanding anything contained in these Rules, the State Government themselves may engage in quarrying of granite or may grant or renew lease for quarrying granite by a State Government Company or Corporation owned or controlled by the State Government in respect of the areas where the existence of granite has been established].

(2) (a) An application to the Government for grant of lease under this Rule shall be submitted to the District Collector or the District Forest Officer, as the case may be, in the Form in Appendix VII to these Rules accompanied with a non-refundable application fee of ³⁶[Rs.5,000/- (Rupees five thousand only)] and documents specified in this Rule and in the application Form.

(b) The application, besides the other documents shall be accompanied with --

(i) original challan for remittance of non-refundable application fee remitted under the following head of account:-

"0853. Non-Ferrous Mining and Metallurgical Industries-102. Mineral Concession Fees, rent, royalties-A. Quarries and Minerals - D.P. Code 0853-00-102-AA-0007";

(ii) mining dues clearance certificate issued by the District Collector or the District Forest Officer concerned in the Form prescribed in Appendix-VIII; and

(iii) affidavit for having filed the income-tax returns.

(c) Receipt of an application made under this Rule shall be acknowledged by the District Collector or the District Forest Officer, as the case may be, or the officer authorised by the District

Collector or the District Forest Officer, as the case may be, in this behalf in the Form prescribed in Appendix-IX to these Rules.

(3) ³⁷[(a)] The District Collector or the District Forest Officer, as the case may be, shall forward the application to the State Government through the Director of Geology and Mining specifying the conditions those should be laid down while granting the lease for the area applied for. On receipt of the application along with the recommendation of the District Collector or the District Forest Officer, as the case may be, the Director of Geology and Mining shall forward the same along with his recommendation to the State Government. The State Government shall pass order granting or refusing to grant the quarrying lease to the applicant.

(b) Where the State Government have taken a decision to grant the lease, the State Government shall communicate the precise area that is to be granted on lease to the applicant. On receipt of the communication from the State Government in this behalf, the applicant shall submit an approved mining plan within a period of three months from the date of receipt of such communication or such further period not exceeding three months as may be allowed by the State Government].

²⁵[(4) The maximum period for which a quarry lease may be granted shall not exceed thirty years :

Provided that the minimum period for which any such lease may be granted shall not be less than twenty years.]

(5) (a) Where a lease has been granted, a lease deed in the Form in Appendix-IA to these Rules shall be executed within three months from the date of receipt of the order or within such further period as the Director of Geology and Mining may allow in this behalf.

(b) Before executing the lease deed, a crossed account payee demand draft for a sum of Rs.20,000/- (Rupees twenty thousand only) obtained from any nationalised bank and drawn in favour of the District Collector or the District Forest Officer, as the case may be, by designation only, shall be produced to the concerned authority towards security deposit.

(c) The date of commencement of the period for which the quarry lease is granted shall be the date on which the lease deed is executed.

²⁹[(6) (a) The lease granted under this Rule may be renewed for a period not exceeding twenty years :

Provided that renewal of lease shall be subject to satisfactory performance of the lessee in the past in fulfilling the conditions of

lease.

(b) The application for renewal shall be made atleast twelve months before the expiry of the lease in the Form specified in Appendix VII to these Rules to the District Collector concerned accompanied with non-refundable application fee of Rs. 5000/- (Five thousand only) and with documents specified in clause (b) of sub-rule (2) and in the application form.

(c) The lessee shall submit along with the application for renewal of quarrying lease, an approved mining plan/scheme valid at the time of filing the renewal application.

(d) The conditions and the procedures under this Rule for grant of lease shall mutatis mutandis apply for renewal of a lease under this Rule].

(7) The lessee, besides area assessment, shall pay seigniorage fee or dead rent whichever is greater at the rate prescribed, from time to time, in Appendix II to these Rules. The lessee shall also pay such other levies as may be prescribed by the State Government, from time to time.

(8) The lessee shall remove and transport the mineral from the leasehold area after obtaining transport permits and despatch slips from the District Collector or the District Forest Officer, as the case may be, or any other officer authorised by the District Collector or the District Forest Officer, as the case may be, in this behalf subject to the conditions and procedures laid down in these Rules.

(9) The lessee shall carry out the quarrying operations in a skillful, scientific and systematic manner, keeping in view, the proper safety of the labourers, conservation of minerals and preservation of environment and ecology of the area.

(10) The lessee shall allow any officer authorised by the State Government and the Director of Geology and Mining or the District Collector or the District Forest Officer, as the case may be, to enter upon the area and inspect for the purposes mentioned in sub-rule (9) and for any other purpose as may be required for implementation or adherence of the conditions of the lease or provisions or conditions stipulated in the Act or these Rules or any other Act or Rules made by the Central Government or the State Government.]

8D. XXX XXX XXX :-

*[8-D. [XXX XXX XXX]

8E. Levy and collection of one time lease amount for granite

quarries granted under the erstwhile Rule 39 :-

38[8-E. Levy and collection of one time lease amount for granite quarries granted under the erstwhile Rule 39.--

(1) (a) Notwithstanding anything contained to the contrary in the lease deed executed by the lessees, all lessees who are granted with leases under the provisions of the erstwhile Rule 39 of these Rules for quarrying black, red, pink, grey, green, white or other coloured or multi-coloured granite or any other rock suitable for use as ornamental and decorative stones and where the leases are still in force, besides the seigniorage fee or dead rent, shall also pay a one-time lease amount. The Collectors of the Districts shall fix one-time lease amount at an amount equal to the highest lease amount paid by any lessee under the tender system introduced in Rule 8-A on and from the 6th September 1989 or the highest lease amount paid by any lessee under the tender-cum-auction system introduced in Rule 8-A on and from the 13th July 1996 whichever is greater :

Provided that where there is no such quarry with the same or similar type of mineral referred to in clause (a) within the same taluk for such fixation of lease amount on comparative basis, the highest lease amount fetched by a quarry granted in the adjoining taluk in the same district or the adjoining taluk of an adjoining district whichever is greater shall be fixed as the lease amount of the quarry for which lease amount is to be fixed under this Rule :

Provided further that where there is no such quarry in the adjoining taluk for such comparative fixation of lease amount as specified in the first proviso, any other quarry with the same or similar type of mineral as referred to in clause (a) within the same district and if there is no such quarry in the same district, any other quarry of similar description in an adjoining district shall be taken as the basis.

(b) The lease amount fixed under clause (a) shall be proportionate to the extent of the leasehold land and the period of the lease.

(2) (a) The one-time lease amount fixed under this Rule shall be paid by the lessee within sixty days from the date of receipt of the demand notice from the District Collector or the District Forest Officer concerned, as the case may be;

(b) Any demand notice issued to the lessee for the above purpose shall be sent by registered post with acknowledgement due or served in person;

(c) Where the lessee had made remittance of the lease amount

demanded from him, he shall inform the particulars of the remittance to the District Collector or the District Forest Officer concerned, as the case may be, immediately and in any case such information shall be made to reach the District Collector or the District Forest Officer concerned, as the case may be, on or before the day on which the sixty days notice period for payment of the lease amount expires.

(3) (a) Where the lessee fails to pay the one-time lease amount within the stipulated time in the demand notice, the lease is deemed to have been cancelled for the said default on the day next to the day on which the sixty days notice period for payment of the lease amount expires;

(b) In the cases where the lease is deemed to have been cancelled, the District Collector or the District Forest Officer concerned, as the case may be, shall, by an order, formally declare that the quarrying lease is deemed to have been cancelled and communicated the declaration to the lessee.

9. XXX XXX XXX :-

9.³⁹[XXX XXX XXX]

10. Handing over of leasehold area and eviction of unlawful occupant :-

⁴⁰[10. Handing over of leasehold area and eviction of unlawful occupant.--

⁴¹[(1) The lessee shall hand over possession of the leasehold land to the Collector or the District Forest Officer, as the case may be, on the next day immediately after the expiry of the period of the lease or termination or cancellation of the lease by filing an affidavit to the above effect and the Lessee shall obtain acknowledgement for handing over of the affidavit from the office of the Collector or the District Forest Officer, as the case may be.

Any person in possession of the leasehold area after the expiry of the period of the lease or its premature termination or cancellation shall be deemed to be in unlawful possession of the said land and shall be liable to be punished as provided in Rule 36-A (4) of these Rules;]

(2) (a) Any person in unlawful possession of the leasehold area shall also be liable for eviction from the leasehold area.

(b) The Collector or the District Forest Officer, as the case may be,

or any person specially authorised by them in this behalf may evict such person in unlawful possession from, and take possession of, the leasehold area and may for that purpose use such force as may be necessary.

(3) Before proceeding under sub-rules (1) and (2), the Collector or the District Forest Officer, as the case may be, or the person specially authorised by them in this behalf shall cause a notice to be served on the person reported to be in unlawful possession of the leasehold area specifying the area so occupied and requiring him to show cause within fifteen days from the date of receipt of the notice why he should not be charged double the rate of the lease amount or bid amount or total seigniorage fee, as the case may be and evicted from the leasehold area.

(4) Every notice under sub-rule (3) shall be sent to the person who is reported to be in unlawful possession of the leasehold area, or to his agent by registered post to the last known address or in such manner as specified in Section 25 of the Tamil Nadu Revenue Recovery Act, 1864 (Tamil Nadu Act II of 1864.)

11. Registration of leases :-

⁴²[11. Registration of leases.--

Leases for working minor minerals granted under these Rules are compulsorily registerable under Section 107 of the Transfer of Property Act, 1882 (Central Act IV of 1882) and shall be got registered at the expense of Lessees;]

12. Removal of sand, etc., from lands and tanks in-charge of some departments :-

(1) The preceding Rules, however, do not govern the removal of sand, etc., from works and lands in-charge of the Public Works Department and tanks in-charge of Revenue Department.

⁴³[(2) The public may be allowed to quarry free of charge for bona fide domestic or agricultural purposes sand, earth or silt from the beds of tanks under the control of the Public Works Department or Revenue Department which are notified by the Collector under this Rule without obtaining permits for quarrying, provided that the dwelling place or agricultural land of the person concerned and the quarrying place shall be in the same revenue village or in the adjoining revenue village. Quarrying for other than bona fide domestic or agricultural purposes shall be subject to the previous permission being obtained from the District Collector concerned and

to the payment of seigniorage fee for the quantity of the mineral sought to be removed at the rates specified, from time to time, in Appendix-II to these Rules. Any removal of mineral from these lands shall be subject to the restrictions mentioned below :--

(i) Pits shall be at a distance of atleast twice the height of the bund from the toe of the bund and they shall not be more than one metre in depth (the depth shall be less, if pits one metre deep are likely to expose porous strata);

(ii) Earth shall not be carted along the tank bund unless the bund is a recognised road or cart-track;

(iii) Bunds shall not be cut to enable to pass;

(iv) Silt removed not to be stacked on tank beds, sluice or any other masonry works of the tanks and causeways or slopes of bunds; and

(v) Carts shall not touch any portion of the revetment, sluice or any masonry works of the tanks and cause damage to them].

(3) Before issuing the notification mentioned in sub-rule (2), the Collector shall consult the Executive Engineer concerned in respect of tanks in-charge of Public Works Department.

(4) The village officer shall, every year, report to the Tahsildar or Deputy Tahsildar concerned, the tanks in-charge of both the Public Works Department and Revenue Department from which further removal of sand, earth or silt should be prohibited temporarily. They shall also send a report about the tank in-charge of the Revenue Department from which such removal may be permitted again. The Tahsildar or Deputy Tahsildar shall scrutinise the lists and submit his proposals to the Collector. On receipt of the reports from the Tahsildar or Deputy Tahsildar, the Collector shall, every year, issue a revised notification if he considers the revision necessary. Extracts from the revised notification shall be sent to the Executive Engineers whenever tanks in-charge of Public Works Department are excluded from the list of tanks from which removal of sand, earth or silt had been permitted.

13. Powers to Municipal Councils and Panchayat Boards :-

Municipal Councils are competent to grant permission for the removal of sand, etc., from sources of water-supply vested in them, only so far as such removal is necessary for the purposes of maintaining them in an efficient condition. In all other cases, they shall obtain the previous permission of the Collector before they allow the removal of minor minerals from such sources. In all cases

in which the Collector suo motu permits the removal of minor minerals from sources of water-supply vested in the Municipal Councils, the Municipal Councils shall be previously consulted so that the latter may have an opportunity of examining whether such a proposal will have the effect of interfering with the maintenance of property. Panchayats shall be similarly consulted in respect of waterways under their control. Removal of sand, etc., from the waterways under the control of Municipal Councils or Panchayats may be allowed free of charge for bona fide public purposes and not for sale or commercial profit. No seigniorage fee shall be charged for the removal of sand by the public for bona fide domestic or agricultural purposes but such removal shall be subject to the previous approval of the Revenue Divisional Officer in the case of waterways under the control of Municipal Councils and the Panchayat Union Commissioner concerned in the case of waterways under the control of Panchayats. If in any case the Panchayat Union Commissioner refuses to give his approval, the case shall be referred to the Revenue Divisional Officer for orders. In all other cases, the seigniorage fee at the rates specified in Appendix II to these Rules shall be charged.

14. Removal of sand by and for the Railway Administration
:-

The Railway Administration may be allowed to remove sand free from the beds of rivers in place where it can be taken without objection and subject to such conditions as the District Collector may deem fit to impose. This concession extends to any Contractor working for the Railway Administration provided that he obtains the Collectors permission and so long as the Collector is satisfied that the sand is removed only for railway purposes.

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

Quarrying or removal of sand in the State may, however, be prohibited absolutely or regulated by the Conservator of Rivers in the case of lands in river beds to which the Tamil Nadu Rivers Conservancy Act, 1884 (Tamil Nadu Act VI of 1884) has been extended and no quarrying or removal shall be sanctioned by the Collector in such cases without consulting the Conservator of Rivers. Quarrying or removal of sands from beds of rivers incharge of the Public Works Department to which that Act does not apply shall not be sanctioned by the Collector without consulting the Executive

Engineer of the Division. ⁴⁴[The District Collector or the District Forest Officer, as the case may be, before granting quarrying leases or forwarding applications for quarrying leases or quarrying permits to the State Government or to the Director of Geology and Mining, as the case may be, shall ensure that clearance has been obtained for quarrying in the area from the authority in whose jurisdiction and administrative control the place of quarrying in the river is situated and from the authority in whose control any of the bridges or ⁴⁵[water supply sources or works are vested and shall also ensure that no-objection certificate has been obtained from the Tamil Nadu Water Supply and Drainage Board in respect of an area for quarrying of sand in river beds]].

16. Prohibition of under-tunnelling :-

All quarrying shall be confined to the ground vertically beneath the surface in respect of which permission is granted and no under-tunnelling beyond such limits shall be permitted.

1 Rule 3 was substituted by G. O. Ms. No.166, Industries, dated 16th June 1994 with effect from 22nd June 1994.

2 Substituted for the words "Director of Geology and Mining through the District Collector concerned" by G.O. Ms. No. 35, Industries, dated 24th January 2000.

3 The words "under any one permit" was omitted by G. O. Ms. No. 35, Industries, dated 24th January 2000.

4 Substituted for the words "Director of Geology and Mining" by G. O. Ms. No. 35, Industries, dated 24th January 2000.

5 Rules 4, 5 and 6 were substituted by G.O. Ms. No., 166, Industries, dated 16th June 1994 w.e.f. 22nd June 1994.

6 Rule 8 was substituted by G.O.Ms.No.166, Industries, dated 16th June 1994 w.e.f. 22nd June 1994.

7 Inserted by G. O. Ms. No. 104, Industries, dated 17th July 1996 w.e.f. 17th July 1996.

8 Proviso to Rule 8 added by G. O. Ms. No.635, Industries, dated 3rd August 1999.

9 Substituted by G. O. Ms. No. 3, Industries, dated 2nd January 1998 w.e.f. 1st April 1998 vide G. O. Ms. No. 53, Industries, dated 26th February 1998.

- 10 Substituted by G. O. Ms. No. 104, Industries, dated 17th July 1996.
- 11 Substituted by G. O. Ms. No. 195, Industries, dated 3rd October 1996.
- 12 Substituted by G. O. Ms. No. 3, Industries, dated 2nd January 1998 w.e.f. 1st April 1998.
- 13 Sub-Rule (5) was substituted by G. O. Ms. No. 104, Industries, dated 17th July 1996.
- 14 Substituted by G. O. Ms. No. 15, Industries, dated 22nd January 1997.
- 15 Substituted by G. O. Ms. No. 275, Industries, dated 13th October 1997.
- 16 Inserted by G. O. Ms. No. 195, Industries, dated 3rd October 1996.
- 17 Substituted by G. O. Ms. No. 391, Industries, dated 17th November 2000.
- 18 Clause (b) was substituted by G. O. Ms. No. 235, Industries, dated 19th December 1996.
- 19 Substituted by G. O. Ms. No. 100, Industries, dated 4th April 1997.
- 20 Sub-Rule (10-A) was substituted by G. O. Ms. No. 635, Industries, dated 3rd August 1999.
- 21 Substituted by G. O. Ms. No. 303, Industries, dated 25th August 2000.
- 22 Inserted by G. O. Ms. No. 303, Industries, dated 25th August 2000.
- 23 Rule 8-A was substituted by G. O. Ms. No. 103, Industries, dated 13th July 1996.
- 24 Substituted for the words "black, red, pink, grey, green, white or other coloured or multi-coloured granites or any other rock suitable for use as ornamental and decorative stones" by G. O. Ms. No. 86, Industries, dated 22nd February 2001.
- 25 Substituted by G. O. Ms. No. 86, Industries, dated 22nd February 2001.
- 26 Substituted by G. O. Ms. No. 152, Industries, dated 26th August 1996.

27 Substituted by G. O. Ms. No. 273, Industries, dated 13th October 1997.

28 Added by G. O. Ms. No. 152, Industries, dated 26th August 1996.

29 Substituted by *ibid*.

30 Clauses (a) and (b) of sub-rule (8) were substituted by G. O. Ms. No. 86, Industries, dated 22nd February 2001.

31 The words "the original challan for remittance specified in the lease granting order or" were deleted by *ibid*.

32 The words "without remitting the amount required to be paid towards the lease and" were omitted by G. O. Ms. No. 86, Industries, dated 22nd February 2001.

33 Rule 8-B was omitted by G.O. Ms.No.608, Industries, dated 2nd September 1989.

34 Rule 8-C was substituted by G. O. Ms.No. 157, Industries, dated 25th May 1998.

35 The heading and sub-rule (1) were substituted by G.O. Ms. No. 86, Industries, dated 22nd February 2001.

36 Substituted for the expression "2,500/- (Rupees two thousand five hundred only" by *ibid*.

37 Sub-Rule (3) was re-lettered as clause (a) of sub-rule (3) and clause (b) was added to sub-rule (3) by G.O. Ms. No.86, Industries, dated 22nd February 2001.

* Rule 8-D was inserted by G.O. Ms. No.214, Industries, dated 10th June 1992 was struck down by the High Court, Madras and the order of the High Court was upheld by the Supreme Court in Civil Appeals No. 1655 etc., (A. I. R. 1995-S.C. pages 858 to 865). Before struck down it was read as follows :--

Canalisation of black, red, pink, grey, green, white or other coloured or multi-coloured granites or any rock suitable for use as ornamental and decorative stones quarried by the lessees, etc.--

(1) Notwithstanding anything contained in these Rules, on and from the 10th June 1992, the sale of the quarried black, red, pink, grey, green, white or other coloured or multi-coloured granites or any rock suitable for use as an ornamental and decorative stones by every lessee who has been granted lease by the State Government and by every person who has been permitted by a competent Court having jurisdiction, for quarrying black, red, pink, grey, green, white or other coloured or multi-coloured granites or any rock suitable for use as ornamental and decorative stones, shall

be regulated by the State Government or by an officer of the State Government or by a State Government Company or a Corporation owned or controlled by the State Government as the State Government may direct in this behalf.

(2) Where the above sale is regulated by --

(i) the State Government or by an officer of the State Government, the minimum price shall be as fixed by the State Government;

(ii) the State Government Company or a Corporation owned or controlled by the State Government, the minimum price shall be as fixed by the said company or corporation, as the case may be :

Provided that in fixing the minimum price under this sub-rule, the fair market price prevailing at the time of the sales shall be taken into account.]

38 Rule 8-E was inserted by G.O, Ms. No.603, Industries, dated 17th September 1998.

39 Rule 9 was omitted by G. O. Ms. No.166, Industries, dated 16th June 1994.

40 Rule 10 was substituted by G. O. Ms. No. 964, Industries, dated 19th August 1988.

41 Sub-Rule (1) was substituted by G. O. Ms. No. 166, Industries, dated 16th June 1994.

42 Rule 11 was substituted by G. O. Ms. No. 166, Industries, dated 16th June 1994.

43 Sub-Rule (2) was substituted by *ibid*.

44 Inserted by G. O. Ms. No. 166, Industries, dated 16th June 1994.

45 Substituted for the words "water supply sources or works are vested" by G. O. Ms. No.38, Industries, dated 25th January 2000.

CHAPTER 3 RYOTWARI LANDS IN WHICH THE MINERALS BELONG TO THE GOVERNMENT

17. Quarrying by the owner :-

A registered holder may quarry free of charge any minor mineral on a small scale for his own use for a specific bona fide domestic or agricultural purpose, provided that he has no intention of continuing quarrying operations indefinitely and provided further that the land is not in any way rendered less fit for cultivation than before.

18. Quarrying on a large scale or for commercial purposes

:-

18. ²[Quarrying on a large scale or for commercial purposes.--

The quarrying of any mineral on a large scale or for other than bona fide domestic or agricultural purposes shall be subject to payment of] ³[seigniorage fee or dead rent whichever is more and area assessment at such rates as may be specified, from time to time, in Appendix II to these Rules] :

Provided that this Rule shall not apply to quarrying for Government or on behalf of the Government or bona fide public purposes when the compensation paid to the registered holder therefor does not exceed the amount required to restore the land to a state fit for cultivation.

19. Procedure for obtaining quarrying lease in ryotwari lands :-

⁴[19. Procedure for obtaining quarrying lease in ryotwari lands.--

(1) In the cases referred to in Rule 18, a registered holder or tenant or lessee in actual possession of the land or a Contractor who obtains permission of the registered holder or tenant or lessee for quarrying in the land shall make an application to the District Collector concerned in the Form prescribed in Appendix VI to these Rules along with a mining dues clearance certificate issued by the District Collector concerned in the Form prescribed in Appendix VIII. A map or sketch of the area shall also be submitted by the registered holder along with the application besides other enclosures referred to in the application. The applicant shall also enclose a demand draft drawn in favour of the District Collector by designation for an amount of Rs. 1500/- (Rupees one thousand and five hundred only) towards application fee and for meeting preliminary expenses for granting quarrying lease. Receipt of an application made under this Rule shall be acknowledged by the District Collector or the officer authorised by the District Collector in this behalf in the Form prescribed in Appendix IX to these Rules.

(2) Notwithstanding anything contained in sub-rule (1), the procedure for quarrying brick earth shall be as follows:--

(a) Every brick manufacturing unit shall for quarrying brick earth, apply to the District Collector concerned for quarrying permit in Form I in Appendix IV-A along with a copy of certificate of registration issued by the District Collector concerned, the consent

letter from the pattadar from whose land it is proposed to quarry the earth for the manufacture of bricks, a non-refundable application fee of Rs. 1500/- (Rupees one thousand and five hundred only) and the brick mineral annual fee at the rate specified below remitted in the District Treasury by way of challan :

(i) For kiln upto 16 chambers : Rs. 28,000/- (Rupees twenty-eight thousand only) per kiln per annum.

(ii) For kiln with 17 and more chambers but not exceeding 26 chambers: Rs. 35,000/- (Rupees thirty-five thousand only) per kiln per annum.

(iii) For kiln with 27 and more chambers: Rs. 40,000/- (Rupees forty thousand only) per kiln per annum.

(iv) For country kiln upto 15 firing vents: Rs. 5,000/- (Rupees five thousand only) per kiln per annum.

(v) For country kiln with more than 15 firing vents: Rs. 6,000/- (Rupees six thousand only) per kiln per annum.

(b) On receipt of an application for grant of a quarrying permit under clause (a), the District Collector, if he sees no valid objection, may grant quarrying permission to the applicant. If there is any valid objection, the District Collector shall give the applicant an opportunity of hearing before rejecting the application.

(c) The permit to be granted under clause (a) shall be subject to the following conditions, namely:--

(i) The permit holder shall intimate to the District Collector about the details of patta lands from which the earth for manufacture of brick is proposed to be quarried, fifteen days before commencement of quarrying of earth. Whenever there is a change of location (Survey field) of quarrying, it shall be intimated in the manner indicated above.

(ii) Quarrying shall be done only for an optimum depth to be specified by the District Collector so that the land shall be restored to a state fit for cultivation.

(iii) Quarrying shall be carried out without affecting the interest of the adjoining land owners.

(iv) A safety distance of 10 metres from the village road, cart track and stream course shall be left and maintained, and a safety distance of 50 metres from the highways and railway lines should be left and maintained.

(v) An agreement in non-judicial stamp paper in Form III in Appendix IV-A shall be executed within fifteen days from the date of receipt of the permit from the District Collector or within such further period as may be allowed by the District Collector.

- (vi) The permit shall be valid for a period of one year from the date of execution of the agreement.
- (vii) Quarried earth shall be transported to the kiln of the permit holder only with a way permit issued by the permit holder himself in Form II in Appendix IV-A.
- (viii) The permit holder shall keep correct accounts showing the quantity of brick earth removed and transported.
- (ix) In case of breach by the permit holder of any of the conditions specified above, the penal provisions in the said Rules shall | apply]

19A. Prospecting licence and quarrying lease for granite in ryotwari lands :-

⁵[19-A. Prospecting licence and quarrying lease for granite in ryotwari lands.--

(1) (a) Notwithstanding anything to the contrary contained in Section III to these Rules, the authority competent to grant and renew prospecting licence and quarrying leases for granite in ryotwari lands shall be the State Government.

(b) An application to the Government for grant or renewal of prospecting licence under this Rule shall be submitted to the District Collector concerned in the Form as prescribed in Appendix XV to these Rules accompanied with a non-refundable application fee of Rs.3000/- (Rupees three thousand only) remitted in the respective District Treasury through challan. The application, besides other documents specified in the application Form, shall be accompanied with --

- (i) original challan for remittance of non-refundable application fee;
- (ii) sworn affidavit stating the details of the prospecting licence and quarry leases, already held, applied for but not granted and applied for simultaneously;
- (iii) latest mining dues clearance certificate as per Appendix VIII.
- (iv) latest income tax clearance certificate or a sworn affidavit for having filed income tax returns.
- (v) report on the prospecting operations so far carried out in the area (applicable to renewal of prospecting licence only).

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

(3) Where a prospecting licence has been granted by the State Government, a licence deed in the Form in Appendix XVI to these Rules shall be executed by the applicant with the District Collector concerned within thirty days from the date of receipt of the orders

granting the prospecting licence or such further period not exceeding thirty days as the District Collector may allow in this behalf.

(4) Before the execution of the licence deed, a sum of Rs.5,000/- (Rupees five thousand only) shall be remitted by the applicant through challan in the respective District Treasury towards security deposit. The date of commencement of the period for which the prospecting licence is granted shall be the date on which the licence deed is executed.

(5) The prospecting licensee shall submit a scheme of prospecting within a period of sixty days from the date of execution of prospecting licence in the manner prescribed in Rules 8 and 9 of the Granite Conservation and Development Rules, 1999.

(6) The prospecting licensee shall pay a prospecting fee at the rates prescribed, from time to time, in Appendix II to these Rules.

(7) The prospecting licensee shall be permitted free of charge to transport a total quantity of 2 Cu. Mts. (two cubic metres only) of granite of dolerite type or 3 Cu. Mts (three cubic metres only) of granite of other types during the entire licence period after obtaining necessary transport permit from the concerned authorities for testing and polishing purposes only and not for commercial purposes.

(8) (i) The application for the renewal of a prospecting licence in the Form in Appendix XV shall be made ninety days before the date of expiry of the prospecting licence.

(ii) The applicant shall submit, along with the application for renewal, a scheme of prospecting proposal to be carried out in the renewal period together with a report on the prospecting carried out so far in the area applied for by him. If the applicant has not completed the prospecting work within the period for which licence was originally granted, the reasons for not completing the prospecting licence shall also be specified in the report.

(iii) The prospecting licence may be renewed for a further period not exceeding two years subject to the satisfactory performance of the licensee in the past in fulfilling the conditions of licence.

(9) The conditions and the procedures for grant of prospecting licence shall, mutatis mutandis, apply for renewal of prospecting licence under this Rule.

(10) An application to the Government for grant or renewal of quarrying lease under this Rule shall be submitted to the District Collector in the Form in Appendix VII to be accompanied with a non-refundable application fee of Rs.5000/- (Rupees five thousand

only) remitted in the District Treasury concerned and with the following documents specified below and in the application form, namely:--

- (i) Original challan for remittance of non-refundable application fee.
- (ii) Sworn affidavit stating the details of the prospecting licence and quarry leases already held, applied for but not granted and applied for simultaneously.
- (iii) Latest mining dues clearance certificate as per Appendix VIII.
- (iv) Latest income tax clearance certificate or a sworn affidavit for having filed income tax returns.

(11) (a) The minimum area that may be granted or renewed under a lease under this Rule for ensuring mining activities to optimum depth shall not be less than one hectare;

(b) The maximum area that may be granted under a quarrying lease shall not exceed fifty hectares :

Provided that the State Government, if it is satisfied on the basis of proposed production level, geological or topo-graphical conditions may, for the reasons to be recorded in writing, grant or renew a lease over an area more than the maximum area or less than the minimum area specified under this Rule.

(12) The maximum period for which a quarrying lease granted under this Rule shall not exceed thirty years:

Provided that minimum period for which any such lease may be granted shall not be less than twenty years.

(13) On receipt of the application for grant of quarry lease for granite, the State Government, shall take a decision to grant the precise area for the said purpose and communicate their decision to the applicant. On receipt of the communication from the State Government about the precise area to be granted, the applicant shall submit an approved mining plan as per Rule 12 of Granite Conservation and Development Rules, 1999 within a period of three months or such further period not exceeding three months as may be allowed by the State Government.

(14) (i) Where a lease has been granted, an agreement shall be executed in the Form in Appendix IV to these Rules where the registered holder of the land himself has been granted quarrying lease or in the Form in Appendix V to these Rules where the lessee or consent holder of the pattadar has been granted quarrying lease, within one month from the date of receipt of the order or within such further period not exceeding thirty days as the District Collector may allow in this behalf.

(ii) Before execution of the agreement, a sum of Rs.20,000/-

(Rupees twenty thousand only) shall be remitted in the respective District Treasury by the applicant towards security deposit and the original challan shall be produced to the concerned authority.

(15) The date of commencement of the period for which the quarry lease is granted under this Rule shall be the date on which the agreement is executed.

(16) The lessee, besides area assessment, shall pay seigniorage fee at the rate prescribed, from time to time, in Appendix-II to these Rules. The lessee shall also pay such other levies as may be prescribed by the State Government, from time to time.

(17) The lessee shall carry out the quarrying operations in a skillful, scientific and systematic manner, keeping in view, the proper safety of the labourers, conservation of minerals and preservation of environment and ecology of the area.

(18) The lease granted under this Rule may be renewed for a period not exceeding twenty years, subject to the satisfactory performance of the lessee in the past in fulfilling the conditions of lease.

(19) (a) The application for grant of renewal of lease under this Rule shall be made atleast twelve months before the date of expiry of the quarrying lease, already granted.

(b) The applicant shall submit an approved mining plan / scheme along with the application for renewal, which is valid at the time of filing the application for renewal.

(20) The conditions and procedures for grant of quarrying lease under this Rule shall mutatis mutandis apply for renewal of quarrying lease.]

19B. XXX XXX XXX :-

*19-B. [***]

20. Disposal of application :-

⁶[20. Disposal of application.--

On receipt of any application referred to in Rule 19, the District Collector, if he sees no valid objection, may grant quarrying lease to the applicant subject to the conditions stipulated in these Rules, but no such lease shall be granted except with the previous sanction of the State Government if the minerals are to be worked by or on behalf of any person who is not a citizen of India.] ⁷[The minimum period for grant of quarrying lease for stone shall not be less than one year and the maximum period shall not exceed 5

years and the minimum period for grant of quarrying lease for sand and other minerals except granite shall not be less than one year and the maximum period shall not exceed three years. Where the District Collector refuses to grant quarrying lease, the reasons therefor shall be communicated to the applicant in writing]

21. Omitted :-

⁸[21. ***] Omitted.

22. Conditions to be accepted and security to be deposited for quarrying in ryotwari lands :-

⁶[22. Conditions to be accepted and security to be deposited for quarrying in ryotwari lands.--

After the grant of a quarrying lease, the District Collector may allow quarrying operations to be commenced by the registered holder on executing an agreement in the Form set out in Appendix IV to these Rules binding himself to accept the conditions and stipulations set out in these Rules and on his depositing as security such sum as the District Collector may consider sufficient to cover either the probable cost of restoring to a state fit for cultivation the land on which mining operations, have been carried on or which has been used for deposit of mining waste, or the probable cost of fencing or filling in the abandoned pits and excavations therein. In the event of the registered holder failing to carry out such restoration or fencing or filling in when called upon to do so, which is likely to render the area uncultivable, he shall pay thirty times the assessment of the area. He may also require the registered holder to fill in the abandoned pits and excavations in cases where he considers it less expensive than fencing or where the existence of pits and excavations will endanger public safety and health or be detrimental to drainage or irrigational channels. The amount of deposit shall not ordinarily exceed Rs.5,000. In no case, however, it shall be less than the probable cost of restoring the land to a state fit for cultivation, or the probable cost of fencing or filling in abandoned pits and excavations therein together with thirty times the assessment of the area likely to be rendered uncultivable.]

23. Registered holder and lessee held responsible for working mine properly :-

In all cases, the registered holder and in cases, where the lands are

leased out, the registered holder and the lessee shall be jointly and severally responsible for working the mine in a manner which will ensure the safety of the labourers and conservation of minerals and shall also be directly liable to Government for any wrongful act or default.

24. Omitted :-

⁹[24. ***] Omitted.

25. Inspection of mines :-

The registered holder or the lessee shall allow the ¹⁰[Director of Geology and Mining] or the Collector of the District or the Director, Indian Bureau of Mines, or any officer authorised by the ¹¹[State Government], ¹⁰[Director of Geology and Mining,] Collector or Director, Indian Bureau of Mines, in that behalf to enter upon the premises over which mining operations are carried on for the purpose of inspecting the same.

26. Accidents and discovery of other minerals to be reported :-

The registered holder or the Lessee shall, without delay, send to the Collector of the district, a report of any accident which may occur at or in the said premises and also the discovery therein of any minerals other than the mineral or minerals specified in the notice given by him under Rule 19. He shall also report to the Collector, the discovery of any major mineral or minerals and shall pay in respect of the quantities of such major mineral or major minerals quarried royalty at the rates specified in the ¹²[Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957)].

27. Assignment prohibited :-

The registered holder shall not assign, lease or part with the possession of his lands or any part thereof for the whole or any part of his term without previous intimation to the Collector in writing.

28. Special powers of the Collector :-

28. ⁶[Special powers of the Collector].--

(1) The Collector may require registered holder to relinquish the

whole or part of the land used by him for mining operations or for the deposit of mining waste or on the expiry or sooner determination of the agreement, to restore the lands so used to a state fit for cultivation or securely and permanently fence in abandoned pits and excavation therein, in cases in which he considers such restoration or fencing necessary. In default thereof, the Collector, at his option, may carry out such work and deduct the costs thereof out of the security deposited by the lessee. If, however, the deposit be found insufficient to meet deduction aforesaid, it shall be lawful for the Collector to recover the balance by resort to Civil Court, where restoration of the land is not insisted on, thirty times the assessment of the land so rendered uncultivable shall be deducted from the security deposit and carried to the credit of the State Government. ¹³[Notwithstanding any other penalty, if the lands are seriously damaged by quarrying, it is open to the Collector to impose enhanced rates of seigniorage fee proportionate to the damage caused to the land, subject to a maximum of five times the normal rates].

(2) The powers vested with the Collector for restoring lands, etc., as provided under sub-rule (1) above, is also applicable to cases of illicit quarrying of minor minerals in ryotwari lands.

29. Lands rendered unfit for cultivation not eligible for remission :-

No remission of assessment shall be granted in respect of any land rendered unfit for surface cultivation by the carrying on of quarrying operations unless thirty times the assessment thereon have already been deducted under Rule 28.

30. XXX XXX XXX :-

¹⁴[30. ***]

30A. XXX XXX XXX :-

¹⁴[30-A. ***]

31. XXX XXX XXX :-

¹⁴[31. ***]

32. XXX XXX XXX :-

33. Leasing out of quarrying rights :-

If the registered holder does not intend to carry on quarrying operations himself but leases out the right to do so to another person, the registered holder and his Lessee shall enter into an agreement with the Government binding themselves jointly and severally to accept the conditions and stipulations set out **15**[in these Rules]. The agreement shall be in the Form set out in Appendix V to these Rules.

34. Agreement to be registered :-

The agreement executed in the Forms set out in Appendices IV and V to these Rules are compulsorily registerable under Section 17(1) of the Indian Registration Act, 1908 - the former at the cost of the registered holder and the latter at the cost of the registered holder and his lessee.

1 Substituted by G. O. Ms. No. 130, Industries, dated 8th February 1986.

2 Substituted by G. O. Ms. No. 322, Industries, dated 2nd March 1988.

3 Substituted by G. O. Ms. No. 1273, Industries, dated 9th December 1998.

4 Original Rule 19 was substituted by G.O.Ms. No. 166, Industries, dated 16th June 1994 and subsequently Rule 19 was re-numbered as sub-rule (1) of Rule 19 and sub-rule (2) was added to Rule 19 by G.O.Ms. No. 106, Industries, dated 24th December 2002.

5 Rule 19-A was substituted by G. O. Ms. No. 86, Industries, dated 22nd February 2001.

6 Substituted by G. O. Ms. No. 166, Industries, dated 16th June 1994.

7 Substituted by G. O. Ms. No. 191, Industries, dated 8th June 2000.

8 Rule 21 was Omitted by G. O. Ms. No.166, Industries, dated 16th June 1994.

* Rule 19-B was inserted by G. O. Ms. No.214, Industries, dated 10th June 1992 was struck down by the High Court, Madras and the order of the High Court was upheld by the Supreme Court in

Civil Appeal No. 1655 etc., (A I R 1995-SC Pages 858 to 865).

Before struck down, it was read as follows :--

Canalisation of black, red, pink, green white or other coloured or multi-coloured granites or any rock suitable for use as ornamental and decorative stones quarried by the permit holder, etc.--

(1) Notwithstanding anything contained in these Rules, on and from the 10th June, 1992 the sale of the quarried black, red, pink, grey, green, white or other coloured or multi-coloured granites or any rock suitable for use as ornamental and decorative stone by every permit-holder who has been granted permission by the State Government and every person who has been permitted by a competent Court having jurisdiction, for quarrying black, red, pink, grey, green, white or other coloured or multi-coloured granites or any rock suitable for use as ornamental and decorative stone, shall be regulated by the State Government or by an officer of the State Government or by a State Government Company or by a Corporation owned or controlled by the State Government, as the State Government may direct in this behalf.

(2) Where the above sale is regulated by --

(i) the State Government or by an officer of the State Government, the minimum price shall be as fixed by the State Government;

(ii) the State Government Company or a Corporation owned or controlled by the State Government, the minimum price shall be as fixed by the said company or corporation, as the case may be :

Provided that in fixing the minimum price under this sub-rule, the fair market prevailing at the time of the sale shall be taken into account.

9 Rule 24 was Omitted by *ibid*.

10 Inserted by G. O. Ms. No. 556, Industries, dated 5th April 1998.

11 Inserted by G. O. Ms. No. 3, Industries, dated 2nd January 1998 w.e.f. 1st April 1998.

12 Substituted by G. O. Ms. No. 86, Industries, dated 22nd February 2001.

13 Inserted by G. O. Ms. No. 166, Industries, dated 16th June 1994.

14 Rules 30, 30-A, 31 and 32 was Omitted by *ibid*.

15 Substituted for the expression "in Rules 23 or 32" by *ibid*.

CHAPTER 4 LANDS IN WHICH THE MINERALS DO NOT BELONG TO THE GOVERNMENT

35. Returns :-

The owner of the land and Lessee shall intimate to the Collector of

the district and the Government the nature of the mineral concessions granted or obtained and shall submit such other returns as the Collector may specify.

CHAPTER 5 MISCELLANEOUS

36. General restrictions in respect of quarrying operations

:-

¹[36. General restrictions in respect of quarrying operations.--

(1) The quarrying permit holder or the lessee or their men shall not work or carry on or allow to be worked or carried on any mining operations at or to any point within a distance of 50 metres from any railway line except with the previous written permission of the Railway administration concerned or under or beneath any ropeway or any ropeway trestle or station except under and in accordance with the written permission of the authority owning the ropeway or from any reservoir, canal or other public works such as public roads and buildings ²[***] except with the previous written permission of the Collector of the district or any other officer authorised by the State Government in this behalf and otherwise than in accordance with such instructions, restrictions and conditions, either general or special, which may be attached to such permissions. The said distance of 50 metres shall be measured in the case of railway, reservoir or canal horizontally from the outer toe of the bank or the outer edge of the cutting, as the case may be, and in case of building horizontally from the plinth thereof. In the case of village roads, no working shall be carried out within a distance of 10 metres and except with the previous permission of the Collector of the district or any other officer duly authorised by the State Government in this behalf and otherwise than in accordance with such directions, restrictions and additions, either general or special, which may be attached to such permission :

³[Provided that notwithstanding anything contained in any law for the time being in force or any provision in any lease deed or agreement already executed under these Rules, there shall be no quarrying of sand in any river bed or adjoining area or any other area which is located within 500 metres radial distances from the location of any bridge, water supply system, infiltration well or pumping installation of any of the local bodies or Central or State Government Department or the Tamil Nadu Water Supply and Drainage Board head works or any area indentified for locating

water supply schemes by any of the above-mentioned Government Departments or other bodies].

4[***]

5[(1-A) (a) No lease shall be granted for quarrying stone within 300 metres (three hundred metres) from any inhabited site :

Provided that the existing quarries which are subsisting under current leases shall be entitled for continuance till the expiry of the lease period. The Lessees whose quarries lie within a radius of 300 metres from the inhabited site shall undertake blasting operations only after getting permission of the Director of Mines Safety, Gorgaum :

Provided further that the new and existing units of quarries shall also be required to comply with the pollution control measures [(i.e.) dust control measures] besides complying with the other conditions in regard to Pollution Control Measures.

(b) The methodology specified in column (2) of the Table shall be adopted in respect of the operational sources specified in column (1) thereof for rock quarrying operations.

table

(c) No new layout, building plans falling within 300 metres from any quarry should be given approval by any agency unless prior clearance of the Director of Geology and Mining is obtained. On receipt of proposals for according clearance, the Director of Geology and Mining shall decide upon the continuance or closure, as the case may be, of any quarry which is situated within 300 metres from the new layout, buildings sought for such clearance.]

Explanation.-- **6**[For the purpose of sub-rules (1) and (1-A)] --

(i) "public road" shall mean a road which has been constructed by artificially surfaced as distinct from a track resulting from repeated use;

(ii) "village road" shall mean and include any track shown in the revenue record as village road;

7[(ii-a) stone shall mean rough stones including khandas, boulders, size-reduced (broken or crushed) materials including metal jelly, ballasts, mill stones, hand chakais and building and road construction stones other than black, red, pink, grey, green, white or other coloured or multicoloured granites or any other rocks suitable for use as ornamental and decorative stones];

8[(iii) inhabited site shall mean a village site or town site or a house site as referred to in the revenue records or a house site or layout approved by a Local Body or Town or Country or

Metropolitan Planning Authority, where the said Body or Authority is created under a statute and empowered to approve such an area as a house site or lay-out area.]

(2) The quarrying permit holder or the lessee shall strengthen and support to the satisfaction of the Railway Administration concerned or the State Government, as the case may be, any part of the quarry which in the opinion of the Railway Administration or, as the case may be, the State Government requires such strengthening or support for the safety of any railway, reservoir, canal, road or any other public works or structures.

(3) If any mineral not specified in the lease deed or agreement is discovered, the quarrying permit holder or the lessee shall not mine or dispose of such mineral without obtaining the permission of the authority empowered to grant permit or lease for quarrying of the discovered mineral and without payment of the seigniorage fee. If the quarrying permit holder or the lessee fails to intimate to the State Government or the District Collector or the District Forest Officer, as the case may be, of the discovery of such new minerals within a period of thirty days from the date of the discovery of the mineral, the State Government or the District Collector or the District Forest Officer, as the case may be, may levy enhanced seigniorage fee upto fifteen times of ordinary seigniorage.

(4) The lessee shall, at his own expense, erect boundary marks round the area shown in the plan annexed to the lease or agreement and in which he works minerals and, at all times, maintain and keep such boundary marks in good repair.

(5) (a) The quarrying permit holder or the lessee or his tenant or lessee, etc, shall keep correct accounts showing the quantity and other particulars of all minerals obtained and despatched from the quarry. He shall also allow any officer authorised by the ⁹[State Government], Director of Geology and Mining, Chief Conservator of Forests, the Collector or the District Forest Officer, as the case may be, to examine such accounts and furnish him with such informations and returns as may be specified by them.

⁹[(aa) Joint Director (Geology and Mining), Deputy Director (Geology and Mining), Assistant Director (Geology and Mining), Assistant Geologist, Special Tahsildar (Mines), Special Deputy Tahsildar (Mines) and Special Revenue Inspector (Mines) in the district offices of the Department of Geology and Mining and Presidents of Village Panchayats, Executive Officers of Town Panchayats or Townships and the Commissioners of Municipalities or Corporations shall exercise the powers and discharge the duties

as may be required and as the circumstances of the cases warrant in respect of the provisions of clause (a) and within their respective jurisdiction :

Provided that the said powers and duties exercisable and dischargeable by the local body authorities specified above shall be exercisable and dischargeable only in respect of minor minerals, namely, building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay and within their jurisdiction relating to all lands excepting the reserved forest lands and lands reserved under the Tamil Nadu Forest Act, 1882 (Tamil Nadu Act V of 1882)].

(b) The quarrying permit-holder or the lessee shall remove or allow removal and transportation of any mineral from the area where quarrying is permitted only after obtaining bulk transport permit and facsimiled despatch slips in the Forms prescribed 10[in Appendices XII, XII-A and XIII, XIII A to these Rules from the officer authorised in this behalf by the State Government, District Collector] or the District Forest Officer, as the case may be. The person who has been permitted to quarry in any area or his men, in turn, shall issue the facsimiled despatch slips to the vehicles used for removal or transportation of the mineral furnishing the particulars in the despatch slips specifically indicating the vehicle number, the quantity of the mineral allowed to be transported by the vehicle by using that despatch slip and the time of issue of the despatch slip to the vehicle. All the vehicles used for transporting any mineral from any area shall be in possession of the individual despatch slips for the quantity of the minerals available in the vehicle at all the times of transportation of the mineral by the vehicles :

Provided that the vehicles used for transporting any mineral free of charge for bona fide domestic or agricultural purpose shall have a letter of authorisation from the person for whose use the mineral is intended and the vehicle driver or owner shall be responsible for establishing the bona fide transport of the mineral for such purpose when called upon to do so.

10[(bb) In respect of minor minerals namely, building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay occurring in any land except those lands constituted as reserved forests under Section 16 of the Tamil Nadu Forests Act, 1882 (Tamil Nadu Act V of 1882) and reserved lands notified under Section 26 of the said Act V of 1882, the Presidents of Village Panchayats, Executive

Officers of Town Panchayats and Townships and Commissioners of Municipalities and Corporations shall collect lease amount, seigniorage fee or dead rent or area assessment or any other payment, as the case may be, in relation to the lessees or permit holders, sign and issue transport permits and despatch slips to the quarrying permit holders and lessees and collect penalty amount and compounding fee from the persons liable to pay the penalty or compounding fee, as the case may be :

Provided that in the case of Village Panchayats, the transport permit and despatch slips shall be jointly signed by the Village Panchayat President and Vice-President. In the absence of Vice-President, any member authorised by the Panchayat for this purpose shall jointly sign the transport permits and despatch slips in the place of Vice-President:

Provided further that the issue and use of transport permits and despatch slips for transportation of any minor mineral shall be subject to the conditions stipulated in these Rules and instructions of the State Government, Director of Geology and Mining and or the District Collector or the District Forest Officer issued, from time to time].

(c) The quarrying permit holder or the lessee shall carryout quarrying operations in a skillful, scientific and systematic manner keeping in view proper safety of the labourers, structure and the public and public works located in that vicinity of the quarrying area and in a manner to preserve the environment and ecology of the area.

(d) Any officer authorised by the Central Government, the State Government, the Director of Geology and Mining, the Chief Conservator of Forests, the District Collector or the District Forest Officer is empowered to enter upon any area where quarrying is carried on, examine the quarrying area, the adjoining areas and the quarry accounts and registers and the vehicles used for transportation of minerals from the quarrying area at any place to find out violations of these Rules or the conditions of the quarrying permits or quarrying leases granted under these Rules.

10[(dd) The Joint Director (Geology and Mining), Deputy Director (Geology and Mining), Assistant Director (Geology and Mining,) Assistant Geology, Special Tahsildar (Mines), Special Deputy Tahsildar (Mines) and the Special Revenue Inspector (Mines) in the district offices of the Department of Geologist and Mining and the Presidents of Village Panchayats, Executive Officers of Town Panchayats and Townships and the Commissioners of Municipalities

and Corporations shall exercise the powers and discharge the duties as may be required and as the circumstances of the cases warrant in respect of the provisions of clause (d) and within their respective jurisdiction :

Provided that the said powers and duties exercisable and dischargeable by the local body authorities specified above shall be exercisable and dischargeable only in respect of minor minerals, namely, building and road construction stones including gravel, ordinary sand, earth and turf, ordinary clay including silt and brick and tile clay and within their jurisdiction relating to all lands excepting the reserved forest lands and lands reserved under the Tamil Nadu Forests Act, 1882 (Tamil Nadu Act V of 1882).]

(e) Any person who has been permitted to quarry under a quarrying permit or quarrying lease in any area under these Rules shall use the area only for the purpose of quarrying the mineral specified in the quarrying permit or quarrying lease. If any error or wrong description of the mineral is found in the order granting the quarrying permit or lease or in the lease deed or agreement, it is liable to be corrected at any time and the permit holder or the lessee shall not claim any right whatsoever based on any such error or wrong description of the mineral found in the order granting quarrying permit or quarrying lease or in the lease deed or agreement.

(f) No person is entitled to remove any mineral from any land after expiry of the period of the quarrying permit or quarrying lease granted under these Rules.

(g) The person quarrying under a permit or lease in any area under the Rules in Section II shall not keep in the land any engine, machinery, plant, articles or things whatsoever after the expiry of the period of the quarrying permit or quarrying lease and they shall be removed from the land on the last day of the quarrying permit or quarrying lease.

(h) In case of breach by the quarrying permit-holder or quarrying lease holder or his transferee or assignee of any of these Rules or of the conditions of the lease, the Director of Geology and Mining or the Chief Conservator of Forests, as the case may be, or the District Collector or the District Forest Officer, as the case may be, without prejudice to any other penalty which may be imposed in respect of such breach, may cancel the lease after granting an opportunity of hearing to the said person.]

36A. Penalties :-

11[36-A. Penalties.--

(1) **12**[Whenever any person contravenes the provisions of **13**[sub-sections (1) and (1-A) of Section 4] of the Act in any land, enhanced seigniorage fee upto a maximum of fifteen times the normal rate subject to a minimum of **14**[twenty-five thousand rupees] shall be charged and recovered from that person by the District Collector or the District Forest Officer, as the case may be, or in the alternative, he shall be liable to be punished as provided in sub-section (1) of Section 21 of the Act] :

9[Provided that in respect of minor minerals, namely, building and road construction stones including gravel, ordinary sand, earth and turf, ordinary clay including silt, brick and tile clay, the powers and duties exercisable and dischargeable by the District Collectors under this sub-rule shall be exercisable and dischargeable by the Revenue Divisional Officer concerned within their respective jurisdiction].

(2) **15**[***]

(3) Whenever any person raises without any lawful authority any mineral from any land, the District Collector or the District Forest Officer, as the case may be, may recover from such person the mineral so raised or where such mineral has already been disposed of, the price thereof, and may also recover from such person, area assessment, seigniorage fee or tax, as the case may be, for the period during which the land was occupied by such person without any lawful authority:

10[Provided that in respect of minor minerals, namely, building and road construction stones including gravel, ordinary sand, earth and turf, ordinary clay including silt, brick and tile clay, the powers and duties exercisable and dischargeable by the District Collectors under this sub-rule shall be exercisable and dischargeable by the Revenue Divisional Officer concerned within their respective jurisdiction.]

(4) **12**[Whenever any person] contravenes the provisions of sub-rule (1) of Rule 10 and in unlawful possession of any land, the Director of Geology and Mining or the Chief Conservator of Forests, as the case may be, or the District Collector or the District Forest Officer, as the case may be, shall, after giving notice, charge and recover from that person double the rate of the lease amount where the area was held under lease through public auction or its renewal or tender or double the total seigniorage fee where the

area was held under lease through any other provisions of these Rules, or in the alternative, shall be punished with imprisonment for a term which may extend to one year or with fine which may extend to five thousand rupees or with both and in the case of continuing contravention, with additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention :

10[Provided that in respect of minor minerals, namely, building and road construction stones including gravel, ordinary sand, earth and turf, ordinary clay including silt, brick and tile clay, the powers and duties exercisable and dischargeable by the District Collectors under this sub-rule shall be exercisable and dischargeable by the Revenue Divisional Officer concerned within their respective jurisdiction].

12[(5) Whenever any person contravenes any provisions other than sub-rule (1) of Rule 10 of these Rules or conditions of a quarrying permit or quarrying lease granted under these Rules, the Director of Geology and Mining or the Chief Conservator of Forest, as the case may be, or the District Collector or the District Forests Officer, as the case may be, shall after giving notice, charge and that person and recover from him enhanced seigniorage fee upto a maximum of fifteen times the normal rate subject to a minimum of

14[twenty-five thousand rupees] or in the alternative, he shall be liable to be punished with imprisonment for a term which may extend to one year or with fine which may extend to five thousand rupees or with both and in the case of continuing contravention, with additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention :

10[Provided that in respect of minor minerals, namely, building and road construction stones including gravel, ordinary sand, earth and turf, ordinary clay including silt, brick and tile clay, the powers and duties exercisable and dischargeable by the District Collectors under this sub-rule shall be exercisable and dischargeable by the Revenue Divisional Officer concerned within their respective jurisdiction.]

16[(6) No machinery shall be used for quarrying sand from river beds, except with the permission of the Secretary to Government, Industries Department or any other authority or Officer, as may be authorised by him in this behalf, who may grant such permission if use of such machinery will not be detrimental to ecology].

36B. Levy of interest and recovery of arrears :-

17[36-B. Levy of interest and recovery of arrears.--

(1) The District Collector or the District Forest Officer or any officer authorised by them in this behalf, may, without prejudice to the provisions contained in the Act or any other Rule in these Rules, charge simple interest at the rate of twenty-four per cent per annum on any rent, royalty, fee or other sum due to the State Government under the Act or these Rules or under the terms and conditions of any quarrying permit or quarrying lease from the sixtieth day of the expiry of the date fixed by the authority concerned for payment of such rent, royalty, fee or other sum and until payment of such rent, royalty, fee or other sum is made :

10[Provided that in respect of minor minerals, namely, building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay, the powers and duties exercisable and dischargeable by the District Collectors under this sub-rule shall be exercisable and dischargeable by the Presidents of the Village Panchayats, Executive Officers of Town Panchayat and Townships and Commissioner, of Municipalities and Corporations, as the case may be, within their respective jurisdiction].

(2) The arrears of any amount payable under the Act or these Rules may be recovered under the provisions of the Tamil Nadu Revenue Recovery Act, 1864.

36C. Appeal and Second appeal :-

18[36-C. Appeal and Second appeal.--

(1) Any person aggrieved by any order of the Joint Director, Deputy Director or Assistant Director (Geology and Mining) or any authority subordinate to him in the district office of the Department of Geology and Mining or Revenue Divisional Officer or Tahsildar or Deputy Tahsildar in the Revenue Department or Commissioner of Municipalities and Corporations, Executive Officers of Town Panchayats and Townships and Presidents of Village Panchayats made in exercise of the powers conferred on him by these Rules or in exercise of any of the powers delegated to him under the provisions of these Rules may within 30 days from the date of receipt of the order, prefer appeal to the District Collector concerned against such order. In case, the aggrieved person is not satisfied with the decision of the District Collector he may prefer a

second appeal to the Director of Geology and Mining within 30 days from the date of receipt of the order of the District Collector.

(2) Any person aggrieved by any order made by the District Collector in exercise of the powers conferred on him by these Rules, except on appeals under sub-rule (1) may, within 30 days from the date of communication of the order to him, appeal to the Director of Geology and Mining against such order. In case, the aggrieved person is not satisfied with the decision of the Director of Geology and Mining, he may prefer a second appeal to the State Government within 30 days from the date of receipt of the order of the Director of Geology and Mining.

(3) Any person aggrieved by any order made by the Director of Geology and Mining in exercise of the powers conferred on him by these Rules, may, within 30 days from the date of receipt of the order, appeal to the State Government.]

36D. Settlement of questions or disputes regarding an agreement :-

¹⁹[36-D. Settlement of questions or disputes regarding an agreement.--

Should any question or dispute arise regarding an agreement executed in pursuance of these Rules, or any matter or thing connected therewith or the powers of the registered holders thereunder, the amount or payment of seigniorage fee or lease amount or area assessment made payable thereby, the matter in issue shall be decided by the Director of Geology and Mining. In case, the registered holder or the lessee is not satisfied with the decision of the Director of Geology and Mining, the matter shall be referred to the State Government for decision.

36E. Refund of lease amount, etc., in certain cases :-

Where the State Government have made premature termination of a quarrying lease or permit under the provisions of sub-section (2) of Section 4-A of the Act, the District Collector or the District Forest Officer, as the case may be, shall fix the amount of proportionate lease amount or seigniorage fee, etc., that may be refunded to the quarrying lessee or permit holder for the un-expired portion of the lease or permit period with the approval of the State Government and make the refund to that person concerned within a reasonable period after the premature termination of the quarrying lease or permit.]

36F. Transfer of lease :-

20[36-F. Transfer of lease.--

Notwithstanding anything contained in these Rules, the lessee shall not, without the previous consent in writing of the State Government --

(a) assign, sub-let, mortgage, or in any other manner, transfer the quarrying lease, or any right, title or interest therein; or

(b) enter into or make any arrangement, contract or understanding whereby the lessee will or may be directly financed to a substantial extent by, or under which the lessee's operation or undertakings will or may be substantially controlled by any person or body of persons other than the lessee :

Provided that where the mortgagee is an institution or a Bank or a Corporation specified in Appendix-II-A, it shall not be necessary for the lessee to obtain such consent of the State Government.

(2) A lessee of a quarrying lease shall be permitted to transfer his lease to within one industrial group only.

21[Explanation.-- For the purpose of this sub-rule "one industrial group" shall mean an individual or more than one individual or a registered Firm or association of a registered company dealing with or engaged in quarrying of the same mineral].

(3) No quarrying lease shall be transferred by means of sale from one party or company to another party or company.

(4) The State Government shall not give their consent for transfer of a quarrying lease unless the transferee has accepted all the conditions and liabilities of the transferor in respect of the quarrying lease which is proposed to be transferred.

(5) (a) The application for transfer of a quarrying lease shall be made to the State Government through the District Forest Officer in whose jurisdiction the area of the lease proposed to be transferred is situated, in other cases, through the District Collector having jurisdiction in that area. The application shall be made in the Form prescribed in Appendix VII-A to these Rules and the application shall be accompanied by --

(i) **22**[original challan in proof of the payment of a non-refundable application fee of Rs.2,000/- (Rupees two thousand only) remitted in Government Treasury in the district concerned].

(ii) an affidavit sworn before a Notary public by the transferor of the lease (if it is a partnership Firm by all partners of the Firm and if it is a private company by all the members and directors of the company) indicating therein the intention to transfer the quarrying

lease to the transferee and agreeing to handover all the documents relating to the quarrying lease like production, despatch and sk register, accounts relating to payment of mineral revenues and mining dues to the transferee.

(iii) an affidavit sworn before a Notary public by the transferee (if it is a partnership Firm, by all the partners of the firm and if it is a private company by all the members and directors of the company) declaring that he/she/they accept the transfer of the quarrying lease from the transferor with all assets and liabilities and will abide by the provisions of the Act and these Rules and the terms and conditions of the lease deed already executed by the transferor in respect of the lease which is proposed to be transferred. The transferee shall also agree to execute a supplementary lease deed in the Form prescribed in Appendix V-A to these Rules on receipt of the order of the Government accepting the transfer of the lease;

(iv) mining dues clearance certificate obtained from the District Collector concerned and furnished by the transferor in respect of the lease which is proposed to be transferred;

(v) income-tax clearance certificate of the transferee with other details, if any;

(vi) list furnished by the transferee of minor mineral quarries already held by him under lease and applied for grant or transfer with all details such as location, extent of the area, name of the minor mineral including granite leases.

(b) The transferee shall pay the mining dues, if any, payable by the transferor either as arrears or as future claims in respect of the lease of quarry which is proposed to be transferred.

(c) The transferor shall make available to the transferee the original or certified copies of all plans of abandoned working in the leasehold area and in a belt 65 metres wide surrounding it. A copy of the plan shall be appended to the supplementary lease deed.

(d) The transferor shall not charge or accept from the transferee any premium in addition to the sum spent by him in obtaining the lease and for conducting all or any of the operations in or over the land leased to him.

(e) Where, an order has been made for the transfer of lease of quarrying a supplementary lease deed in the Form prescribed in Appendix-V-A to these Rules shall be executed within sixty days of such order and if no such lease deed is executed within the said period due to any default on the part of the applicant, the order of the State Government for transfer of the lease shall be deemed to be revoked.

37. Savings :-

These Rules shall not, however, affect the leases already executed in respect of minor minerals in accordance with the Rules in the Tamil Nadu Mining Manual or the Tamil Nadu Minor Mineral Concession Rules, 1959.

38. Reservation of area for exploitation in the public sector, etc :-

²³[38. Reservation of area for exploitation in the public sector, etc.-
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The State Government may, by notification in the Official Gazette, reserve any area for the 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 I of 1956) ²⁴[as per sub-section (2) of the Section 17-A of the Act.].

38A. Quarrying of sand by the State Government :-

²⁵[38-A. Quarrying of sand by the State Government.--

Notwithstanding anything contained in these Rules, or any order made or action taken hereunder or any judgment or decree or order of any Court, all existing leases for quarrying sand in Government lands and permissions / leases granted in ryotwari lands shall cease to be effective on and from the date of coming into force of this Rule and the right to exploit sand in the State shall vest with the State Government to the exclusion of others. The proportionate lease amount for the unexpired period of the lease and the unadjusted seigniorage fee, if any, will be refunded.]

39. XXX XXX XXX :-

39. ²⁷[***]

40. Power of revision of the State Government :-

²⁸[40. Power of revision of the State Government.--

The State Government may, of their own motion or otherwise, for good and sufficient reasons, revise any order of any authority subordinate to them made in exercise of the powers conferred on the authority under these Rules:

Provided that no order in exercise of the above power shall be passed by the State Government without giving an opportunity of being heard to the person who will be considered to be adversely affected by such an order.]

1 Rule 36 was substituted by G. O. Ms. No.166, industries, dated 16th June 1994 with effect from 22nd June 1994.

2 The words "or inhabited site" were by G. O. Ms. No. 286, Industries, dated 1st April 1999.

3 Substituted by G. O. Ms. No. 38, Industries, dated 25th January 2000.

4 Second proviso in Rule 36(1) was omitted by G.O. Ms. No. 88, Industries, dated 18th October 2002.

5 Inserted by ibid.

6 Substituted by G.O. Ms. No. 88, Industries, dated 18th October 2002.

7 Inserted by G. O. Ms. No. 647, Industries, dated 6th August 1999.

8 Substituted by G.O. Ms. No. 286, Industries, dated 1st April 1999.

9 Substituted by G. O. Ms. No. 3, Industries, dated 2nd January 1998 w.e.f. 1st April 1998.

10 Inserted by G. O. Ms. No. 3, Industries, dated 2nd January 1998 w.e.f. 1st April 1998.

11 Rule 36-A was inserted by G. O. Ms. No.166, Industries, dated 16th June 1994.

12 Substituted by G. O. Ms. No. 49, Industries, dated 28th February 1995.

13 Substituted by G. O. Ms. No. 13, Industries, dated 20th January 2003.

14 Substituted by G. O. Ms. No. 253, Industries, dated 26th June 2000.

15 Deleted by G. O. Ms. No. 49, Industries, dated 28th February 1995.

16 Substituted by G. O. Ms. No. 19, Industries (MMC 1) dated 19th April 2004.

- 17 Rule 36-B was inserted by G. O. Ms. No.166, Industries, dated 16th June 1994.
- 18 Rule 36-C was inserted by G. O. Ms. No.166, Industries, dated 16th June 1994.
- 19 Rules 36-D and 36-E were inserted by G.O. Ms. No. 166, Industries, dated 16th June 1994 w.e.f. 22nd June 1994.
- 20 Rule 36-F was inserted by G. O. Ms. No.215, Industries, dated 14th August 1997.
- 21 Inserted by G. O. Ms. No. 402, Industries, dated 26th May 1999.
- 22 Substituted by G. O. Ms. No. 402, Industries, dated 26th May 1999.
- 23 Rule 38 was inserted by G. O. Ms. No.1080, Industries, dated 2nd September 1983.
- 24 Added by G. O. Ms. No. 86, Industries, dated 22nd February 2001.
- 25 Rule 38-A was inserted by G. O. Ms. No.95, Industries, dated 1st October 2003.
- 26 Rule 38-B was inserted by G. O. Ms. No.158, Industries, dated 25th August 2008.
- 27 Rule 39 was inserted by G. O. Ms. No.97, Industries, dated 8th March 1993 and subsequently omitted by G.O. Ms. No. 91, Industries, dated 27th June 1996.
- 28 Rule 40 was inserted by G. O. Ms. No.166, Industries, dated 16th June 1994.