

## **ANDHRA PRADESH MINOR MINERAL CONCESSION RULES, 1966**

[G.O.Ms.No. 1172, Industries (B-1), 4th September, 1967) read with amendments as issued in G.O.Ms.No. 226, Ind. and Com. Dept., dated 25.3.1977, published in A.P. Gazette No. 3, Part I, Ext., dt. 31.2.1977]

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

**1. Short title:—** These rules may be called the Andhra Pradesh Minor Mineral Concession Rules, 1966.

**2. Commencement and Application:—** (1) They shall come into force on the date of publication of these rules in the Andhra Pradesh Gazette.

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

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published at pages 60-73 of Part I-C rules of the Hyderabad Government Gazette, dated 25th February, 1954, shall stand repealed except as regards things done or omitted to be done before such commencement.

**4. Definitions:—** In these rules, unless the context otherwise requires:—

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

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

<sup>1</sup>[(ii) “Joint Director” means the Joint Director of Mines and Geology.]

<sup>2</sup>[(iii) “District Panchayat Officer” means the District Panchayat Officer is incharge of the District.]

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

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

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

(f) ‘Ordinary sand or clay’ means:—

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

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

- (i) the ordinary sand used for building or other similar purposes, but not used for industrial purposes, such as refractory, ceramic, glass stiring and metallurgical industries ; and
- (ii) the ordinary clay used for small scale manufacture of bricks, tiles, pots and the like but not used for large scale manufacturing purposes, such as, for the manufacture of ceramics or cement.

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

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

**6. Non-Government Lands:**— The Government may, on application from any person possessing sub-soil rights, grant a share in the quarrying fees.

#### NOTES

Mineral Franchise Fee, claimed by the owner of the lands from the licensee, in consideration of consent for transfer of surface rights, has nothing to do with the other statutory amounts payable under the Act and the Rules and the true nature of such levy is quid pro quo for utilizing the surface of the land belonging to a private owner. MFF is not tax levied by Government. R.6 of the AP Minor Mineral Concession Rules, 1966, dealing with sub-soil rights, has also no application to the facts of the case, *A.P. Small Scale Granite Industries Assn. V. Govt. of A.P.*, 2002 (5) ALD 707 (DB) = 2002 (5) ALT 674 (DB).

**7. Preparation of plans and demarcation of the leased area:**— When a quarry lease is granted over any area, arrangement shall be made by the Assistant Director at the expense of the lessees for the preparation of a plan and the demarcation of the area granted under the lease, after collecting a fee calculated according to the rates specified below :

#### <sup>1</sup>[Rates of Survey Charges

For <sup>2</sup> [granite and marble]:	For other Minor Minerals:
Rs. 2500/-	Rs. 500/- per application
Per application.]	

**8. Form of lease deed:**— <sup>3</sup>[The license deed shall be executed in Form “O” and the lease deed shall be executed in Form “G”.]

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

<sup>2</sup>. Subs. for "granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

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

**9. Authority to grant quarry lease or permit:**— <sup>1</sup>[(i) Every application for grant or renewal of quarry lease for any minor mineral <sup>2</sup>[except sand, granite and marble] in respect of a land shall be made in Form B to the Assistant Director Mines and Geology in whose Jurisdiction the land lies.]

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

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

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

<sup>6</sup>[x x x]

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

<sup>8</sup>[Provided further that on an application or by way of auction for grant of any minor mineral in the scheduled areas referred to it by the Assistant Director of Mines and Geology or the Officer nominated by the State Government, the Gram Sabha or the Gram Panchayat shall communicate its recommendation, whereupon the application or by way of auction for grant of quarry lease for any minor mineral in such Scheduled Areas shall be processed in accordance with the provisions of Law.]

#### NOTES

<sup>1</sup>. Subs. for "except sand and granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23.9.2003.

<sup>2</sup>. Subs. by G.O.Ms.No. 238, I & C., dt. 9-7-1992.

<sup>3</sup>. The words "sand and" omitted by G.O.Ms. No. 46, I & C, dt. 6-2-1996.

<sup>4</sup>. Subs. by G.O.Ms.No. 238, I & C., dt. 9-7-1992.

<sup>5</sup>. *Ibid.*

<sup>6</sup>. Clause V and proviso thereunder omitted by *ibid.*

<sup>7</sup>. Subs. for the words "Provided further that" by *ibid.*

<sup>8</sup>. Subs. by G.O.Ms.No. 212, I&C (M1) Dept., dt. 20-9-2004.

R. 9: Mining Lease to the Society comprising Scheduled Tribes granted in 1988 and entitled for two times renewal thereafter, was granted lease for the second time which expired on 25-5-1998 when it applied for second time renewal along with required deposit which was returned with objections to be complied within 8 days. Challenge to the renewal of lease after expiry of 8 days cannot be challenged on the ground that Government is not competent to condone delay. There is no limitation and the Government have inherent power to condone delay, if any, and the renewal of lease to the Society cannot be questioned on the ground of delay, *Kanigiri Vaddera Stone Quarrying Labour Contract Coop. Society, Kanigiri v. State of A.P.*, 1999 (2) ALD 208 (DB) = 1999 (2) ALT 190 (DB).

R. 9, 15 and 31 - Applicability - Renewal application not disposed of within time effect-Government cannot direct the competent authority to renew the lease - Application for renewal pending. (*State of A.P. vs. Vittal Goud*, 1981 (1) An. WR. 151 = AIR 1981 A.P. 42).

Where in the auction for mining of lease for quarrying of sand in water-courses, the highest bidders quoted unfair price, order for reauction to subserve public interest of raising revenue of local bodies cannot be held to be invalid. The submission that the highest bidder had legitimate expectation that the lease would be granted to him is liable to be rejected, *Gunda Venkata Ramana v. The District Level Committee*, AIR 2001 AP 92.

A.P. Minor Mineral Concessions Rules (1966), Rr.9, 12 – Quarry Lease – Granting of, — Application made prior to revocation of lease but after expiry of time stipulated for execution of agreement by lessee – Rejection on the ground that that application was premature as on the date of application the area in question was not available for granting of lease – Application made by the applicant immediately after revocation of lease treated as the first application in point of time – Not sustainable, because though the application was made prior to revocation, the right acquired for grant of lease having come to an end on expiry of extended period for execution of lease, the area in question was very much available for fresh lease immediately after expiry of the extended period for execution of lease and all applications from prospective applicants received thereafter, i.e. immediately after expiry of the date of the extended period for execution of lease, were valid and required to be taken into consideration for the purpose of granting of fresh lease – Mere fact that order of revocation was passed later, after a time gap of about sixteen months, it cannot be said that the right for execution of lease got extended by sixteen months during which period the applications received for fresh lease were premature – Order rejecting application on the ground of the application being premature by the Director – Is liable to be quashed, *N. Penchala Naidu v. Director of Mines and Geology*, 2007 (5) ALD 848 = 2007 (5) ALT 159 = AIR 2008 (NOC) 231 (A.P.).

A.P. Minor Mineral Concessions Rules (1966), R.9 – Sand Quarrying – Lease Agreement executed with the highest bidder for a period of two years but sanction was issued for a period of one year – Lessee requesting for granting of lease for the second year with 10% enhancement – District Level Committee rejected request for second year of Lease – Larger interests of the local body in earning revenue stated to be the main ground – While loss to public exchequer has to be taken into consideration, it is to be seen that State is under obligation to keep its promise and the terms and conditions agreed upon earlier – A balance may have to be maintained in between – Similar cases having been favourably considered – Rejection of the case of the Lessee on the ground of fetching more revenue and not extending the period as originally agreed upon –

Discriminatory and cannot be sustained – State deriving some additional benefit by itself may not be a sufficient ground always – Lease period is accordingly liable to be extended for the second year as requested by the Lessee, *Y.V.S. Reddy v. Govt. of A.P.*, 2007 (1) ALD 172 = 2007 (1) ALT 743.

A.P. Minor Mineral Concessions Rules (1966), R.9 – Sand Quarrying – Lessee granted lease for a period of two years – However, lessee could not carry out operations for entire period of two years due to Naxal problem – Lessee requesting refund of amount proportionately or allow him to operate for rest of period for which he could not operate — In view of lapse of time, Lessee given liberty to make appropriate representation for refund of amount for the period he could not work while directing authorities to consider such representation in accordance with law, *Dasari Ganga Reddy v. Govt. of A.P.*, 2007 (3) ALD (NOC) 57 = 2007 (1) ALT 486.

<sup>1</sup>**[9-A. (1) Reservation of areas for exploitation in the public sector, etc.:**– The State Government may, by notification in the Official Gazette, reserve any area for exploitation by the Government, a Corporation established by any Central, State or Provincial Act or a Government Company within the meaning of Section 617 of the Companies Act, 1956 (Central Act 1 of 1956).

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

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

- (a) No notification has been issued under that rule ; or
- (b) Where any such notification has been issued the period specified in notification has not expired, shall be deemed to be premature and shall not be entertained ; and the application fee thereon, if any paid, shall be refunded.]

#### NOTES

R. 9-A(3) and 12(3) – Existing lessee not seeking renewal within 90 days before expiry of lease – Application made by another person not within 30 days before expiry of lease of existing lessee – Cannot be rejected by authority as premature – Availability of land for grant of lease shall be notified prescribing the period within which applications for lease be submitted – In the absence of such a notification, no application received be termed as premature or defective. (*Devangula Laxminarayana vs. The Director of Mines & Geology*, 1991 (1) ALT 53 & AIR 1991 AP 167).

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

A.P. Minor Mineral Concessions Rules (1966), R.9-A – Quarry Lease – Notification – Area never having been reserved for exploitation by the Government under R.9-A(1), there is no question of notifying the availability of the area for re-grant under R.9-A(2) – Existing lessee not applying for renewal of lease within the stipulated period of 90 days before the expiry of lease, application received by prospective lessee for grant of fresh lease for the same area in the absence of a notification regarding the availability of the land for grant of fresh lease could not be termed premature, *N. Penchala Naidu v. Director of Mines and Geology*, 2007 (5) ALD 848 = 2007 (5) ALT 159.

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

(2) No Reach/Mandal partly or fully covered by scheduled areas shall be leased out to any person who is not a member of Scheduled Tribe.

Provided that this sub-rule shall not apply to an undertaking owned or controlled by the State or Central Government or to a society registered or deemed to be registered under the Andhra Pradesh Co-operative Societies Act, 1964 which is composed solely of members of Scheduled Tribes.

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

*Explanation:—* For the purpose of this rule:—

- (a) The expression “Schedule Tribes” shall have the same meaning assigned to it in Clause (25) of Article 366 of the Constitution of India; and
- (b) The expression “Scheduled Areas” shall have the same meaning assigned to it in Paragraph 6 of the Fifth Schedule to the Constitution of India.

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

(5) The District Level Committee shall consists of the following Officers:—

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<sup>1</sup>. Rule 9B to 9Z Subs. for R.9B-9Y by G.O.Ms.No. 84 I&CMI dt. 10-4-2007. Prior to its substitution it read as in Annexure III at Pg. 1732.

Joint Collector	– Chairman
Dy. Director of Mines & Geology	– Member
District Panchayat Officer	– Member
Dy. Director, Ground Water Dept.	– Member
Executive Engineer, Irrigation (Conservator of River concerned)	– Member
Asst. Director of Mines & Geology (Concerned)	– Member Convener

<sup>1</sup>[(6) The District Level Committee (DLC) shall be the competent authority to decide the following issues on the proposals received from the Assistant Director of Mines & Geology concerned, only after obtaining the necessary reports/clearances from the concerned Conservator of River/Executive Engineer, Irrigation Department and the Director of Ground Water Department that,--

- (i) To identify the Reaches or Mandals to be leased out for conduct of auction.
- (ii) To fix up minimum bid amount by taking the following points into consideration:
  - (a) availability of sand in terms of quantity.
  - (b) demand, supply, prevailing concessions for transportation of sand by Bullock carts, animals, sand consumed by weaker section housing schemes, and
  - (c) average knocked down bid amount for the last 3 years wherever particulars are available.
- (iii) To separate the Reaches or Mandals if any, which fall within the Scheduled Areas cannot be offered to non-tribals.]
- (iv) To club all or few of such remaining Reaches and Mandals, in a district and notify them as a single item for a district as whole as the District Level Committee deem fit.

#### NOTES

As per sub-rule (1) of R.9B, the notification for grant of lease should be issued for a specified period, in any case not more than two years with a yearly enhancement of 10% of knocked down amount. If the lease is granted for only one year, then the authority does not have power or authority to renew the lease. The only course open to the authority is to hold fresh auction in terms of R.9-B (1). Lessee has no right to claim renewal for another year. The proceedings granting renewal, therefore, are not sustainable, *Chirumamilla Srinivasa Rao v. Govt. of A.P.*, 2008 (6) ALD (NOC 62) = 2008 (3) APLJ 50.

**9-C. Special Concession to Boatsmen Co-operative Societies:—** (1) The Reaches identified in Major Rivers where the sand is lifted and carried by means of boats, the Registered Boatsmen Co-operative Society registered under the Andhra Pradesh Co-operative Societies Act, 1964 shall be given preference by

<sup>1</sup>. Subs. by G.O.Ms.No. 115, I&C (M1) Dept., dt. 11-11-2011, w.e.f. 14-11-2011.

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

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

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

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

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

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

- (i) Any person, who intends to obtain a lease for quarrying sand in a Reach or Mandal as notified under Rule 9-D shall submit Sealed Tender for the grant of the lease in the prescribed form so as to reach the Assistant



Director of Mines & Geology concerned before the date and time as specified in the Notification.

- (ii) Each bid document can be obtained by paying Rs. 1000/- in the form of Demand Draft drawn in favour of Assistant Director of Mines & Geology concerned. For each additional Reach/Mandal an amount of Rs. 500/- shall be paid in similar manner. The said amount shall be credited towards user charge head of account within 7 days.
- (iii) Any person, who intends to participate in the public auction shall simultaneously submit the sealed tender for any Reach or Mandal separately in Form 'S-4' in a Sealed Cover superscribing:—
  - (a) Notification Number;
  - (b) Name of the Tenderer;
  - (c) The Reach/Mandal quoted.
- (iv) Every such Sealed Tender shall be accompanied by an application in prescribed Form 'S2' along with the enclosure as required thereunder.
- (v) The amounts offered by way of sealed tender shall not be less than the minimum bid amount. Even if the less amounts are mentioned in the sealed tender, it will be read as equivalent to minimum bid amount.
- (vi) Soon after the receipt of the Sealed Tenders from the Tenderers, necessary entry should be made in the register by the Asst. Director of Mines & Geology concerned while issuing acknowledgement to the Tenderer. Such Sealed Tenders, so received shall be kept under the safe custody of Asst. Director of Mines & Geology. He has to ensure that all such Sealed Tenders and registers are kept safe under his personal custody duly observing all the possible safety measures.
- (vii) Every tenderer shall be eligible to participate in the auction after obtaining Hall tickets From Assistant Director of Mines & Geology.
- (viii) The tenderer shall present by himself or through his authorized agent in the auction hall at the time of opening of the sealed tender. There shall be open auction and the bidding from different tenderers / bidders shall continue till the highest bid has been arrived at. The Sealed Tenders shall be opened after the bidding is over for each Reach or Mandal.

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

- (ix) 25% of the upset price should be fixed as Earnest Money Deposit in case of those participating in the auction. This amount shall be remitted through Demand Draft drawn in favour of Assistant Director of Mines & Geology concerned.
- (x) The Earnest Money Deposit is ordinarily, for a Reach/Mandal for which he has applied for. However, he can opt for all Reaches/Mandals, simultaneously to participate, with the same Earnest Money Deposit. The

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

- (xi) It shall be at the discretion of the Auctioning Authority to accept or reject the tender or bid for the reasons to be recorded.
- (xii) A Tender once submitted shall not be withdrawn before the bid is concluded.
- (xiii) The Assistant Director of Mines & Geology concerned shall announce the names of person or persons who had submitted Sealed Tender and the Hall Ticket holders before commencement of the bidding for all Reaches/Mandals.
- (xiv) The proceedings for the disposal of Reach or Mandal for quarrying sand shall be concluded on tenders or bids as the case may be by the Auctioning Authority. The tenders shall be opened only when it is ensured by the Auctioning Authority that there is no further bidding for the Reach or Mandal. The Auctioning Authority shall knock down the highest tender or bid provided he is satisfied with the same. In case the highest bid amount and one or more tendered amount remaining the same, of the Reach or Mandal shall be knocked down by drawing lots immediately.
- (xv) The Auctioning authority concerned shall have the power to reject the highest tender or bid on substantial grounds to be recorded in writing at the time of auction and accept another next tender or bid.

**9-F. Refund of Earnest Money Deposit:**— (1) No person shall be admitted in the Auction Hall without the Hall Ticket issued by the Assistant Director of Mines & Geology concerned.

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

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

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

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

- (i) has been convicted for any offence committed under any law for the time being in force or any offence under the Mines and Minerals (Development and Regulation) Act, 1957; or Mines Act 1952 or any rules made thereunder
- (ii) is having mineral revenue dues to the Government as on the date of filing of the application for issue of Hall tickets.

In order to absolve the responsibility of not having dues to the Government in respect of the leases held such applicants shall produce no dues certificate from the competent authority of the Department. The applicants who do not possess any lease shall produce a notarized Affidavit instead of Mineral Revenue Dues Certificate.

**9-H. (1) The following are the auctioning, confirming and appellate authority:**

S.No.	Minimum Bid Amount in Rupees	Auctioning Authority	Confirming Authority	Appellate Authority
1	Upto 5.00 lakhs	Deputy Director of Mines & Geology	Zonal Joint Director of Mines & Geology	Director of Mines & Geology
2	Above 5.00 lakhs	Joint Collector	District Collector	Government

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

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

- (i) The auction conducting authority may knock down the bid by drawing lots among the applicants in the Auction Hall. For all practical purposes, the bid knocked in favour of a bidder / tenderer in lots will be treated as highest bidder for that Reach / Mandal.
- (ii) Similarly, 2nd and 3rd bidders will also be selected by way of lots and all the provisions are applicable to them as if they are 2nd and 3rd highest bidders to that area.

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

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

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

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

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

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

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

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

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

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

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

#### NOTES

(1) Lease deed for quarrying of sand is a compulsorily registerable document and stamp duty payable would be as per Art. 31(c) of the Stamp Act. Contention that lease deed can be executed on stamp duty of Rs.100/- is not correct as the lease falls under Art. 31 of the Stamp Act. Stamp duty of 3% on bid amount and 5% on security deposit will be payable, and, if the successful bidder fails to pay the amount and fails to execute the lease deed in accordance with Rule 9(1), (2), (4) and (5), the amount paid would be forfeited to the Govt. by the confirming authority, *B.C. Sanjeeva Reddy v. Assistant Director of Mines & Geology, Yerraguntla*, 2008 (3) ALD 281.

(2) The provision relating to compliance with the conditions imposed in the confirmation order by the highest bidder admits of no discretion to the confirming authority. It is clear from R.9-I(4) that there is a statutory injunction that on default of successful tenderer/bidder failing to pay the amounts as stipulated within the specified time mentioned in the confirmation order, the amounts thus far paid by the tenderer/bidder shall be forfeited to the Government. There is no appeal/revision provided in the Rules. In the absence of any discretion to the confirming authority not to forfeit the amounts paid, and no appeal/revision having been provided against an order of forfeiture, neither the Government nor any other authority can assume the unconferrred appellate/revision powers to entertain the appeal/revision and interfere with the liability of the successful tenderer/bidder of having the amounts thus far paid being forfeited to the Government. When once the order forfeiting the amount paid for non-compliance of the conditions imposed in the confirmation order is passed, the resultant effect would be that there would be no confirmation order in existence because it stands worked out the moment the amount paid by the defaulting highest bidder are forfeited to the Government, *Nellore Zilla Praja Parishad v. The Govt. of A.P.*, AIR 2011 AP 54 = 2011 (2) ALD 138/233.

**9-J. Maintenance of Registers:—** The Assistant Director of Mines & Geology concerned shall maintain a register duly mentioning all the particulars of all the participants, who possess hall tickets and have submitted sealed tenders. The person whose tender or bid is knocked down shall sign and mention his name in block letters duly affixing his thumb impression in the register as per the prescribed proforma. At the end of the day of the auctions, the auction

conducting authority shall announce that any one who is willing to sign at the end as a witness to the proceeding may sign in the register.

**9-K. Powers of the State Government:**— (1) The Government shall have the power to cancel the auction conducted and confirmation orders issued thereon by the competent authority duly recording its reasons thereof.

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

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

#### NOTES

R.9-K(3) confers power on the Govt. to issue orders/clarifications, if any, not specifically mentioned in the implementation of the A.P. Minor & Mineral Concession Rules, 1966. The twin limitations under the Rule for the exercise of power by the Govt. to issue orders/clarifications are: (i) to implement the rules; and (ii) with respect to matters not specifically mentioned in the Rules. Orders granting extension of lease cannot be said to have been passed in the implementation of the 1966 Rules. Since R.9-L, which prohibits grant of extension of lease under any circumstances, forms part of the 1966 Rules, the Govt. does not have the power under R.9-K(3) to issue any orders/clarifications granting extension of lease whatever the circumstances may be. The orders passed by State Government extending the period of the leases, are neither in the implementation of the 1966 Rules nor with respect to matters not specified therein and, therefore, are not referable to S.9-K(3) of the Rules. Since the power of the Govt. to issue orders/clarifications is limited to the extent provided under R.9-K(3), the orders granting extension of lease to the lessees are *ultra vires* the 1966 Rules and are liable to be quashed, *M.V. Siva Prasad v. Govt. of Andhra Pradesh*, 2010 (2) ALD 288 = 2010 (2) ALT 777 (DB).

**9-L. Penal Clause:**— The successful tenderer or bidder shall have no claims for any compensation due to floods or heavy rains or any other situation and extension of the lease period shall not be granted under any circumstances.

#### NOTES

Keeping in mind certain contingencies such as floods, heavy rains, etc., R.9(L) was incorporated. R.9(L) is not attracted in the case of a Lessee, who could not carry on or commence the quarry operations from the date of the work order, on account of the interim orders passed by the High Court, and, therefore, he is entitled to the extension of time to the extent he was prevented from enjoying the lease due to the interim order passed by the High Court in the Writ Petition, *Krishna Country Canal Boat Workers and Labour Contract Co-operative Society Ltd. v. Assistant Director of Mines & Geology*, AIR 2010 AP 104 = 2010 (2) ALD 286.

R.9-L is in two parts. The first limb prohibits the competent authority from entertaining any claim by a successful tenderer/bidder seeking compensation on account of floods or rains or other situation. The second limb prohibits grant of extension of lease under any circumstances. Irrespective of the nature of the claim for extension of lease, be it for a valid reason or otherwise, R.9-L prohibits competent authority from granting extension of lease under any circumstances. In view of this prohibition, any order passed by the Govt. or the Director of Mines granting extension of lease would be *ultra vires* R.9-L of the 1966 Rules, *M.V. Siva Prasad v. Govt. of Andhra Pradesh*, 2010 (2) ALD 288 = 2010 (2) ALT 777 (DB). [Also see *G. Suresh Kumar v. Govt. of A.P.*, 2010 (5) ALD 553 = 2010 (5) ALT 606.]

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

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

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

#### NOTES

R.9 of the Rules itself contemplates the grant of temporary permits due to any exigency and that too with the payment of seigniorage fee and, necessarily, as pointed out in the proceedings of the Govt. of A.P. and the consequential proceedings of the Assistant Director of Mines & Geology, whereby permits were granted, such exigency exists for issuance of temporary permits in favour of A.P. Mineral Development Corporation for a period of 60 days, who in turn will provide for lifting of the sand by the pattadars in their patta lands on payment of necessary seigniorage fee subject to the verification of other requirements. In view of the same, and the policy decision, which does not in any way run contrary to the Rules, permits had been granted to the pattadars through the Corporation itself and there is, therefore, ample check and necessary safeguards have been provided in regard to the mineral. It is not a case where any permission has been granted directly in favour of pattadars. It cannot, therefore, be said that there is any violation of the mandate or the safeguards as provided under the law and especially the Rules concerning the minor mineral, *K. Ravi Shankar v. A. Narender*, 2011 (4) ALD 563 (DB). [Also see *G. Gangaiah v. Govt. of A.P.*, 2011 (4) ALD 196.]

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

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

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

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

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

(b) In respect of the Reaches identified to the boatmen cooperative societies, the society shall pay the second year amount along with 20% enhancement in not more than four equal quarterly instalments and each instalment shall be paid 15 days before commencement of each quarter.

If no such payment is received, the lease gets expired by the period ending for which the amount is due and the Security Deposit gets forfeited to the Government.

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

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

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

#### NOTES

(1) The power conferred on the Director of Mines and Geology, under the first proviso to R.9-P(a), to condone the delay in payment of the second year lease amount, can only be exercised before the expiry of the first year lease period. The power under second proviso to Rule 9-P(a), to condone delay, is only on a request made by the lessee within fifteen days from the date of expiry of the first year lease period, that too in genuine cases. Neither the Director nor the Govt. have power to permit the lessee to make payment of the second year lease amount in more than one instalment except in respect of reaches identified for the benefit of the boatmen cooperative societies. Under the Rule, such societies are entitled to pay the second year lease amount, along with 20% enhancement, in not more than four equal quarterly instalments, each to be paid fifteen days before the commencement of each quarter. The order of the Government condoning the delay in payment of the second year lease amount, and, permitting payment in four instalments, is, therefore, *ultra vires* Rule



9-P of the 1966 Rules, *M.V. Siva Prasad v. Govt. of Andhra Pradesh*, 2010 (2) ALD 288 = 2010 (2) ALT 777 (DB).

(2) One of the essential conditions for the 2nd year lease period is payment of 20% enhancement on the bid amount. The lessee having participated in the tender with eyes wide open with regard to the terms and conditions of the auction, cannot be permitted to contend that he is not liable to pay 20% enhancement as the first year lease period expired without any quarrying operations. Rejection of plea for treating the second year lease period as first year by waiving payment of 20% enhancement of bid amount and grant of one month extension due to delayed execution of lease deed, does not suffer from any illegality or irregularity, *G. Suresh Kumar v. Govt. of A.P.*, 2010 (5) ALD 553 = 2010 (5) ALT 606.

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

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

**9-S.** Leases granted for sand by Tender or by Public auction are not liable for transfer.

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

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

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

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

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

**9-W.** No movement of sand shall be allowed across the border to the neighbouring State. In case any vehicle is found transporting to the neighboring State even with permit it will be treated as violation of rules and the penal provisions as specified in Rule 9 X will apply besides the lease shall be liable for cancellation.

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

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

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

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

(d) The Municipalities concerned who are the approving authorities for Housing Plans or Shopping/Commercial Complexes are empowered to recover the component of Seigniorage Fee on sand at the rates specified under Schedule-1 of Rule 10 of Andhra Pradesh Minor Mineral Concession Rules, 1966 with one-time penalty in case of procurement of sand by any builder without any valid permit in respect of constructions which are of the value of above Rs.1.00 Crore. Any person aggrieved by the said deduction/orders passed by the Municipalities of Grade-I, II, III appeal lies to the Director of Mines & Geology and in respect of Special Grade, Selection Grade Municipalities and Municipal Corporations appeal lies to Government and the procedure as envisaged in sub-rule (7) of Rule 9-H shall apply.

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

**9-Y.** (1) Removal of sand in patta lands: It is the responsibility of the bidder to obtain the consent of the Pattadar in respect of any area on the land abutting the river, streams etc. which is classified as patta land. The Pattadar,

who is claiming the ownership of the land shall produce valid documents and also certificate issued by the concerned Mandal Revenue Officer.

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

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

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

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

<sup>2</sup>[(3) When the quarry lease is granted—

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

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

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

(b) When the quarry leases are granted under Rule 12 for the specified Minor Minerals, seigniorage fee or dead rent whichever is higher shall be charged on such minerals despatched or consumed from the land at the relevant

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

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

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

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

rates specified in Schedule I and Schedule II <sup>1</sup>[xxx] along with the land assessment on the assessment made by the Assistant Director concerned. Every lessee who has been granted leases for specified Minor Minerals under aforesaid provisions shall submit the detailed accounts as required by the Assistant Director concerned for the purpose of making annual assessment for the Mineral Revenue before 10th of April every year. The Authorised Agent does not have any claim on the dead rent, if any, fallen due from the lessees on annual assessment made by the Assistant Director concerned.

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

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

(e) In case, the right of collection of seigniorage fee is not disposed off in Sealed Tender cum Public Auction or even if it is disposed off but the authorised Agent does not perform due to any reason, the Sectors are deemed to have not been notified for public Auction and the collection of seigniorage fee and dead rent shall be made as per sub-rule (1) of Rule 10 <sup>2</sup>[xxx].

<sup>3</sup>(5)(i) In respect of granite and limestone slabs used for cutting and polishing covered under item No.15 and 17 of Minor Mineral Schedule, in order to facilitate easy accountability for the purpose of levy of Seigniorage Fee, the machinery as specified in Schedule III shall be taken as unit and Seigniorage fee shall be collected at that point by following the rates prescribed in Schedule III of these rules. However, this provision is not applicable in respect of gang saw machines.

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

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<sup>1</sup>. The words "or the relevant rates of seigniorage fee or dead rent specified under Rule 12(5)(e) respectively" omitted by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>2</sup>. The words "and Rule 12(5)(e) as the case may be" omitted by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>3</sup>. Ins. by G.O.Ms.No. 104, I&C (MI) Dept., dt. 15-5-2009.

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

However under any circumstances the minimum payments shall be at least for one month at a time.]

### NOTES

State Government is competent to collect seigniorage fee on minor minerals at the rates specified in Sch.I & II. However, in the absence of notification by Central Govt. declaring Earth as minor mineral, the State Government cannot collect seigniorage fee under R.10 read with Sch.I, *M/s. Nagarjuna Constructions Co. Ltd. v. Govt. of A.P.*, 1999 (3) An WR 106.

**Rules 10, 12 & 17** – The lessee has right to enjoy the lease and also extract minerals. Whether or not any mineral is removed, a minimum amount is to be paid by the lessee called “dead rent”. The lessor shall not be deprived of this minimum guarantee called ‘dead rent’ even if the lessee does not execute mining operations after obtaining the lease. Unless there is cessation of lessor and lessee relationship, it is incumbent upon the lessee to pay the dead rent. The State is not estopped from levying and collecting the dead rent after a lapse of long period. The lessee cannot be permitted to say that the lease is subsisting and he need not pay the dead rent, *Enterprising Enterprises Pvt. Ltd. v. Govt. of A.P.*, 2003 (4) ALD 510 = 2003 (3) ALT 18.

A.P. Minor Mineral Concessions Rules (1966), R.10, Sch.I – Seigniorage Fee – On ordinary sand used for civil construction – Deduction at source from contractor’s Bills – Validity – R.10 provides for payment of seigniorage fee on all minor minerals dispatched or consumed from land at the rates specified in Sch.I and the *vires* of the said Rule has not been challenged – Contractors having entered into Agreement to the recovery of seigniorage fee at rates fixed by the Government of A.P., levy and deduction of seigniorage charges from the contractors bills on ordinary sand used for civil construction cannot be declared illegal *per se*, *MRKR-MBGEC v. Chief Administrative Officer, Construction, SC Rly., Secunderabad*, 2007 (2) ALD (NOC) 44 = 2006 (3) ALT 274 (DB).

**Seigniorage Fee:-** In the agreement for execution of work relating to upgradation of rural road work entered into between the parties, i.e. the contractor and the Government, there is no specific reference to payment of seigniorage charges and in the absence of such agreement, the parties are governed by the Rules. Under R.10, the seigniorage fee or dead rent, whichever is higher, shall be charged on all minor minerals dispatched or consumed from the land at the rates specified in Sch.I and II, as the case may be. Under sub-rule 3(b) of R.10, the seigniorage fee shall be paid before the mineral is removed from the leased area. The Rule makes it clear that the person who removes the mineral from leased area is liable to pay seigniorage charges “at the rates specified in Sch.I”. By amendment, the rates specified in the said schedule were revised and it came into force during the currency of the agreement with the contractor. In the absence of prescription of specific rate in the agreement between the parties, the right of the Govt. to apply revised rates as per the amendment, which came into force during the subsistence of the agreement, cannot be curtailed. Seigniorage charges at the rates prescribed from time to time during the currency of the agreement are to be paid but the Govt. cannot recover the revised seigniorage charges for the period anterior to the date the amendment of Sch.I, *Sri Satya Enterprises, Hyderabad v. Secretary to Govt., A.P. Mines and Industries & Commerce*, 2010 (6) ALD 385.

<sup>1</sup>**[10-A. Sectors to be made by the Joint Director for grant of Collection of seigniorage fee in respect of specified Minor Minerals by Sealed-Tender-cum-Public Auction:-** (1) The Joint Director shall form the sectors duly specifying the areas within the Sectors for giving away the right of collection of Seigniorage fee in respect of any specified Minor Minerals in each Sector in Sealed Tender-cum-Public Auction. The minimum bid amount for each of the sector shall be fixed by the Joint Director taking into account the quarrying activity, the demand and supply of Minerals, the infrastructure etc.

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

<sup>2</sup>**[10-B. Notice of Sealed Tender-cum-Public Auction and Mode of disposal of the Sector:-** (1) When the right of collection of seigniorage fee for the specified Minor Minerals in the sector is to be disposed off in the Sealed Tender-cum-Public Auction, the Assistant Director shall issue a notice in Form A1, giving due publicity in any local News Paper not less than fifteen days before the date of Auction or in such other manner as deemed fit.

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

<sup>3</sup>**[10-C. Submission of Sealed Tenders and accepting the Bid:-** (1)(a) Any person who intends to obtain the right of collection of seigniorage fee in respect of specified minor minerals within the sector shall submit sealed tender along with the application for issue of Hall Ticket so as to reach the Asst. Director before the time and date published in the Auction notification.

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

- (i) Auction Notification number ;
- (ii) Name of the Tenderer ; and
- (iii) Name of the Sector.

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

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

<sup>2</sup>. *Ibid.*

<sup>3</sup>. *Ibid.*

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

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

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

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

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

(2) The proceedings for the disposal of the sector shall be concluded on tender or bid as the case may be by the Assistant Director. The hike in bidding in the auction Hall by the bidders shall not exceed 25% of the minimum bid each time, the tenders for the sector shall be opened only when it is ensured by Assistant Director that there is no further bidding. He shall knock down the highest tender/bid provided he is satisfied with the procedure. In case the highest bid amount and one or more tendered amounts remaining the same, the knocking down for the sector shall be decided by drawing lots immediately. However, the Assistant Director shall have the power to reject the highest tender/bid on reasons to be recorded therefore and accept any other next lower tender/bid, subject to approval of the Joint Director.

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

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

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

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

(5) No person will be admitted into auction hall without the Hall Ticket issued by the Assistant Director.

The right of collection of seigniorage fee will be ordinarily knocked down to the highest tenderer/bidder, but the right is reserved to the officer conducting the proceedings or by the Director or by the Government as the case may be to reject any tender/bid without assigning any reason thereof. The right of collection of seigniorage fee shall be strictly subject to the confirmation by the competent person who has the right to refuse to confirm with reasons recorded.

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

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

<sup>1</sup>[**10-D. Confirming Authority:**— (1) The Deputy Director shall confirm the knocked down amounts provided he is satisfied with the publicity, procedures, participation in the Sealed Tender-cum-Public Auction and the knocked down amount.

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

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

<sup>2</sup>[**10-E. Deposit of knocked down amount:**— (1) The successful Tenderer/Bidder shall pay the knocked down amount in four quarterly instalments. The amount equivalent to 25% of the knocked down amount towards first instalment shall be paid in the Government Treasury within the immediate next two working days and produce challan to the Assistant Director.

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

<sup>2</sup>. *Ibid.*



(2) The confirmation orders will be issued by the competent authority on making payment of 25% of the knocked down amount as required under sub-rule (1). The successful Tenderer/Bidder on receipt of order of confirmation shall furnish security deposit of 2% of knocked down amount subject to the minimum of Rs. 1,000/- and maximum of Rs. 25,000/- in the manner as prescribed in the confirmation order and execute agreement in Form 'M' with the Assistant Director within the time prescribed in the confirmation order on stamped paper as per the Registration and Stamps Act by duly furnishing three bank guarantees in favour of the Assistant Director concerned for an amount equivalent to 25% of the knocked down amount under each guarantee which are valid for six, nine and twelve months against the respective quarterly instalment payments. The respective Bank Guarantees shall be released by the Assistant Director on payment of the respective quarterly instalments. The Security Deposit shall be released by the Assistant Director soon after the expiry of the lease period provided the Authorised Agent fulfilled all the lease conditions and other provisions of the Andhra Pradesh Minor Mineral Concession Rules, 1966.

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

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

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

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

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

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

<sup>1</sup>**[10-F. Power of the Director to cancel the Auction:–** The Director shall have the power to cancel at any time the Sealed Tender-cum-Public Auction conducted under Rule 10A(2) and the confirmation issued by the Deputy Director concerned under Rule 10-D if the Director feels that the publicity, participation and the amounts knocked down are not satisfactory and also due to any other lapses.]

<sup>2</sup>**[10-G. Liberties of the Tenderer/Bidder:–** The Tenderer/Bidder after executing the agreement in Form M prescribed in Rule 10-E(2) will be at liberty to collect the seigniorage fee in force as on the day of notification of the auction notice from the lease holders including temporary permit holders except persons/organisations who obtained quarry leases with exemption from payment of seigniorage fee, in respect of Minor Minerals specified in the Auction notification at the relevant rates mentioned in Schedule 1 of Rules 10(1) and 12(5)(e) at or before the time of despatch of the minor minerals from the leased areas. He shall have no right to collect the seigniorage fee from any persons/companies who are not the quarry lease holders. The Authorised Agent shall also be entitled to collect the seigniorage fee from all the new leases granted and executed from the specified Minor Minerals during the currency of the Agreement period. He, however does not have any right for any type of compensation arising out of non-working of the quarries and due to expiry, lapse, determination, cancellation etc., of the leases.]

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

<sup>2</sup>. *Ibid.*

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

<sup>2</sup>[**10-I.** (i) No specified minor mineral shall be despatched from any of the leased areas in the sector without a valid way bill duly stamped by the Assistant Director concerned issued through the authorised agent or his representative. Contravention of this clause shall result in levy of normal seigniorage fee along with five times penalty by the Assistant Director concerned on a complaint filed by the authorised agent and on establishing the same by the Assistant Director. The normal seigniorage fee and the penalty so levied shall be paid to the authorised agent. If by any chance, the complaint by the authorised agent results in non-establishing the unauthorised transportation by the lessees due to inadequate or insufficient evidence in the complaint does not confer any right on the authorised agent to claim any sort of compensation from the Government. However the persons/organisations who are holding the quarry leases with exemption from payment of seigniorage fee shall obtain despatch permits from the Assistant Director directly as required under Rule 34.

(ii) The valid way bills duly stamped by the Assistant Director concerned shall be supplied to the lessees other than persons/organisations who obtained leases with exemption from payment of seigniorage fee in the sector on payment of the normal seigniorage fee as per his requirement by the authorised agent.

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

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

<sup>3</sup>[**10-J.** The successful Tenderer/Bidder after making agreement shall be bound to observe the laws, rules and regulations, instructions of Mines and Geology Department and the Government that might be enforced during the currency of the lease or the privilege.

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

<sup>2</sup>. *Ibid.*

<sup>3</sup>. *Ibid.*

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

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

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

**10-N.** In case of any doubt as the application or interpretation of the version of any of these conditions the decision of the Government of Andhra Pradesh on the issue shall be final.]

**Schedules I and II under Rule 10.**

<sup>1</sup>[**SCHEDULE-I**  
**Rates of Seigniorage Fee**

Sl. No.	Name of the Minor Mineral	Unit	Rate of Seigniorage Fee (in Rupees)
1	2	3	4
1	Building Stone	M3/MT	Rs. 50/33 (Rupees Fifty / Thirty Three)
2	Rough Stone/Boulders	M3/MT	Rs. 50/33 (Rupees Fifty / Thirty Three)
3	Road Metal & Ballast	M3/MT	Rs. 50/33 (Rupees Fifty / Thirty Three)
3(a)	Dimensional Stone used for Kerbs & Cubes	MT	Rs.88/- (Rupees Eighty Eight)
4	Limekankar/Limestone	MT	The rate of Royalty as applicable to limestone (other than L.D. Grade) in respect of Major Mineral as per the 2nd Schedule of the Mines and Minerals (D&R) Act, 1957
5	Lime Shell	MT	Rs.88/- (Rupees Eighty Eight)
6	Marble	M3/MT	Rs. 165/66 (Rupees One hundred and Sixty Five/Sixty Six)
7	Mosaic Chips	MT	Rs. 44/- (Rupees Forty Four)

<sup>1</sup>. Schedules I and II Subs. by G.O.Ms.No. 198, I & C. (M-I) Dept., dt. 13-8-2009.

8	Muram/Gravel & Ordinary earth	M3/MT	Rs.22/14 (Rupees Twenty Two/ Fourteen)
9	Ordinary sand/Sand manufactured from Boulders useful for Civil construction	M3	Rs. 40/- (Rupees Forty)
10	Shingle	M3	Rs. 17/- (Rupees Seventeen)
11	Chalcedony Pebbles	MT	Rs. 33/- ( Rupees Thirty Three)
12	Fullers Earth/Bentonite	MT	Rs. 110/- (Rupees One hundred and Ten) and Rs.44/- (Rupees Forty Four)
13	Shale/Slate	MT	Rs. 110/- (Rupees Hundred and Ten)
14	Rehmati	MT	Rs. 17/- (Rupees Seventeen )
15	Limestone slabs		
(a)(i)	Colour	—	Rs. 7 (Rupees Seven) per Sq. Mt. or Rs. 88/-(Rupees Eighty Eight) per MT whichever is higher
(ii)	White	—	Rs. 5/- (Rupees Five) per Sq. Mt. or Rs. 55/- (Rupees Fifty Five) per MT. whichever is higher
(b)	Black	—	Rs. 4/- (Rupees Four) per Sq. Mt. or Rs. 44/- (Rupees Forty Four) per Mt. whichever is higher
16	Ordinary clay, Silt and Brick Earth used in the manufacture of Bricks including Mangalore tiles	—	Rs. 3850/- (Rupees three thousand eight hundred and fifty only) per kiln per annum for Bricks and Tiles

**17. Granite Useful for Cutting****(Rate in Cubic Meter)**

Item	Super Gang Saw above 300 Cm. X 180 Cm. Size	Mini Gang Saw above 270 Cm X 150 Cm. & less than 300 Cm. X 180 Cm. Size	Below 270 Cm. X 150 Cm. Size	Below 75 Cm. Size
(a) Black Granite	Rs. 3,300/- (Rupees	Rs. 2,625/- (Rupees	Rs. 2,475/- (Rupees	Rs. 1100/- (Rupees

	Galaxy Variety	three thousand three hundred only)	two thousand six hundred and twenty five only)	two thousand four hundred and seventy five only)	one thousand one hundred only)
(b)	Black Granite other than Galaxy Variety	Rs. 2,475/- (Rupees two thousand four hundred and seventy five only)	Rs. 2,000/- (Rupees two thousand only)	Rs. 1,925/- (Rupees one thousand nine hundred and twenty five only)	Rs. 825/- (Rupees Eight hundred and twenty five only)
(c)	Colour Granite of Srikakulam Blue, Indian Aurora of Nizamabad District, Leptinites of Coastal Dists., Black Pearl of Prakasam & Guntur Dist.	Rs. 2,475/- (Rupees two thousand four hundred and seventy five only)	Rs. 2,000/- (Rupees two thousand only)	Rs. 1,925/- (Rupees one thousand Nine hundred and twenty five only)	Rs. 825/- (Rupees Eight hundred and twenty five only)
(d)	Colour Granite of other Varieties	Rs. 1,925/- (Rupees One thousand nine hundred and twenty five only)	Rs. 1,625/- (Rupees One thousand Six hundred and twenty five only)	Rs. 1,650/- (Rupees One thousand six hundred and fifty only)."	Rs. 825/- (Rupees eight hundred and twenty five only)

**SCHEDULE-II**  
**Rate of Deed Rent**  
(Per Hectare Per Annum)

Sl.No.	Name of the Minor Mineral	Rate of Dead Rent per hectare per Annum
01	Black Granite	Rs.55,000/- (Rupees fifty five thousand only)
02	Colour Granite	Rs.44,000/- (Rupees forty four thousand only)
03	Limestone other than classified as Major Minerals used for Lime burning for building construction purposes, Marble, Boulders, Building Stone Including Stone used for Road Metal, Ballast Concrete and other Construction purposes, Shale, Slate and Phyllites, Mosaic Chips, Fuller's Earth/Bentonite & Dimensional Stones used for cubes & kerbs.	Rs.27,500/- (Rupees twenty seven thousand and five hundred only)
04	Gravel, Morrums, Shingle, Limestone Slabs used for Flooring purposes Limekankar, Chalcedony pebbles used in the building purposes Limeshell for burning used for building purposes and Rehmatti.	Rs.16,500/- (Rupees sixteen thousand and five hundred only)

3. This order issues with the concurrence of Finance Department vide their U.O.No.19878/363/Exp. I&C/2009, dated 1-8-2009.]

#### NOTES

Sch. I & II – By virtue of the Notification issued by Govt. of A.P. under G.O. Ms. No.331 Industries & Commerce (M-1) Department dated 21.6.2000 amending Schedule I & II of A.P. Minor Mineral Concession Rules, 1966 increasing the seigniorage fee, lessees are required to pay enhanced seigniorage fee w.e.f. the date of publication of the G.O. in the A.P. Gazette on 29.6.2000. Cl.(6) of the Agreement entered into between the parties having been deleted by virtue of G.O. Ms. No.357 dated 5.9.1994, the lessees cannot contend that the dead rent and seigniorage fee enhanced would apply only after expiry of six months from the date of publication in the Gazette, as envisaged under Cl.(6) of the Agreement, *State of A.P. v. Siddardha Constructions Pvt. Ltd.*, 2002 (4) ALD 629 (631) (DB).

<sup>1</sup>[SCHEDULE-III

Those who possess stone cutting polishing industries, the computation of Seigniorage Fee in respect of raw material consumed in their industries is as per the following:

Sl. No.	Item	Slab rate in lieu of Seigniorage Fee payable for raw material Procured.	Ceiling limit
a)	Block cutter with single blade involved in cutting Granite Blocks of above 75 cm x 35 cm x 35 cm size	Rs.14000/- per month per blade	<p>I) 16 Cu.M per month of raw granite blocks from the Quarry per each slice cutting machine per blade.</p> <p>II) 400 Sq.M of slabs per each slice cutting machine per blade.</p> <p>III) In case, the ceiling limit exceeds in respect of raw blocks, Seigniorage Fee is payable as per Item 17 of the Schedule I.</p> <p>In respect of Granite Slabs exceeding ceiling limit Seigniorage fee is payable by computing @ Rs. 50/- per Sq.M taking average yield per each Cu.M as 40 Sq.M.</p>
b)	Tile cutting machine to cut 2 ft x 1 ft size blocks [75 cm x 35 cm x 35 cm]	Rs.2500/- per each slice cutting machine per blade per month	<p>I) 60 blocks per month of 75 cm x 35 cm x 35 cm per each slice cutting machine per blade.</p> <p>II) 180 Sq. M of tile per each slice cutting machine per blade.</p>

<sup>1</sup>. Ins. by G.O.Ms.No. 104, I & C (M.I) Deptt., dt. 15-5-2009.



(1)	(2)	(3)	(4)
			III) In case, the ceiling limit exceeds in respect of raw blocks, Seigniorage Fee is payable @ Rs.40/- per each block of 75 cm X 35cm X 35 cm.
			IV) In respect of Granite tiles exceeding ceiling limit of 180 Sq.M per month, the Seigniorage fee is payable by computing @ Rs. 15/- per Sq.M. taking average yield per Cu.M block as 3 sq.mts.
c)	Limestone slabs covered under Sl.No. 15 of the minor mineral schedule I	Rs.1000/- per each polishing machine per month in case of black Limestone slab and Rs.1300/- per machine in case of white & other colours of Limestone Slab.	400 sq. meters per month of raw slabs and if exceeds shall pay Seigniorage fee as per the schedule prescribed under Andhra Pradesh Minor Mineral Concession Rules, 1966.]

<sup>1</sup>[**11. Power of the Government and the Director:**– (1) Power of Government:– Government reserves the right–

(a) to cancel the quarry lease granted and executed under these rules, if it is considered necessary to do so either due to change in the policy or in the public interest by giving previous notice ;

(b) to grant the leases for any minor minerals by duly exempting from the priorities fixed under different provisions under these rules on nomination or otherwise subject to certain specified conditions for any category of land in favour of any section of the society;

<sup>1</sup>. Subs. by G.O.Ms.No. 46, I & C, dt. 6-2-1996.

(c) to waive the collection of seigniorage fee and dead rent at their discretion.

(2) The Director shall have the powers:—

(a) to prohibit quarrying operations in part or in the whole of the area under lease or free-hold areas for the reasons recorded in consultation with the competent authority ;

(b) to impose any special conditions in quarry leases granted under these rules;

(c) to close any quarry or prohibit quarrying operations or reserve the land for being worked by any particular department of the Government or a local authority and to regulate quarrying operations according to the law in force ;

(d) to regulate the quarrying operations by issuing temporary permits for any minor mineral during the transmission period whenever there is a proposal to change the policy by the Government for the grant of the leases.]

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#### NOTES

Order of Director of Mines & Geology prohibiting quarrying operations after satisfying that the mining operations are inconsistent with the safety of the persons and properties of the inhabitants of the area cannot be assailed in the court as the court cannot sit in appeal over the decision of the Director when such satisfaction is based on the material available on record and a rational analysis of the Director. Further, no allegations of malice having been urged or demonstrated against the Director, reappraisal of the data or of the facts is not within judicially manageable standards. Petitioners suffered no substantial prejudice as they could shift their operations to a distant place and at any rate a degree of prejudice which outweighs the larger interest of the inhabitants of the neighbouring colonies, *J. Jaipal v. Govt. of A.P.*, 2001 (5) ALD 453.

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

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<sup>1</sup>. Subs. by G.O.Ms.No. 315, I & C, dt. 2-8-1994 (Pub. in AP Gaz. No. 33, dt. 8.8.1994 Rules Supp. to Pt. I, Ext.).

<sup>2</sup>. Subs for "except sand and granite useful for cutting and polishing" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

(1-A) <sup>1</sup>[xxx]

(2) Whenever more than one application are received for grant of a quarry lease <sup>2</sup>[for minor minerals <sup>3</sup>[except sand, granite useful for cutting and polishing and marble] and also the minerals specified under <sup>4</sup>[items at Sl.No. 1 to 3(a)] under Schedule-I to Rule 10] the <sup>5</sup>[Deputy Director] shall dispose of the applications in order of preference specified below:—

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

<sup>6</sup>[Provided that the above priorities shall prevail if the subsequent applications are received within 7 (Seven) days of the receipt of the first application, otherwise the applications shall be disposed off in the order of their receipt.]

Provided <sup>7</sup>[further] that in cases falling under any of the categories (i) to (iii) above, the grant of lease shall be subject to the condition that lessee shall work the quarry directly and shall not hand it over to any other party for working :

Provided <sup>8</sup>[also] that the Deputy Director may refuse to accord preference to the application of a Labour Contract Co-operative Society, if he finds that the particular Society does not work properly in the interest of the workers concerned :

Provided also that whenever more than one application falling under any of the categories (i) to (iii) above are received for grant of a quarry lease and have to be considered under the order of preference prescribed above,

<sup>1</sup>. Omitted by G.O.Ms.No. 315, I & C, dt. 2-8-1994.

<sup>2</sup>. Inserted by G.O.Ms.No. 315, I & C, dt. 2-8-1994.

<sup>3</sup>. Subs for "except sand and granite useful for cutting and polishing" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>4</sup>. Subs. for "items 1(a) and (b)" by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>5</sup>. Subs. by G.O.Ms.No. 161, I & C, dt. 24-3-1980.

<sup>6</sup>. Inserted by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>7</sup>. Subs for "further" by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>8</sup>. *Ibid.*

<sup>1</sup>[Deputy Director] shall refer matter to Government with his recommendation for a direction :

Provided also that whenever more than one application falling under category (iv) above are received for grant of a quarry lease and have to be considered in the order of preference specified above, such preference shall be given to the applications according to the date of their receipt, unless the Government, for special reasons, otherwise direct and in case of applications received on the same day, the <sup>2</sup>[Deputy Director] after taking into consideration the particulars furnished in the applications, may grant the lease to any deserving applicant ; or he may, with the previous approval of the Director, grant a quarry lease to an applicant whose application was received later in preference to an earlier application for any special reason to be recorded in writing.

<sup>3</sup>[(2-A) Notwithstanding the order of preference contained in sub-rule (2), the landholders (Pattadars) owning land not exceeding 2.024 Hectares or 5 Acres shall be given preference for grant of small scale quarry lease in their patta lands:]

<sup>4</sup>[(3) The quarry lease applications for minor minerals under <sup>5</sup>[items at at Sl.No. 1 to 3(a)] of Schedule-I to Rule 10 shall be disposed of by the Deputy Director in order specified below:—

- (1) Applications of Societies of Professional/(local) Traditional stone cutters (waddaras).
- (2) Crusher owners who do not have quarries.
- (3) Unemployed youth holding Geology degree, and businessmen who propose to set up crushers.
- (4) Others:

<sup>6</sup>[Provided that the above priorities shall prevail if the subsequent applications are received within 7 (Seven) days of the receipt of the first application, otherwise the applications shall be disposed off in the order of their receipt.]

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<sup>1</sup>. Subs. by G.O.Ms.No. 161, I & C, dt. 24-3-1980.

<sup>2</sup>. *Ibid.*

<sup>3</sup>. Ins. by G.O.Ms.No. 552, I & C, dt. 21-10-1986.

<sup>4</sup>. Subs. by G.O.Ms.No. 110, I & C, dt. 9-3-1992, Pub. in AP Gaz. No. 12, dt. 26-3-1992-Rules Sup. to Pt. I Ext.

<sup>5</sup>. Subs for "item-I" by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>6</sup>. Inserted by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

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

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

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

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

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

<sup>6</sup>[(5)(a)(i) A Prospecting Licence or Quarry Lease for <sup>7</sup>[granite useful for cutting and polishing and marble] shall be granted by the Director on an application made to the Assistant Director of Mines and Geology concerned in Form N/P and each such application for grant of P.L. or Q.L. shall be accompanied by a sketch drawn to the Scale demarcating the boundaries for easy identification on the ground duly signed by the applicant and by a

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<sup>1</sup>. Ins. & Subs. by G.O.Ms.No. 425, I & C, dt. 21-12-1993, w.e.f. 27-12-1993.

<sup>2</sup>. The word "further" inserted by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>3</sup>. Subs. for the word "further" by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>4</sup>. Ins. & Subs. by G.O.Ms.No. 425, I & C, dt. 21-12-1993, w.e.f. 27-12-1993.

<sup>5</sup>. Subs. by G.O.Ms.No. 110, I & C, dt. 9-3-1992, Pub. in AP Gaz. No. 12, dt. 26.3.1992, Rules Sup. to Pt. I Ext.

<sup>6</sup>. Sub-rule (5) subs. by G.O.Ms.No. 227, I & C (M. I) Dept., dt. 23-3-2000.

<sup>7</sup>. Subs for "granite useful for cutting and polishing" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

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

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

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

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

<sup>5</sup>[(iv) Processing fee of mining plan : Every Mining Plan submitted for Granite useful for cutting and polishing/Marble for approval of Director of Mines and Geology or the Officer nominated, shall be accompanied by a treasury or Bank challan for Rs. 1,000/- (Rupees One thousand only) towards non-refundable processing fee for every mining plan submitted under rules 12 and 17 of the Granite Conservation and Development Rules, 1999 and under rules 16 and 17 of the Marble Development and Conservation Rules, 2002.]

<sup>1</sup>. Added by G.O.Ms.No. 174, I&C [M. 1(2)] Dept., dt. 14-6-2005.

<sup>2</sup>. Subs. for "granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>3</sup>. Inserted by G.O.Ms.No. 186, Ind. & Com. (MI) Dept., dated 30.4.2002, pub. in A.P. Gaz., RS Pt. I ext., dt. 7.5.2002.

<sup>4</sup>. Subs for "granite useful for cutting and polishing" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>5</sup>. Added by G.O.Ms.No. 320, I&C (M-I), dt. 31-12-2004.

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

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

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

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

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

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

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

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<sup>1</sup>. Subs. for "granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>2</sup>. Subs. by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

Provided further that in case no licence or lease deed is executed within the stipulated period or the extended period due to any default on the part of the applicant, the Director shall revoke the order granting licence or lease and the deposit amount paid along with application shall be forfeited to the Government.

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

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

(ii) The maximum period for which a quarry lease for granite and marble may be granted shall not exceed thirty years :

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

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

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

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

(b) The licensee may win and carry for purposes of testing and marketability a <sup>3</sup>[maximum quantity of 100 Cub. Meters or the quantity permitted by the Director of Mines & Geology based on progress of prospecting work] per year <sup>4</sup>[irrespective of Colour or

<sup>1</sup>. Subs. by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>2</sup>. Subs. by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>3</sup>. Subs. by G.O.Ms.No. 186, Ind. & Com. (MI) Dept., dated 30.4.2002.

<sup>4</sup>. Subs. for "irrespective of Color or Black Granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.



Black Granite or marble] on payment of Seigniorage fee for the time being specified under Schedule I of Rule 10 of the APMMC Rules, 1966.

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

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

(h) *Conditions of licence or lease:—*

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

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

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

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

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<sup>1</sup> Subs. by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>2</sup> Subs. for "granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*

<sup>5</sup> Subs. for "one time" by G.O.Ms.No. 102, I&C (MI) Dept., dt. 28-9-2010

<sup>6</sup> Subs. for "two times" by *Ibid.*

Seigniorage fee. Any subsequent offence shall result in termination of the Lease.

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

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

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

(vii) *Lapsing of Licence or Lease:*—

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

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

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

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

(viii) The licensee or lessee shall not assign, sub-let, transfer or otherwise dispose of the under licence or lease without obtaining the

previous sanction in writing of the Director. The transfer application shall be made to the Assistant Director of the District concerned in Form R along with non-refundable application fee of Rs. 5,000 (Rupees Five Thousand only). The licence or lease deed shall be executed as per the provision under clause (e):

Provided that such sanction shall be accorded that there is no speculation involved in the transfer of licence or lease :

Provided further that the transferor and the transferee shall not be in arrears of any mineral revenue to the Government.

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

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

(xi) *Renewal of Q.L.*

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

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

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

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

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

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

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

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

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

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

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

#### NOTES

(1) The rights in mines and minerals vest in the State and the pattedars of land have no ownership or rights to dispose of sand accumulated on their lands. In the matter of quarrying of sand affecting ground water levels, State Government directed to take appropriate steps to arrest illegal operations of sand quarrying, *Bheemagiri Bhaskar v. RDO, Bhongir*, AIR 2001 AP 492 (DB).

(2) R. 12(3) – In the circumstances stated therein, the Court held that exclusion of all others like the petitioners herein from the grant of quarry leases in respect of the minor minerals specified in the sub-rule (3) of the amended Rule 12, will be arbitrary and unreasonable and unrelated to the avowed object which is the upliftment of the professional/traditional stone cutter i.e., Wadderas etc. (*Kurra Koteshwara Rao vs. Dy. Director of Mines and Geology, Guntur*, AIR 1993 AP 108, 121).

(3) R. 10, 12(2) & (3) – Road metal, being a minor mineral specified under item 3 of Sch.I to R.10 of the Rules of 1966, attracts the order of preference enumerated under R.12 (3) and not the order of preference under R.12 (2), *Shaik Nusrath Banu v. State of A.P.*, 2010 (1) ALD 260 (DB).

(4) R. 12(4) – The proper construction is that the lease application should be filed “30 days before the expiry of the lease”. As such the application of appellant

<sup>1</sup>. Subs. for "granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

dated 10-8-1987 is clearly barred by limitation and the same was rightly not considered by the 2nd respondent as contemplated under R. 12 (4) of the Rules (*P.L.C. Co-op. Society Vs. Director of Mines and Geology, Hyd* - AIR 1992 AP 320, 322, and 1992 (2) ALT 69 - Also see AIR 1993 SC 147 150 reg. same Rule - Vide page 256.)

(5) R. 12(5)(e) and R. 12(5)(f)(i) – The important questions that arise thus for consideration of the Court are :

(i) Whether the Note under Rule 12(5)(e) and Rule 12(5)(f)(i) and Rule 12(5)(f)(ii) of the Said Rules are ultra vires the M & M (Reg. & Dev.) Act, 1967 ; and

(ii) Whether the Note under Rule (5)(e), Rule (5)(f)(i) and Rule 12(5)(f)(ii) of the said rules are ultra vires the provisions in Part XIII of the Constitution of India?

The Court has examined the issue in detail and observed that it is well settled principle of law that where the statutory rules go against the main Act, or travel for beyond the scope of the Act or go against the provisions of the Constitution of India, they can be challenged in writ proceedings.

The Court *inter alia*, held : “60. For the foregoing reasons, Note to Rule 12(5)(e) and Rules 12(5)(f)(i) and (ii) of the A.P. Minor Mineral Concession Rules, 1966 are struck down as un constitutional and ultra vires the provisions of the Act. The writ petitions are, therefore, allowed .....” (*M/s. Ranjana Granites (P) Ltd. vs. State of A.P.*, 1996(2) ALD 1180 DB = 1996(2) APLJ 22 (SN)=1996(3) ALT 121 (D.B.).

(6) R. 12(5)(b) & (c) – The learned council for the petitioner, – M/s. Choice Enterprises, has not brought to the notice of the Court any rule framed under the Rules, 1966, wherein an applicant can, after filing the application for grant of quarry lease of the particular village, alter or change the entries in the statutory application form.

(7) In the absence of any such provision, the Court held that M/s. Choice Enterprises cannot alter or change the entries in its application. At least, if any change is accepted by the 1st respondent, it shall be from the date of application i.e., dt. 26-2-1996 for asking for amendment or change of the village from Kottalam to Patrapalli village, Yedamari mandal, Chittoor District. Viewing as above, the application for grant of quarry lease of M/s. Trimula Granites is earlier in point of time ; as such, the petitioner, M/s. Choice Enterprises cannot be deemed to be the earlier applicant than that of the 4th respondent. M/s. Trimula Granites. (*M/s. Choice Enterprises vs. Director of Mines & Geology*, 1997(1) ALD 468.)

(8) A public notice either by paper publication or by gazette notification is a necessary corollary for effective implementation of the rules which provide for leasing of sand by auctioning the areas and other minerals, on an application. R.12(1) presupposes the act on the part of the officials that they had already advertised the availability of the land for public auction, in case of sand or in case of other minerals, applications were already invited, and it is thereafter only, the rights of quarrying lease could be disposed of by public auction regarding sand and other

minerals on the basis of the priority in the applications, subject to the other preferences available to the categories of persons. Therefore, without advertisement in a specific mode known to law, quarrying lease granted in favour of any person would be contrary to the scheme of the Rules, *Pradeep Minerals & Granites (P) Ltd. vs. State of A.P.*, 1998 (3) ALD 519.

(9) R.12(5): The Govt. is entitled to have a comprehensive policy in the matter of grant of quarry lease and no applicant can insist that his application should be considered and disposed of within a particular time even while the policy is under the consideration of the Govt. The court cannot compel by issuing mandamus to direct State to part away with its mines and minerals. It is for the State to decide as to in what manner it has to protect its natural resources and its utilisation thereof. Raising of revenue can never be the sole criterion particularly in formulating the policy relating to utilisation of natural resources and wealth. R.12(5) merely regulates the procedure for grant of lease in respect of the granites useful for cutting and polishing; it does not impose any time limit to dispose of the application. The Rule does not confer any right upon the applicant as such to insist that each and every application should be considered within a particular time, *Sona Exports, Chennai vs. Director of Mines and Geology, Govt. of A.P.*, 1998 (4) ALD 489.

(10) R. 12(5) – While Revision against the order of Director of Mines rejecting mining lease was pending before the Govt., granting of lease by the Director of Mines on another's application cannot be sustained. The question of providing reasonable opportunity to that party before allowing revision by Govt. does not arise since he had not even filed his application for granting of quarry lease as on the date of filing of revision petition. The reasons for rejection of the application of the revision petitioner being totally untenable and unsustainable, the Govt. rightly interfered in Revision and set aside the order rejecting the lease. The action of Director of mines in granting leases to both parties, to the extent of half the area to each party, to resolve the conflicting orders of granting of leases by Govt. and Director of Mines, though may be irregular, the same cannot be interfered with in writ jurisdiction under Art.226 acting as a court of equity, *Maharani Granite Pvt. Ltd. v. Govt. of A.P.*, 2000 (1) ALD 663.

(11) R. 12(5)(b) – Applications for grant of prospecting licences would have to be made afresh after the coming into force of the Amended State Rules, i.e. after 23.3.2000, and none of the applications for grant of quarry lease made earlier could be considered automatically as applications for grant of prospecting licences under the changed regulatory environment brought about by the 1999 Rules or the amended State Rules. Therefore, the claims of the applicants founded on their earlier quarry lease applications in 1990 and 1991 are misconceived. The A.P. Mineral Development Corporation was granted a prospecting licence by the Director of Mines & Geology by recording reasons under the first proviso to R.12(5)(b) and since it became the owner and possessor of the lands, the question of obtaining surface rights by other applicants does not arise. Further, the APMDC had applied seeking conversion of its application filed earlier for a quarry lease into an application for prospecting licence which was granted after obtaining prior permission of the State Government and therefore the other applicants cannot be

granted the relief for granting of the leases, *Hampi Enterprises v. Director of Mines & Geology*, 2001 (5) ALD 691.

(12) Cleaning of sand by pattadar in his agricultural land by constructing sump/filter bed drawing water from borewell is mining operation and is an illegal activity. No pattadar can claim a right to dispose of the sand deposited on his land by payment or royalty nor can any permit be granted in his favour automatically. *P. Krishnam Raju vs. District Collector*, 2002 (4) ALT 247 (253).

(13) No licence can be granted without the consent of the pattadar/owner of the land. Granting of prospecting licence to APMDC, which is the pattadar/owner of the land, being in accordance with sub-rule (3A) of R.12, an applicant for licence has no legal right to question the alienation of the land to the APMDC on the ground that his application is pending, without challenging the basic order of granting of prospecting licence to the APMDC, *Sri Bhargavi Granites Industries Pvt. Ltd. vs. Govt. of India*, 2002 (2) ALD 418 (DB).

(14) R.12(5) : Once quarry lease is granted, even in regard to patta lands, on the consent given by the pattadar/owner, continuance of consent is not required under the Rules. Withdrawal of consent cannot be valid ground for cancellation of lease, *Isra Mineral Exports (P) Ltd., Hyderabad v. Govt. of A.P.*, 2004 (3) ALD 306 = 2004 (3) ALT 696. [Reversed by *A.P. Mineral Development Corporation v. RLP Granite (P) Ltd.*, 2005 (2) ALD 289 (DB).]

(15) R. 12(5): A fair reading of the Rule and Forms P & Q suggest that the requirement of consent of the owner and/or occupier of the land is a condition precedent for grant of quarry lease and, at times, during its currency, without which no person can carry out the quarrying operations. The expression “does the applicant *continue to have surface rights* over the area of the land for which he required renewal of the quarry lease” in Col.2 (ix) A (a) of Form Q is a clear indication that the continuance of consent entitling to use surface right throughout the currency of lease is an essential requirement. (Reversing *Isra Mineral Exports (P) Ltd., Hyderabad v. Govt. of A.P.*, 2004 (3) ALD 306 = 2004 (3) ALT 696.], *A.P. Mineral Development Corporation v. RLP Granite (P) Ltd.*, 2005 (2) ALD 289 (300) (DB)

(16) R. 12(5): So far as minor minerals are concerned, Director of Mines, has power under A.P. Minor Mineral Concession Rules, 1966, to cancel or determine the quarry lease in case of any breach on the part of the lessee, of any covenant or condition contained in the grant, and, the lessee is not entitled to an opportunity of hearing. This power conferred on the Director of Mines is independent of the power of the State Government for premature termination of licence/lease on the grounds specified under S.4-A of the Mines and Minerals (Regulation and Development) Act, 1957, *Isra Mineral Exports (P) Ltd., Hyderabad v. Govt. of A.P.*, 2004 (3) ALD 306 = 2004 (3) ALT 696.

(17) R.12(5)(a)(iii) – Right to be considered in accordance with law on priority basis also is a valuable right. The applicant for mining lease had approached the competent authority by making an application with the fond hope that on priority basis his application would be considered. There is acceptable material to show that

possession was delivered after granting of the mining lease. The correspondence showed that approval having been granted at the instance of one Department, it was retracted at the instance of the other Department, which had gone back by issuing subsequent G.O. Non-coordination of the Departments in Public Administration should not cause prejudice to an ordinary citizen or result in undue hardship. The applicant had acted upon the approval and after obtaining possession, had done something further in furtherance thereof, by spending huge amount, and, therefore, the doctrine of promissory estoppel and the doctrine of legitimate expectation would come into operation. When the conduct of the parties clearly had reflected the invocation of promissory estoppel and legitimate expectation, while exercising discretion, the authorities are bound to be careful and cautious, in default, the resultant action may be arbitrary. Proviso to R.12(5)(b) being an exception to the Rule, the subsequent withdrawal of the approval is impliedly suggestive of the fact of pre-judging the consideration of the application on priority basis and dispensing with thereof under the guise of the proviso. If discretion had been exercised at the earliest point of time when the applicant was not put to any serious prejudice and when the action did not culminate in any serious civil consequences and if the applicant were put on notice, dispensing with giving of opportunity or dispensing with the principles of natural justice may be a defence. However, the discretion had been exercised only as an exception to the general rule and though it was contended that no final decision had been taken, pre-judging of the principal issue having already been completed, the proceedings did suffer from the vice of non-compliance of the principles of natural justice and the whole decision making process is vitiated which would call for quashing of the proceedings, *Exotic Granite Exports v. Govt. of A.P.*, 2009 (5) ALT 200.

(18) R. 12(5)(h)(xii) is an enabling provision, which enables the Director to determine the licence or lease and take possession of the premises in case of any violation on the part of the licensee or lessee or any covenant conditions contained in the agreement. The rule is not exhaustive of all the contingencies which might lead to cancellation of lease and the director is entitled and not precluded to cancel or withdraw the grant on any valid ground. The power to grant encompasses in itself the power to cancel. Whether the grounds on which the order of cancellation is made are valid and tenable can always be examined by the Court in exercise of its judicial review jurisdiction under Art.226 of the Constitution of India, *A.P. Mineral Development Corporation v. RLP Granite (P) Ltd.*, 2005 (2) ALD 289 (301) (DB)

(19) G.O. Ms. No.181 Industries and Commerce (Mines-I) Department dated 28.5.1998 does not vest any power of appeal, or superintendence in the Collector over the No Objection Certificate (NOC) issued by the M.R.O. under the G.O. The purpose of NOC is to find out if Government has any claim over land over which lease is sought or if there are any dues to the Government in respect of the said land. If at all, the Collector could send a report or his comments on the NOC to the Director of Mines but he has no power or authority to sit in judgement over the NOC issued by MRO. Order passed by Collector keeping NOC in abeyance is excessive and without authority, *Maruthi Granites v. Collector*, 2005 (3) ALD 710.

(20) R. 12(5): Application for prospecting quarry lease three days prior to expiry of subsisting lease rejected as premature but application made two days after expiry of lease was granted. Rule position in regard to submission of applications



for quarrying licence not being clear, matter remitted to the Revisional Authority, which is the Government who know the existing rule position, for deciding the revision afresh, keeping in view the Rule position and the contentions raised and pass a reasoned order, *M. Krishna Reddy v. Govt. of A.P.*, 2005 (3) ALD 297.

(21) Lessee Company seeking renewal of quarry lease having suppressed material facts with regard to the land being part of reserve forest, which finding was recorded in earlier litigation, and, further not disclosing in the revision petition that it has not started quarrying operations, the Order in revision secured by the Company by suppressing vital aspects, is liable to be recalled, *M/s. Reliance Granite Pvt. Ltd. v. Govt. of A.P.*, AIR 2006 AP 292 = 2006 (2) ALD 237.

(22) Renewal of quarry lease for road metal for a period of ten years to the Labour Contract Co-operative Society beyond the time prescribed for renewal challenged on the ground of condoning delay and renewing the lease in the absence of any statutory provision is not tenable in view of the Rules under 11(1), 12(2) and 13 of the APMMC Rules, 1966. Even assuming that the order granting the renewal of the lease is illegal in the absence of a specific provision under the Act or the Rules for condonation of the delay in making the renewal application, it is relevant to note that there is no bar under the Act or the Rules to consider the Society's application as an application for fresh lease along with other applications and grant a fresh lease to the Society in the order of preference specified under R.12(2) since the application of the Society falls under category-ii and the application of the applicant challenging the granting of the licence falls under category-iv, i.e. other applications and accordingly the Society is entitled for preference over and above the said applicant. The order granting the lease in favour of the Society does not call for interference, *Shaik Nusrath Banu v. State of A.P.*, 2009 (1) ALD 695.

(23) The law is well settled that though R.12 does not expressly provide for calling applications through advertisement, such a requirement is read into this provision. Whenever a quarry lease is available for grant, it is incumbent upon the competent authority to invite applications through a transparent method of advertisement. Where no such procedure has been followed, even if it is an excess area available for grant from out of the already leased area which is in possession of the leased holder excessively and such an excess area is deleted from the illegal possession of the lease-holder, the authorities are required to follow the procedure laid down under R.12, and, granting of the excess area to another lease-holder to cover the short fall of area under lease to him, without following the procedure, cannot be sustained. After determination of the excess area, the competent authority ought to have invited applications through advertisement before considering the applications for grant of quarry lease by following the method laid down in R.12(5) and failure to follow such a mandatory procedure would invite the setting aside of the lease to that extent, *Sireesha Geo Granites, Karimnagar v. Govt. of A.P.*, 2008 (6) ALD 357 = 2008 (6) ALT 136.

(24) Rr.12,13 – Where the quarry lease holders fail to apply for renewal of the existing lease within 90 days before the expiry of their lease, fresh applications for grant of the lease in respect of those areas will be entertained 30 days before the expiry of the lease. Quarry lease applications submitted before 30 days prior to the date of expiry of the lease were held premature by the Mining authorities on the

premise that they can only accept such applications under R.12 (4) during the 30 days immediately prior to the expiry of the existing lease, which is erroneous. Their applications would fall in the second category in the order of preference and cannot be treated as premature merely because they were filed before 30 days prior to the expiry of the lease. However, it is only when the existing lessee fails to make a proper renewal application within the stipulated time that the issue of considering the other applications as per the order of preference would arise. [*Labour Contractor Co-op. Society v. Director of Mines & Geology, Hyderabad*, AIR 1993 SC 147 ref.], *Shaik Nusrath Banu v. State of A.P.*, 2010 (1) ALD 260 (DB).

(25) Where the quarry lease holders fail to apply for renewal of the existing lease within the stipulated period of 90 days before the expiry of their lease, it is not open to the Government to claim the right to condone any delay in the making of such an application unless a specific statutory provision empowers it to do so. There is no such provision either in the Act or the Rules of 1966, and the contention of the authorities that R.11 (1) (b) of the Rules of 1966 authorized the condonation of delay, cannot be countenanced. In the absence of a valid renewal application, the right of other applicants to be considered as per the order of preference would arise. In such a scenario, it would not be correct for the authorities to consider a time-bound renewal application as an application for grant of a fresh lease while continuing to give it priority and preference treating it as a renewal application. The granting of the second renewal by the authorities basing upon the delayed renewal application is, therefore, unsustainable, *Shaik Nusrath Banu v. State of A.P.*, 2010 (1) ALD 260 (DB).

(26) In the light of R.12(5)(b), it is clear that the applications for grant of mining lease for granite shall be disposed of by the Director in the order of their receipt. Further, as per the proviso, the Director of Mines & Geology is empowered to grant prospecting licence or quarry lease to an applicant whose application is received later, in preference to an earlier application, with the prior approval of the Government for special reasons to be recorded in writing. Under the scheme of the Mines and Minerals (D&R) Act, 1957, consent of the local Gram Panchayat for grant of lease to a particular applicant is alien to the Rules. Even with regard to paramboke land which vests with the Gram Panchayat, the Gram Panchayat may have a limited say, but there cannot be any authority or power vested in the Gram Panchayat under the scheme of the MM (D&R) Act or the Rules made thereunder to recommend for grant of lease in favour of a particular applicant on the ground that he is local and others are not. Special reasons which are required to be recorded in writing by the Govt. to approve proposals of the Director of Mines & Geology as contemplated under R.12(5)(b) of the APMMC Rules, 1966, to overlook the priority applications should be valid and sound, in furtherance of the object and the provisions of the Act and the Rules made thereunder. Any reason which runs contrary to those provisions cannot be considered as a special reason within the meaning of the proviso to R.12(5)(b), to enable the Govt. to approve the proposals of the Director overlooking priority applications. The reason that the applicant is a non-local is an irrelevant reason running contrary to the restriction imposed under S.5 of the above said Act and the distinction between applicants of the district where the subject land is situate and the applicants outside that district, is not only illegal and arbitrary but also runs contrary to the provisions of the Act apart from infraction

of equality clause granted under Art.14 of the Constitution of India, *Ch.V. Girish v. Govt. of A.P.*, 2011 (1) ALD 1.

(27) Grant of quarry lease in respect of gravel and road metal, which are minor minerals, is governed by the A.P. Minor Mineral Concession Rules, 1966 and granting of lease and disposal of applications is regulated by the procedure contemplated under Rr.12 & 13 of the Rules. Under proviso (2) to R.12(3) the Dy. Director is empowered to grant quarry lease overlooking priorities and grant lease for special reasons, to be recorded in writing, with the prior approval of the Government. The directions contained in proviso (5) to R.12(3) denotes administrative power of the Govt. for issuing directions to the Dy. Director concerned to grant quarry lease otherwise than the priority of applications. Proviso (5) to R.12(2) shows that it is not an independent order to be passed by hearing the concerned parties. The contention that the order is illegal as it did not contain the reasons for overlooking priorities is not tenable since there is no provision for recording reasons in the order itself by the Govt. before issuance of directions to the concerned authorities. From the detailed note by the Dy. Director containing reasons, specifically recommending that the project would create direct and indirect employment in addition to development of the backward area, addressed to Govt. to accord permission for overlooking priorities of applications and Govt. accepting the recommendations in view of the public interest involved and the Memo issued by the Govt. granting permission to overlook priorities and from a perusal of the various notings on the Govt. file, it could be seen that special reasons existed and were recorded in the file proceedings for giving directions for overlooking priorities for grant of quarry lease. There is no provision for affording opportunity for hearing to the applicants at the stage of issuing directions by Govt. to the concerned authorities. It cannot, therefore, be said that the order passed is in violation of the principles of natural justice. Mineral wealth is the property of the Government and no applicant, as a matter of right, can claim for grant of quarry lease, merely because an application is filed, *Mandapaka Chandra Kumari v. Govt. of A.P.*, 2010 (6) ALD 322 = 2010 (4) ALT 219.

**13. Disposal of applications:-**<sup>1</sup>[(1) The applications for the grant of quarry leases for any minor minerals<sup>2</sup>[except sand, granite useful for cutting and polishing and marble] shall be disposed of by the Deputy Director concerned. The Deputy Director concerned shall reject the applications in the event of default on the part of the applicants for not attending inspection or survey or non-submission of Mineral Revenue Clearance Certificate or any other material papers as required by Deputy Director. The lease deed shall be executed within ninety days from the date of grant or within such further period as the Director may allow in this behalf provided the grantee applies for extension of time within thirty days from the date of expiry of the period stipulated for execution. Such extensions can be granted by the Director not exceeding two times and such time not exceeding thirty days. If

<sup>1</sup>. Subs. by G.O.Ms.No. 425, w.e.f. 27-12-1993.

<sup>2</sup>. Subs for "except sand and granite useful for cutting and polishing" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

no lease deed is executed within the stipulated period or extended period due to any default on the part of the applicant, the authority who is competent to grant quarry lease shall revoke the order granting lease.]

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

(2) The application for the renewal of a quarry lease <sup>2</sup>[the application for the renewal of a quarry lease shall be accompanied by a Treasury or Bank challan for rupees one thousand in token of remittance towards fee and] shall be made at least ninety days before the expiry of the period of lease to the <sup>3</sup>[Deputy Director] and it shall be disposed of before the expiry of the lease period. <sup>4</sup>[x x x]

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

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

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

<sup>9</sup>[x x x]

#### NOTES

R. 13(1) and (2), 9-A, 9-B, 31(iv) and (xiv) Making of application for renewal of lease at least 90 days before expiry of period of lease-Mandatory-It shall be disposed of before expiry of lease period-Failure to dispose of application must be deemed as lease not renewed and not as rejected - There is statutory obligation on the Deputy Director to consider such an application-Inaction on the part of

<sup>1</sup>. Added by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>2</sup>. Inserted by G.O.Ms.No. 310, I & C, dt. 10-9-1993, w.e.f. 13-9-1993. Pub. in A.P. Gaz. No. 21, dt. 13-9-1993, RS to Pt. I.

<sup>3</sup>. Subs. by G.O.Ms.No. 161, dt. 24-3-1980.

<sup>4</sup>. Omitted by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>5</sup>. Inserted by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>6</sup>. Added by G.O.Ms.No. 446, dt. 11-9-1980.

<sup>7</sup>. Inserted by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>8</sup>. Subs. for "further" by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

<sup>9</sup>. Omitted by G.O.Ms.No. 2, I&C (MI) Dept., dt. 2-1-2004.

authorities in that respect amounts to violation of R. 31 (xiv) read with R. 13 (2) of the Rules. (*Kaybee Enterprises, Madras vs. Deputy Director of Mines and Geology, Cuddapah*, 1990 (1) An. WR 837).

<sup>1</sup>**[14. Security Deposits:-** An applicant for Prospecting Licence shall before the licence deed is executed deposit a sum of Rs. 10,000/- (Rupees Ten thousand only) for every hectare or part thereof for which, the licence is granted.

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

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

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

<sup>4</sup>**[16. Restriction on determination of lease:-** (1) The lessee shall not not abandon the lease except after a notice in writing of not less than six calender months to the Deputy Director <sup>5</sup>[other than <sup>6</sup>[granite and marble] and to the Director in case of <sup>7</sup>[granite and marble].]

(2) Every application for surrender of part of the leasehold area in accordance with the provisions of sub-rule (1) shall be accompanied by <sup>8</sup>[a deposit of Rs. 500/-] for meeting the expenditure for the purpose of survey and demarcation of the area to be surrendered:

<sup>1</sup>. Inserted by *Ibid.*

<sup>2</sup>. Subs. by G.O.Ms.No. 238, I & C, dt. 9-7-1992, w.e.f. 15-7-1992.

<sup>3</sup>. Subs. by G.O.Ms.No. 238, I & C, dt. 9-7-1992, w.e.f. 15-7-1992.

<sup>4</sup>. *Ibid.*

<sup>5</sup>. Added by G.O.Ms.No. 227, I & C (M. I) Dept., dt. 23-3-2000.

<sup>6</sup>. Subs. by G.O.Ms.No. 238, I & C, dt. 9-7-1992, w.e.f. 15-7-1992.

<sup>7</sup>. Subs. for "granite" by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>8</sup>. Subs. for "a deposit of Rs. 50/-" by G.O.Ms.No. 227, I & C (M. I) Dept., dt. 23.3.2000.

Provided that where a lessee applies for the surrender of the whole or part of the leasehold area on the ground that such area is barren or the deposits of minerals being since exhausted or depleted to such an extent that it is no longer economical to work such area, the <sup>1</sup>[Deputy Director or the Director of Mines and Geology] shall permit the lessee, from the date of receipt of the application, to surrender that area if the following conditions are satisfied, namely:—

- (a) The leasehold area to be surrendered has been properly surveyed and the retained area is contiguous ;
- (b) The lessee has paid all the dues payable to the Government under the lease upto the date of application ;
- (c) Surrender of the area by the lessee has not already been permitted earlier.]

<sup>2</sup>[**17. Lapsing of leases:**— (1) Subject to the other conditions in this rule, where quarrying operations are not commenced within a period of six months from the date of execution of the lease or is discontinued for a continuous period of six months after commencement of such operations or the payments as required under Clause (iv) of rule 31 are not made, the Deputy Director shall by an order, declare the quarry lease as lapsed and communicate the decision to the lessee.

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

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

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

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

**18. Default in payment of bid amount:**— <sup>4</sup>[If the lessee or the bidder makes default in payment of any money due from him under these rules within the stipulated period or neglects to furnish security deposit or to

<sup>1</sup> Subs. for the words "Deputy Director" by *Ibid.*

<sup>2</sup> Subs. by G.O.Ms.No. 238, I & C, dt. 9-7-1992.

<sup>3</sup> Subs. for "a fee of Rs. 100" by G.O.Ms.No. 227, I&C (M. I) Dept., dt. 23-3-2000.

<sup>4</sup> Subs. by G.O.Ms.No. 3, I & C, dt. 3-1-1991, Pub. in A.P. Gazette No. 1, dt. 1.8.1991. Rules Supp. Pt. I, Ext.

execute the lease deed when required, the Deputy Director may pass an order forfeiting all sums paid by him and cancel the quarry lease.]

<sup>1</sup>[19. The State Government may without prejudice to the provisions contained in the Act or any other rule in these Rules, change simple interest at the rate of Twenty four per cent, per annum on any amount payable under these rules or under the terms and conditions if any quarry lease from the sixteenth day of the expiry of the date fixed for payment of such amount and until payment of such sums is made.]

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

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

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

**22. Availability of the areas for grant to be notified:**— <sup>3</sup>[xxx]

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

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

<sup>1</sup>. Inserted by G.O.Ms.No. 50, I & C (M 1), dt. 17-3-1997.

<sup>2</sup>. G.O.Ms.No. 417, I & C (M. I), dt. 1-12-1998.

<sup>3</sup>. Omitted by G.O.Ms.No. 315, I & C, dt. 2-8-1994, w.e.f. 8-8-1994.

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

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

**24. Removal of minor minerals from sources vested in Zilla Parishads, Municipalities, Panchayat Samithis & Gram Panchayats:**— The Assistant Director may, subject to the provisions of Rule 12, grant lease for the removal of any minor mineral from any sources of water supply vested in any Zilla Parishad, Municipality, Panchayat Samithi or Gram Panchayat, after consulting it.

<sup>1</sup>**25. Quarrying or removal of sand in certain river beds:**— Whenever the Director or the Officer authorised by him decides to lease-out the right of quarrying for sand in sealed Tender-cum-Public Auction, in River beds to which the Andhra Pradesh (Andhra Area) River Conservancy Act, 1884 applies he shall prior to the issue of notice under Rule 9-C consult the Conservator of Rivers.]

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

(2) Whenever any person raises or transports minor minerals without any lawful authority, such minerals may be seized by an Officer nominated by the Director of Mines and Geology in this behalf in addition to the imposition of the penalty under sub-rule (1) :

Provided that in no case, the penalty shall exceed <sup>3</sup>[ten times] the normal seigniorage fee and the lease or permit already granted may, at the discretion of the Deputy Director, be liable to be terminated or cancelled.

<sup>1</sup>. Ins. by G.O.Ms.No. 46, I & C, dt. 6-2-1996.

<sup>2</sup>. Subs. by G.O.Ms.No. 339, I & C, dt. 10-7-1989.

<sup>3</sup>. Subs. for "two times" by G.O.Ms.No. 102, I&C (MI) Dept., dt. 28-09-2010.



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

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

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

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

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

#### NOTES

R. 26(3)(ii) – A learned single Judge of the Court upheld the action taken by the Dept. of Mines & Geology for the recovery of seigniorage fee from the contractors who supplied stone ballast to the Railway administration on the ground that they failed to produce documentary evidence in token of having paid the seigniorage fee in respect of minor minerals supplied by them. As to nature of proof to be produced in token of having paid the seigniorage fee due to the Government no hard and fast rule can be laid. – The rule prescribing the penalty of five times the normal seigniorage fee cannot be said to be reasonable as it is much less than the value of the mineral in respect to which penalty can be imposed. The Court has,

<sup>1</sup>. Ins. by G.O.Ms.No. 243, I & C, dt. 8-5-1986.

<sup>2</sup>. **Subs. for "one time" by G.O.Ms.No. 102, I&C (MI) Dept., dt. 28-09-2010.**

<sup>3</sup>. Subs. by G.O.Ms.No. 339, I & C, dt. 10-7-1989.

<sup>4</sup>. Ins. by G.O.Ms.No. 146, I&C (Mines-I), dt. 11-5-1998.

however, made it clear that the power under Rule 26(3)(ii) shall be exercised within a reasonable period and what constitute reasonable period depends upon the facts and circumstances of each case. – For the aforesaid reasons the Court held that Rule 26(3)(ii) is not *ultra vires* the powers of the State Government and is not arbitrary or unreasonable. *L. Venkateshwar Rao vs. M/s. Singareni Collieries Co. Ltd.*, 1993 (3) ALT 199 (F.B.).

R. 26(3)(ii). The very fact that levy of five times of normal signorage fee as penalty, as a civil consequence, shows that the person affected has a right to be given an opportunity. Rule 26(3)(1)(e) emphatically imposes obligation on the authority to order production of documents referred to in cl. (d) meaning thereby that the affected person will be given an opportunity to produce material to satisfy the authority that the condition to pay Government revenue is satisfied.

The consequence of non-production of such material and non-compliance of the orders of the authority results in imposition of penalty under Rule 26(3)(ii). Therefore a person is entitled to opportunity in accordance with principles of natural justice and it is mandatory for the authority to comply with the provisions inasmuch as to strengthen it by expending the application of principles of Natural Justice without which the order will be vitiated. Order levying penalty without giving opportunity is therefore illegal. *M/s. Siva Stone Crusher vs. Regional Vigilance & Enforcement Officer*, 1997 (4) ALD 795=1997 (4) ALT 731.

R.26(3)(i)(e) of the A.P. Minor Mineral Concession Rules, 1966, emphatically imposes obligation on the authority to order the production of any such document, book, register, record as is referred to in cl.(d) meaning thereby that the affected person will be given opportunity to produce such material which are described in the provision. The consequence of non-production of such material and non-compliance of the orders under sub-cl.(c) results in the imposition of the penalty under R.26(3)(ii). A person is entitled to be given an opportunity and to be treated with principles of natural justice. Levying of penalty for unauthorised quarrying without giving an opportunity to the person affected cannot be sustained, *M/s. Siva Stone Crusher vs. Regional Vigilance and Enforcement Officer, Guntur*, AIR 1998 AP 24.

Sub-Rule (3) of R. 26 is introduced with the object of ensuring fee due to the State. Dealers in lime, lime stone, waste lime powder, construction lime, cem powder, etc., are duty bound to satisfy the authorities as to from whom they had purchased the products and whether the sellers/manufacturers had already paid the mineral revenue due to the Government. Calling for production of documentary proof in token of mineral purchased is, therefore, valid since it is to check illicit quarrying of minor minerals and prevent evasion of mineral revenue due to the Government (*L. Venkateswara Rao Vs. Singareni Collieries*, 1993 (3) ALT 199 (FB), ref), *Udaya Bhanu Lime Village Industries Association Vs. Director of Mines & Geology*, 2002 (2) ALD 375 (DB).

When the purchaser of minerals could not produce documentary evidence in proof of payment of mineral revenue due to the Government either by it or its supplier, demand of seignorage fee with penalty levied by the competent authority is valid. However, the Division Bench was of the view that ends of justice would be met by permitting the purchaser-company to produce necessary documentary proof as envisaged under R. 26(3)(ii) of the Rules and direct the authorities to decide the

liability of the company afresh on consideration of such proof and after giving a fair opportunity of being heard to all the parties, including the suppliers, *Govt. of A.P. vs. Medicorp Technologies India Ltd.*, 2002 (2) ALD 792 (795,796) (DB).

Demand of seigniorage fee and penalty for transporting limestone beyond permitted quantity cannot be made without prior notice or affording opportunity to the lessee. Defence of non-issuance of notice cannot be cured by affording opportunity at appellate or revision stage. *K.V.L.N. Vara Prasada Rao v. Govt. of A.P.*, 2004 (1) ALD (NOC) 28.

Order of the Department levying Seigniorage fee, with penalty, for gravel used for construction of embankment, by the company, cannot be said to be violative of principles of natural justice, when the order passed was after affording adequate opportunity to the company, which contended that only earth material was used for filling on which no seigniorage fee was leviable. The authorities considered each and every objection raised by the company and there is a categorical finding as to the total quantity of mineral consumed by the company and its features and the sites from where the company is stated to have excavated the mineral were inspected and after physical examination of the material used, the department found the same to be the mixture of gravel and ordinary clay and not ordinary soil, earth. The order cannot be characterized as *ultra vires*, *Gayatri Projects Ltd. v. Govt. of A.P.*, 2004 (6) ALD (NOC) 415 (DB).

Seigniorage Fee – Basic obligation for payment of seigniorage fee or royalty is on lessee or licensee – User's obligation arises only when it was procured through a source other than a licensee under the Rules – User or Consumer producing bills of purchase of minor minerals from lessee or authorised dealer is sufficient proof of payment of royalty from his point of view – Demand against user without verifying relevant facts from lessee would be illegal, *M/s. Mysore Structural Ltd. v. Dy. Director of Mines & Geology*, AIR 2007 (NOC) 1234 (AP) = 2007 (4) ALD 531 = 2007 (3) ALT 610.

<sup>1</sup>[(5) whoever contravenes the provisions under sub-rule (5) of Rule 10, the Assistant Director of Mines and Geology or any Officer nominated in this behalf by the Director of Mines and Geology shall raise a demand as specified in the Schedule III with <sup>2</sup>[five times] penalty. In the event of default of payment of penalty within a period of one month an officer not below the rank of Assistant Director of Mines and Geology or any officer authorized by the Director of Mines and Geology shall be competent to seize the unit from its operation by duly recording panchanama. On such seizure it is the responsibility of the industry concerned to safeguard its machinery by keeping a watch and ward and department will not take any responsibility for the machinery and any other equipment present in industry or damage to the civil structures.]

**27. Registered holder or any lessee held responsible for proper working of the quarry:–** In a case where the land is leased out, the lessee

<sup>1</sup>. Ins. by G.O.Ms.No. 104, I&C (M1) Dept., dt. 15-5-2009.

<sup>2</sup>. Subs. for "one time" by G.O.Ms.No. 102, I&C (MI) Dept., dt. 28-09-2010.

and where no lease is granted, the registered holder shall be responsible for the proper working of the quarry and shall be liable to the Government for his wrongful act or default.

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

(2) The lessee <sup>1</sup>[xxx] shall at his own expense, erect boundary marks round the area shown in the plan annexed to the lease or mentioned in the order sanctioning the permit, as the case may be, and maintain and keep boundary marks in good repair.

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

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

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

**29. Recovery of arrears:**— Any amount due to Government under these rules may be recovered as an arrears of land revenue.

**30. Report to Chief Inspector of Mines:**— The lessee or his agent or the manager of the quarry shall forward to the Chief Inspector of Mines, Dhanbad, India and the <sup>2</sup>[Assistant Director] concerned a report in Form F1.

- (i) whenever the depth of the quarry measured from its highest to its lowest point reaches six metres ;
- (ii) whenever the number of persons employed in the quarry on any day is more than 50 ; and
- (iii) at such times as the Assistant Director may direct.

**31. Conditions of permit or lease:**— Every quarry lease shall, in addition to such conditions as may be specifically stipulated in each case, be subject to the following conditions, viz—

<sup>1</sup>. Omitted by G.O.Ms.No. 147, I&C (M1) Dept., dt. 5-3-1982.

<sup>2</sup>. Subs. by G.O.Ms.No. 226, I & C, dt. 25-3-1977.

- (i) <sup>1</sup>[xxx]
- (ii) <sup>2</sup>[xxx]
- (iii) The lessee shall pay annually the land assessment, if any, of the area under lease or permit ;
- <sup>3</sup>(iv) The lessee shall pay the advance dead rent at the time of execution of the lease deed and the annual dead rent for the subsequent years, one month in advance every year and all other sums payable to the Government in any Government Treasury and file the challans to the Assistant Director concerned ;]
- (v) The Deputy Director, shall be the competent authority to assess and fix, in consultation with the concerned departments, any compensation payable by the lessee for any loss, injury or damage done to the person concerned or to his property.
- (vi) The lessee shall, <sup>4</sup>[xxx] effect and maintain at his own expense, boundary pillars of substantial material, standing not less than one metre above the surface of the ground at each corner or angle in the line of the boundary of the area under lease or permit and at intervals of not more than 183 metres along with the boundary, delineated in the plan attached to the area under lease or permit ;
- (vii) The lessee shall commence quarrying operations within two months from the date of the grant and shall thereafter carry on such operations effectively in a proper, skillful and workman like manner, as regards prevention of waste within the quarry and shall not work it in such a manner as may prove dangerous to human life or cattle and shall, if so directed by the Assistant Director, cause such quarry or any part thereof to be securely fenced to the satisfaction of the Assistant Director.
- (viii) The lessee shall without delay send to the Assistant Director a report of any accident involving the death or injury to any person which may occur in or around the quarry and shall observe all rules for the time being in force regulating the working of quarries;
- (ix) The lessee shall not assign, sublet, transfer or otherwise dispose of the area under lease or permit without obtaining the previous sanction in writing of the Deputy Director ; <sup>5</sup>[A quarry lease granted in public auction for sand is not open for transfer ;]
- (x) The lessee shall not cut or injure any trees in the area under lease or permit ;

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<sup>1</sup>. Omitted by *Ibid.*

<sup>2</sup>. *Ibid.*

<sup>3</sup>. Subs. by G.O.Ms.No. 238, I & C, dt. 9-7-1992.

<sup>4</sup>. Omitted by G.O.Ms.No. 147, I & C, dt. 5-3-1982.

<sup>5</sup>. Added by G.O.Ms.No. 3, dt. 3-1-1991, pub. in A.P. Gaz. No. 1, dt. 8-1-1991.

- (xi) The lessee shall obtain the permission of the Assistant Director before he would erect on the area under lease or permit any building for quarrying purposes if the area belonged to the Government ;
- (xii) If, in the course of quarrying, any mineral not specified in the lease is discovered, the lessee shall at once report such discovery to the Assistant Director to enable him to obtain orders of the Government regarding the working of the same ;
- (xiii) If the lessee stops to work the quarry without the prior sanction of the Assistant Director for a continuous period of six months, the lease granted for quarrying shall be liable to be cancelled;
- <sup>1</sup>[(xiv) If the lessee to whom a quarry lease is granted has duly observed all the conditions of the lease and file an application under Rule 9(i) to the Deputy Director (through Assistant Director) <sup>2</sup>[x x x] the Deputy Director may grant renewal for not more than two times to the period of the quarry lease. The renewals are further subject to the following criteria:—

**First Renewal:—**

- (a) Systematic development of the quarry/quarries.
- (b) Development of good communication facilities and their maintenance.
- (c) Investment on transport.
- (d) Training of skilled labour and commitments on labour retention and inducement.
- (e) Preliminary work and investment for establishment of a processing (dressing or upgrading) plant utilising the product from the quarry/quarries in question.
- (f) Establishment of market for the product, either in raw form or in processed or semi-processed form.

**Second Renewal:—**

- (a) Establishment of processing plant, either individually or in joint partnership with others.
- (b) Development of market in the country or abroad.
- (c) Any long term contracts with established industries for supply of quarry product.
- (d) Setting up of an industry in the region either individually or in partnership with others.

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

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

<sup>1</sup>. Subs. by G.O.Ms.No. 238, I & C, dt. 9-7-1992, w.e.f. 15-7-1992.

<sup>2</sup>. Omitted by G.O.Ms.No. 315, I & C, dt. 2-8-1994, w.e.f. 8-8-1994.

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

- (xv) If the seigniorage fee or dead rent payable by the lessee is not paid within three months next after the date fixed in the grant or otherwise for its payment, the Deputy Director or any Officer authorised by him, may after giving an opportunity to the defaulter, enter upon the area under lease or permit and distrain all or any of the mineral or the movable property belonging to him and standing on the land, and may order for the sale of the property distrained or so much of it as will suffice to cover the arrears due to the Government together with all costs and expenses occasioned by the non-payment thereof and may also determine the lease or permit ;
- (xvi) In the case of any breach on the part of the lessee of any covenant or condition contained in the grant, the Deputy Director, may, after giving an opportunity to the defaulter, determine the lease <sup>1</sup>[xxx] and take possession of the premises under lease <sup>2</sup>[xxx] and forfeit the security deposit ;
- (xvii) On the determination of a lease or permit for violation of condition (iii), (xv) or (xvi), all sums paid by the lessee by way of deposit shall be adjusted towards the amounts, if any, due to the Government and any further dues remaining unpaid shall become recoverable from the lessee.
- (xviii) The Deputy Director may, in consultation with the Government determine the lease, if it is considered by him necessary to do so in the public interest after giving two calendar months notice in writing ;
- <sup>3</sup>[(xix) Any minor mineral extracted from the quarry and not removed by the lessee before the date of expiry of the determination of the lease or permit may be dispatched within 30 days or extended period granted by the Government from the date of such expiry or determination after paying dead rent and seigniorage fee and any other sums which may be due. If the lessee does not remove the extracted mineral from the leased area within the permitted and extended period mentioned above it shall be the property of the Government and the Assistant Director may sell it in public auction.]
- <sup>4</sup>[(xx) When the quarry lease is granted by public auction the lessee shall pay the quarrying fee or lease amount in the manner prescribed in these rules.]

<sup>1</sup>. Omitted by G.O.Ms.No. 147, I & C, dt. 5-3-1982.

<sup>2</sup>. *Ibid.*

<sup>3</sup>. Subs. by G.O.Ms.No. 315, I & C, dt. 2-8-1994, w.e.f. 8-8-1994.

<sup>4</sup>. Ins. by G.O.Ms.No. 457, I & C, dt. 12-8-1986.

- <sup>1</sup>[(xxi) (a) The lessee shall follow and effect the provisions of Labour Laws pertaining to the employment, payment of wages and other welfare measures to the Labour who are employed in quarries and mines.  
 (b) The lessee further shall take all precautionary measures in conducting mining operations as per the relevant stipulations made under Metalliferous Mines Regulations, 1961.  
 (c) If the lessee violates the provisions as stipulated above, necessary action shall be taken for cancellation of the lease after obtaining the information from the concerned departments after giving an opportunity.]

#### NOTES

R. 31. The quarry leases granted or renewed under certain administrative instructions prior to coming into force of the Andhra Pradesh Minor Mineral Concession Rules, 1966, cannot be taken into consideration for purposes of computing the number of leases contemplated under Rule 3(xvi) of the said rules. Clause (xiv) of Rule 31 of the said rule as subsequently amended prospectively by G.O.Ms.No. 1014, Indus. & Com. Dept. dated 21-9-1972 entitles a lease holder to have lease renewed twice each time for a period of five years subject to the conditions mentioned therein. (*Sri E.K.Venkatesan vs. State of A.P.*-W.P.No. 4157 of 1979 dt. 12-9-1980 on the file of High Court of A.P.)

R. 31(ix). As rightly contended by the council for Respondent that there is a facade of compliance of law, but, as stated earlier, it is only a subterfuge to comply with the law and an attempt by a private company whose polishing centre is situated in Chittoor District and Head Office in Madras to secure unjustifiable enrichment. The Court felt that it has its own doubt as to very constitution and genuineness of the partnership said to have been entered into between P. Rama Rao and other partners of Magam Inc. However, the Court held that it is not necessary for it to go into the issue. The Government should structure their rules and contractual clauses consistent with constitutional philosophy. The Government, therefore, has rightly, though for different reasons, set aside the assignment of leases granted by P. Rama Rao and sub-lease in favour of Magam Inc. by exercising its *suo motu* power. The appeal is allowed. *Victorian Granite (P) Ltd. vs. P. Rama Rao & Others* (1996) 10 SCC 665=1996(7) Supreme 291=1996(9) JT 303=1996(7) Scale 342. [*P. Rama Rao vs. Union of India*, 1996 (1) ALT 100 = 1996 (1) ALD 340 DB Reversed].

Though lessee obtained renewal of lease for a period of 15 years, he would be obliged to pay dead rent for 15 years period provided the leased deed is executed in his favour. As long as the lease deed is not executed, the authorities cannot insist seeking deposit of dead rent. Though licence is renewed, the lessee is not entitled to carry out mining operations unless lease deed is executed and, therefore, the authorities are not entitled to demand dead rent without executing the lease deed, *Oriental Select Granites (P) Ltd. vs. State of A.P.*, 1998 (1) ALD 528.

**32. Special conditions in the lease:**— The grant may include any special conditions for working in forest areas and the lessees shall not interfere with exploitation of the forest produce in the area or with the rightful exercise of any

<sup>1</sup>. Added by G.O.Ms.No. 117, I & C, dt. 16-11-2011.



other rights other than the exploitation of the minor minerals for which the grant is made to him.

**33. Head of Account to which amount should be remitted:**— Any stocks of minor minerals excavated by the lessee or the person who worked at the quarry under a lease or permit under these rules and left lying on the area after the expiry of the lease or permit shall be the property of the Government and the Assistant Director may sell it in public auction. The amount so collected as cost of cesses, if any, shall be credited to the following Head Account.

<sup>1</sup> Major Head	: 128 - Mines and Minerals ;
Minor Head	: Mineral Concession Fee ;
Sub-Head	: Seigniorage fee or dead rent on minor minerals.

**34. Despatch permit:**— <sup>2</sup>[(1) No minor mineral shall be despatched from any of the leased areas without a valid permit issued by the Assistant Director of Mines and Geology concerned or an officer authorized in this behalf by the Director of Mines and Geology:

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

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

<sup>4</sup>[(3) Those who are covering under Rule 10(5) shall obtain dispatch permits from the Assistant Director of Mines and Geology concerned in Form-L1 duly filing application in Form-KI for procuring material from the lease hold source by duly paying the Seigniorage Fee under Schedule III of these rules. The dispatch permits shall be issued for a period proportionate to the amounts paid by them, but for a period not less than one month. However they shall invariably procure the raw material from the authorized licenses/ lessees concerned for respective mineral under the provision of the Andhra Pradesh Minor Mineral Concession Rules, 1966. In case they resort for unauthorized quarrying they are liable for action under Rule 26 of these rules.

<sup>1</sup>. For current Head of Account, vide App. 1.

<sup>2</sup>. Subs. by G.O.Ms.No. 104, I&C (M1) Dept., dt. 15-5-2009.

<sup>3</sup>. **Subs. by G.O.Ms.No. 102, I&C (MI) Dept., dt. 28-09-2010.**

<sup>4</sup>. Ins. by *Ibid.*

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

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

#### NOTES

Appeal to be filed within two months from date of communication of order to aggrieved party - There is no material to show date of communication of order to party - As such, limitation starts from date of knowledge of order - Petitioner came to know the order on 4-2-1993 - Appeal filed on 4-2-1993. Thus appeal not barred by limitation. (*Omkar Stone Crusher vs. Director of Mines and Geology*, 1993 (2) ALT 238.)

Letters Patent Clause 15 when this was put to the learned counsel for the first respondent herein, he readily agreed that his revisions must be sent to competent appellate authority with a direction to treat the same as appeals against the original orders and dispose of the same in accordance with law, after hearing the parties and offering them opportunity to file written arguments.

The Court held that interest of justice would be served if it modifies the order of the learned single Judge by directing that the remanded revision should be decided by the third respondent herein under Rule 35 of the Rule as appeals. Third Respondent will give opportunity to the parties to have their say in the matter by according them personal hearing as well as opportunity to file within arguments in support of their respective contentions. (*M/s. Murnagun Granites vs. M/s Ratan Mineral Enterprises* 1993(1) ALT 678 (DB) = 1993(1) An. WR 49 (NRC).

Mining Lease to quarry building stone and road metal was terminated for non-submission of returns and accounts and for non-payment of mineral revenue dues and advance rent after issuing a show-cause notice, which was stated to have not been responded by the lessee. Appeal against the order was dismissed and the revision preferred also was rejected. Dismissal of Appeal on the ground of delay without considering the specific plea of the lessee that there was a delay of 7 days due to his ill-health cannot be sustained, more so when the Government kept the revision pending for 8 years and thereafter passed an order, reflecting total non-application of mind, *Vaseem Akram v. Govt. of A.P.*, 2008 (6) ALD 807.

**35-A. Revision:**— The Government may either *suo motu* at any time or on an application made within ninety days, call for and examine the record relating to any order passed or proceeding taken by the Director, <sup>3</sup>[Joint Director], Deputy Director or Assistant Director under these rules for the purpose of satisfying themselves as to the legality or propriety of such order or as to the regularity of such proceedings and pass such order in reference thereto as they think fit :

<sup>1</sup>. Ins. by G.O.Ms.No. 50, I & C (M I), Dept., dt. 17-3-1997.

<sup>2</sup>. Omitted by G.O.Ms.No. 425, I & C, dt. 21-12-1993, w.e.f. 27-12-1993.

<sup>3</sup>. Ins. by G.O.Ms.No. 50, I & C (M I), Dept., dt. 17-3-1997.

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

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

### NOTES

(1) R.35-A does not envisage an opportunity of personal hearing. Proviso to the said Rule bars from passing an order adversely affecting any person without giving him an opportunity of making his representation. When the Govt. passed an order on the representation of the lease-holder himself seeking intervention of the Government, and, when he never pleaded that at any point of time he made a request for giving him an opportunity of personal hearing, he cannot say that no personal hearing was given and the order passed was violative of principles of natural justice. The law is well settled that unless the statute specifically provides for an opportunity of personal hearing, there is no obligation for the statutory authorities to afford such an opportunity, unless the party makes a request in that regard, *Sireesha Geo Granites, Karimnagar v. Govt. of A.P.*, 2008 (6) ALD 357 = 2008 (6) ALT 136.

(2) Consumer Protection Act, 1986 S. 2(d), (o) and (q).

(a) Jurisdiction : Grant of leases by Govt. under A.P. M.M.C. Rules 1966- Act not applicable - Order passed by the Dist. Forum directing the mining authorities to execute lease agreement is without Jurisdiction.

(b) High Court can interfere in a revision under Art. 227,- with an order passed by Dist. Forum without jurisdiction even though no appeal is filed under S. 15 of the Act.

(3) Lease-holder of grey granite found in possession of an excess area was asked in a show-cause by the authorities why the excess area held by him should not be deleted, against which he represented to the Government and on such a representation of the lease-holder to the Government, the Government ordered deletion of the excess area, which order is traceable to the revisional jurisdiction of the Government under R.35-A. The lease holder cannot be heard to say that the Government acted without jurisdiction as he himself invited the intervention of the Government through his representation, seeking maintenance of status quo in the buffer area and, therefore, he cannot be allowed to approbate and reprobate. The Government was well within its power to exercise the revisional jurisdiction, *Sireesha Geo Granites, Karimnagar v. Govt. of A.P.*, 2008 (6) ALD 357 = 2008 (6) ALT 136.

(4)(a) Constitution of India, Article 226 and APMMC Rules 1966, Rules 35 and 35A – Order of Dy. Director modifying an earlier order granting lease.

Against such an order appeals lies to Director and revision to Govt. - Writ Petition does not lie without exhausting alternative remedy.

(b) Article 226, APMMC Rules 1966, Rules 5,12 as amended, 13 and 35A and G.O.Ms.No. 19, I & C., dt 6-1-1971 - Applications made for grant of lease to carry on quarrying by persons of Vaddera community not considered by Deputy Director - Writ Petition is not maintainable on that matter without exhausting the remedy of revision to Govt. available. (*Asst. Director of Mines & Geology, Khammam vs. M/s. Tarakrama Labour Contract Co-op. Society*, 1991(1) ALT 258.

(5) R. 35A-M & M (R & D) Act, 1957–Section 15. There is nothing on the record for the Court to see that there were any extraneous or irrelevant consideration in entertaining the application of Rama Rao and later accepting the transfer by him to the petitioner and finally

<sup>1</sup>. Subs. by G.O.Ms.No. 147, I & C, dt. 5-3-1982.

ordering and executing documents of lease in his favour. It will not be, however, reasonable for a Government to interfere at will with leases executed by it or on its behalf by the competent authority. The Government is always expected to honour its commitments, particularly when its representations and order create certain legal rights. Any lease deed, like any other contract, is a document of consensus *ad idem*. A democratic Government is not expected to breach a contract unless there are exceptional reasons. The Court does not propose however, to spell out in this proceeding such exceptions in which *suo motu* revisional powers can be exercised under Rule 35-A by the Government. The Rules of executive business have chosen the constitutional functionary i.e., the Minister in-charge of the Department as the person who shall exercise the power of the Government while exercising the power under Rule 35-A. The Minister shall not exercise any executive power but a statutory power only under the Rules framed by the State Government under Section 15 of the Act and since it involves adjudication, the function is quasi judicial. (*P. Rama Rao vs. Union of India*, 1996(1) ALT 100 119 (DB)=1996(1) ALD 340 (D.B.). [Reversed by Supreme Court in *Victorian Granites (P) Ltd. vs. P. Rama Rao*, 1996 (10) SCC 665 = 1996 (7) Supreme 291.]

(6) Govt. has no power to review its own order under the Minor Mineral Concession Rules, 1966. Order passed by Govt. in exercise of its revisional jurisdiction under R.35-A is final. It is a different matter that an order obtained by playing fraud can be reopened as fraud vitiates everything. Power of revision can be exercised only in accordance with rules. Order passed in revisional jurisdiction by Govt. cannot be reviewed by Govt. When Govt. in its revisional jurisdiction rejected the order refusing to renew the mining lease, the Minister cannot entertain the representation of lessee and grant renewal of mining lease by setting aside the orders earlier passed, *V. Murali v. Govt. of A.P.*, 2000 (1) ALD 658.

(7) When an effective alternative statutory remedy is available under R.35-A, the High Court, in exercise of its writ jurisdiction under Art. 226, cannot permit a party to bypass such statutory remedy and assign itself the role of statutory authority. Writ Petition challenging the order granting of prospective licence and quarry licence, without exhausting alternative remedy under R-35-A, is, therefore, not maintainable, 2002(3) ALD 387 (398) = AIR 2002 AP 295.

(8) Mining lease granted subject to execution of prospecting licence deed within 90 days, deed not having been executed in spite of extensions by Government, was revoked against which Revision was allowed by Govt. by a conditional order granting further two months time for execution of the licence deed failing which the revocation order would automatically revive. On failure, the Govt. could not have extended the period by further one month as the Govt. have no power to review its own order. Govt. having passed an order that if in the extended period of time the deed was not executed, the earlier order would automatically revive, and, the lessee having failed to execute the deed, the earlier order stood revived. Second revision against the revival order of revocation is not permissible and, therefore, the order granting further extension of one month by Govt. is liable to be set aside, *C. Shashi Kumar v. Govt. of A.P.*, 2006 (1) ALD 653 (DB).

(9) Staying of the orders of the Dy. Director of Mines determining the leases of the Lessees who violated the provisions of Rules 17(1) and 31(iv), of discontinuing quarry operations as envisaged under R. 17(1) and non-payment of dead rent as envisaged under R. 31(iv), by way of interim orders by the Government in Revision are unjust and unsustainable, without going into the question of legality of the orders passed by the Deputy Director. In the absence of any illegality or irregularity in the orders, it is not just and proper to pass interim orders which are as good as passing final orders and, therefore, are liable to be set aside, *Vijayasri Granite Metals, Guntur v. Govt. of A.P.*, 2006 (4) ALD 174.

(10) Writ Petition/Revision – Alternative Remedy – Existence of alternative remedy not an absolute bar to grant relief in exercise of jurisdiction under Art. 226 – Particularly so when dispute does not involve serious questions of fact requiring consideration of evidence – Only question involved being whether the application admittedly made prior to the order of

revocation of the lease granted in favour of the Lessee can be termed premature and liable to be rejected on that ground, which requires interpretation of relevant statutory provisions – Writ petition need not be rejected on the ground of availability of alternative remedy of Revision under R.35-A, *N. Panchala Naidu v. Director of Mines and Geology*, 2007 (5) ALD 848 = 2007 (5) ALT 159.

(11) Even though in Col. No.7 of Form-J, it was shown that there was delay of one year, no specific reasons were given except stating that the Revision Petitioner's family shifted from Nellore to Bangalore and that the order under revision was not served on him. Under Proviso to R.35-C, if the revisional authority is satisfied that sufficient cause for not filing the revision within the specified time had been made out, it can entertain the same by condoning the delay and dispose of the revision. The revisional authority had failed to address to this aspect even though specific objection was raised and, therefore, it cannot be gainsaid that the revisional authority had committed a procedural irregularity in disposing of the revision on merits before condoning the delay in filing the revision petition, *Karusala Nageswara Rao v. Govt. of A.P.*, 2011 (6) ALD 31.

(12) Granting of Prospecting Licence by the revisional authority on the basis of the report from the Director of Mines & Geology even while the applications of others for granting of mining lease were pending, and termination order against earlier grantee was suspended by High Court, and, without putting the report of the Director to objections from other applicants, cannot be sustained. Authorities directed to reconsider the application of the applicant in whose favour Licence was granted, ignoring the earlier order granting the Licence, along with other applications from the applicants for grant of the mining lease, after issuing notice to them and giving them opportunity of personal hearing and to pass a comprehensive order after considering the objections raised by them, *Karusala Nageswara Rao v. Govt. of A.P.*, 2011 (6) ALD 31.

<sup>1</sup>**[35-B. Fees:–** Every appeal under Rule 35 or application for revision under Rule 35-A shall be accompanied by a treasury receipt showing that <sup>2</sup>[a fee of rupees five hundred if it is an appeal or a fee of rupees one thousand if it is an appeal for revision], has been paid into a Government Treasury or in any Branch of the State Bank of Hyderabad doing the Treasury business, to the credit of the State Government under the following Head of account:–

<sup>3</sup>[128. Mines and Minerals—M.H. 10 Minerals Concession Fees, Rents and Royalties - S.H. (03) - Miscellaneous Revenues.]

<sup>4</sup><sup>5</sup>**[35-C. Application for appeal/revision:–** Any appeal against any order passed by the Assistant Director or the Deputy Director or Joint Director filed before the Director under Rule 35, of revision against any order passed by the Director, Joint Director, Deputy Director or Assistant Director filed before the government under Rule 35-A of these rules shall be made in triplicate in Form J within the period specified in Rule 35 or 35-A of these rules, alongwith Treasury receipt shown that the fees specified in Rule 35-B of these rules has been paid into a Government Treasury, or in any Branch of State Bank of India/Hyderabad conducting the Treasury business to the credit of the head of account is specified therein :

<sup>1</sup> Ins. by G.O.Ms.No. 21, I & C, dt. 17-1-1981.

<sup>2</sup> Subs. by G.O.Ms.No. 227, I & C (M. I) Dept., dt. 23-3-2000.

<sup>3</sup> For current Head of Account vide App. I.

<sup>4</sup> Ins. by G.O.Ms.No. 25, I & C, dt. 12-1-1984.

<sup>5</sup> Subs. by G.O.Ms.No. 50, I & C, (M I), Dept., dt. 17-3-1997.

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

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

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

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

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

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

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

<sup>1</sup>[FORM—A-1

[See Rule 10-B]

Notice is hereby given inviting Sealed Tenders and for public auction for the right of collection of seigniorage fee for the minerals and sectors specified below in District.

Notice is hereby given inviting sealed tenders and for public auction for the right of collection of seigniorage fee in respect of Minor Minerals quarried and transported by the different lessees for the leases situated in the sector for a period of one year. The name of the Sector is given in the Schedule below:—

The Sealed Tenders shall be received till 5.00 p.m. on ..... in the office of the Assistant Director of Mines & Geology ..... and the Auctions shall be conducted by ..... at ..... on the day mentioned in the schedule at ..... a.m. subject to the provisions of Andhra Pradesh Minor Mineral Concession Rules, 1966. The receipt of applications for issue of Hall

<sup>1</sup>. Form AI & Annexure subs. by G.O.Ms.No. 50, I & C (M. I) Deptt., dt. 17-3-1997.

Tickets to participate in the Public auction shall be closed at 5.00 p.m. on .....  
by .....

**Schedule**

Sl. No.	Name of the sector	Name of the Minor Minerals	Minimum Bid	Date of Auction
1	2	3	4	5

*Signature of the Auctioning Authority*

**Note:**— The annexure containing the conditions, application proformas the details of leases in different sections etc., can be had from the Assistant Director of Mines and Geology .....

**ANNEXURE**

**Conditions of Auction :**

(1) No person shall be permitted in the Auction Hall without the Hall Ticket in the prescribed form issued by the Assistant Director. The Hall Ticket holder may be assisted by not more than two assistants during Auctions to participate in the Auction.

(2) The Hall Ticket shall be issued by the Assistant Director on submission of the filled in application in the prescribed form and the following documents.

- (a) A notarised Affidavit in the prescribed form on Non-Judicial Stamp paper worth Rs. 25/-.
  - (b) Bank Draft/Banker's Cheque obtained from any Scheduled Bank for an amount equivalent to 10% of the minimum bid in favour of .....
  - (c) A mineral Revenue clearance certificate in Form H or an affidavit in lieu thereof in case the applicant does not have any mining lease, prospecting licence or quarry leases in the State.
  - (d) Receipt of application for issue of Hall Ticket, shall be closed three days before the commencement of the auction.
- (3)(a) Sealed Tender shall be accepted for each sector separately in separate covers.
- (b) Every sealed tender will be separately accompanied with filled in prescribed form (application for Hall Ticket) along with the enclosures as required under item (2) above.
  - (c) Soon after the receipt of sealed tenders from tenderers the necessary entry should be made in the Register by the officer concerned while issuing acknowledgment to the tenderers. Such Sealed Tender shall be kept under the safe custody of the Assistant Director. He has to ensure that all such sealed tenders and the Registers are kept safe under his personal custody duly observing all possible safety measures.

- (d) Every tenderer shall be issued a Hall Ticket to participate in the auction without insisting any further payments as required under item (2) mentioned above by the officer concerned.
- (4) No person shall bid for any person unless he holds a power of attorney and presents an application signed by such person.
- (5) On the oral promise of the auctioning authority the Tenderer/Bidder shall have no claim to any right.
- (6) The following persons shall not be entitled to participate in the auction.
- (a) persons aged below eighteen years.
  - (b) persons who have been debarred from obtaining quarry leases and mining leases.
- (7) If the Assistant Director notices that any person in the auction hall before or at the time of bidding behaves or acts in such a manner as to cause loss to Government or induces or forbids any person from bidding, he may suspend him from participating in the auction and remove him from the Auction Hall.
- (8) The Sealed Tender shall be opened after the bidding is over in each sector. It is the responsibility of the persons who submitted the sealed tenders to make themselves present at the time of opening of the sealed tenders. Sealed tenders shall be opened by the Assistant Director irrespective of the presence of Tenderers.
- (9) No person will be admitted into auction Hall without the Hall ticket issued by the Assistant Director. The right of collection of signorinarage fee will be ordinarily knocked down to the Highest Tenderer/Bidder but the right is reserved to the officer conducting the proceedings or by the Director or by the Government as the case may be to reject any tender/bid where there is a reason to believe to do so. The right of collection of seigniorage fee shall be strictly subject to the confirmation by the competent authority who has the right to refuse the right of collection of seigniorage fee with reasons recorded.
- (10) The Assistant Director may at his own discretion reject any persons Tender/bid who,
- (a) has been convicted for any penal offence or any offences under the Mines and Minerals (Regulation and Development) Act, 1957, or
  - (b) He is debtor to the Government of Andhra Pradesh in the Mines and Geology Department.
- (11) It shall be at the discretion of the officer concerned to accept or reject the tender or bid after recording the reasons thereof.
- (a) A tender once submitted shall not be withdrawn before the bid is concluded.
  - (b) The Officer concerned shall announce at the commencement of the bidding the names of the persons who have submitted tenders and hall ticket holders for the particular sector.
- (12) The proceedings for the disposal of the sector shall be concluded on tender or bid as the case may be by the Assistant Director. The hike in bidding in the auction Hall by the bidders shall not exceed 25% of the minimum bid each time. The tenders of the sector shall be opened only when it is ensured by the Assistant



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

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

(14)(a) The successful tenderer/bidder shall pay the knocked down amount in four quarterly instalments. The amount equivalent to 25% of knocked down amount towards as first instalment shall be deposited in the Government Treasury within the immediate next two working days.

(b) The confirmation orders will be issued by the Deputy Director concerned on making the deposit of 25% of knocked down amount as required under sub-rule (1) of Rule 10-E. The first successful tenderer/bidder on receipt of order of confirmation shall furnish security deposit of 2% of knocked down amount subject to the minimum of Rs. 1000/- and maximum of Rs. 25,000/- in the manner as prescribed in the confirmation order and execute agreement in Form 'M' with the Assistant Director within the time prescribed in the confirmation order on stamped paper as per the Registration and Stamps Act by duly furnishing three bank guarantees in favour of the Assistant Director concerned for an amount equivalent to 75% of the knocked down amount under each guarantee which are valid for six, nine and twelve months against the respective quarterly instalments payments. The respective Bank Guarantees shall be released by the Assistant Director on payment of quarterly instalments. The security deposit shall be released by the Assistant Director soon after the expire of lease period provided the Authorised Agent fulfilled all the lease deed conditions and other provisions of the Andhra Pradesh Minor Mineral Concession Rules, 1966.

(c) In the event of default by the Ist successful Tenderer/bidder for payment of 25% of the knocked down amounts required under sub-rule (1) or completion of formalities for executing the agreement as required under sub-rule (2) of Rule 10-E, the competent authority may issue conformation orders in favour of the second and the third highest tenderer/bidder in the descending order with due stipulations of the time limits for payment of 25% of the amount offered by the respective tenderer/bidder and discharging the other formalities for making agreement as required under sub-rule (2) of Rule 10-E. However, in case the second and third highest tenders/bidders also become defaulters, the other tenders/bidders who offered and participate over an above the minimum bid and who retained the deposit of 10% of the minimum bid with the auctioning authority after the auctions may be considered for

issue of confirmation orders in the descending order by the competent Authority by duly stipulating the time limits for payment of 25% of the offered amount by the respective tenderer/bidder and discharging the other formalities for making agreement as required under sub-rule 2 of Rule 10-E.

- (d) The successful tenderer/bidder on executing the agreement in Form H shall pay the subsequent quarterly instalment atleast fifteen days before the end of the precedings quarter.
- (e) The Director may condone the delay in payment of the amount, fulfilment of other formalities and making agreement under sub-rules (1) to (4) of Rule 10-E on valid grounds.
- (f) If the successful tenderer/bidder fails to pay 25% of the knocked down amount within two working days or fails to furnish the bank guarantee of 75% of knocked down amount within the time specified in the confirmation order or fails to make agreement in Form 'M' after completing all the formalities or fails to pay the quarterly instalments within the prescribed time, the amounts so far paid by the successful tenderer/bidder by way of deposits and the amounts under bank guarantee, shall be forfeited to the Government by the confirming authority. If the second or the third highest tenderer/bidder fails to pay the amounts or complete the formalities as stipulated in the confirmation order, the confirming authority shall forfeit the amounts so far paid by way of deposits or otherwise including the bank guarantee to the Government. If the fourth or any subsequent bidder who has been issued confirmation order and made agreement in form - 'M' after completing the formalities fails to pay the second or any subsequent instalments in time the confirmation authorities shall forfeit the security deposits and the bank guarantee to the Government. Any forfeiture shall be done by the confirming authority after giving an opportunity.
- (g) The deposits of second and the third highest tenderer/bidder shall be returned after the agreement is made in Form-M in case they are not found to be defaulters for the payment of 1/4th amount as required under sub-rule (1) and the completion of the formalities under sub-rule (2) of others shall be returned after three days of auction held on a written request by the participants for the same and the deposits of those who like to avail the opportunity of getting the lease in case the first, second and third highest tenderer/bidder become defaulters will be retained with the officer concerned and returned after the agreement is made.

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

(16) The tenderer/bidder shall not be entitled to make use the privilege acquired before the agreement and take out the right of collection of seigniorage fee. It shall be the responsibility of the tenderer/bidder to execute the agreement within

the stipulated period as well as take out the right of collection of seigniorage fee. If the tenderer/bidder fails to comply with the above formalities or take out the sector and for that reasons if the privilege acquired could not be functioned he shall not be absolved from the responsibility to pay the knocked down amount.

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

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

(19) The tenderer/bidder after executing the agreement in Form-M prescribed in Rule 10-E(2) will be at liberty to collect the seigniorage fee from the quarry lease holders including temporary permit holders except the persons/organisations who obtained quarry leases with exemption from payment of seigniorage fee in respect of Minor Minerals specified in the notification at the relevant rates mentioned in Schedule I to Rule 10(1) and the relevant rates mentioned in Rule 12(5)(e) at or before the time of despatch of the Minor Minerals from the leased areas. He shall have no right to collect the seigniorage fee from any persons/companies who are not the quarry lease holders. The Authorised Agent shall also be entitled to collect the seigniorage fee from all the new leases granted and executed for the specified Minor Minerals during the currency of the Agreement period. He, however, does not have any right for any type of compensation arising out of non-working of the quarries, and due to expiry, lapse, determination cancellation etc., of the leases.

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

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

(22) Every tenderer/bidder shall be bound to observe the laws, rules, and regulations, instructions of the Mines and Geology Department and the Government that might be enforced during the currency of the leases of the privilege.

(23) In case of any doubt as to be application of interpretation of the version of any of these condition the decision of the Government on the issue shall be final.

(24) The leases for the specified Minor Minerals Sector wise are given as details below :

							..... Sector
Sl. No.	Name of the Mandal	Name and address of the	Location & extent	Name of the specified	Lease period	Date of seigniorage fee as	Remarks

	lessee		mineral		per schedule		
1	2	3	4	5	6	7	8

### <sup>1</sup>AFFIDAVIT

[Under conditions 2 of Annexure to Form A1 under Rule 10-B]

I ..... S/o. ...., R/o. .... aged about ..... years do hereby solemnly affirm and state as follows.

That I have gone through the Sealed Tender-cum-Public Auction notice issued by ..... and conditions laid down therein. I intend to obtain the right of collection of seigniorage fee through Sealed Tender-cum-Public Auction for the sector ..... in ..... District.

If I am the successful Tenderer/Bidder and if it is knocked down in my favour, I declare and agree to abide :

1. To pay the knocked down amount in four equal quarterly instalments.
2. To pay the sum equivalent to 25% of the knocked down amount within the immediate next two working days and to tender the same before the auctioning authority.
3. To furnish bank guarantee from any Scheduled Bank for the balance 75% of the knocked down amount and pay the security deposit of 2% of the knocked down amount subject to the minimum of Rs. 1000/- and maximum of Rs. 25,000/- and to execute the agreement with Assistant Director of Mines and Geology concerned in Form M on or before the date mentioned in confirmation orders. To pay the balance 75% of knocked down amount in three quarterly instalments each by atleast 15 days before the end of the proceedings quarter.
4. In case of negligence of my part to execute the lease deed in time and to pay the quarterly instalments as per Schedule, I accept for any action taken by concerned authority to cancel the Sealed Tender-cum-Public Auction or terminate the agreement as the case may be and to forfeit all sums paid along with the amount guarantee by the bank.
5. To abide by the additional conditions if any imposed by the authority competent to do so and
6. To abide by the decision of the Government of Andhra Pradesh in case of any doubt as to the application or interpretation of the versions of any of the conditions or provisions of Mines Act and the Rules made thereunder.
7. I declare that I hold/do not hold any licence or lease under any of the Mineral Concession Rules not in debt to the Department of Mines and Geology.
8. I declare to abide by the provisions of the Andhra Pradesh Minor Mineral Concession Rules, 1966.

Sworn and signed before me on ..... this ..... date of ..... 199 ...

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

Deponent

Notary

**ATTESTED**

**APPLICATIONS FOR ISSUE OF HALL TICKET**

(Under Condition 2 of Annexure to Form 'A-I' under Rule 10-B)

1. Name and present address of the applicant  
(in block letters) :
2. Name and permanent address of the applicant  
(in block letters) :  
*Note:*— In case of partnership firm the partnership bond should be produced for participating in the auction.
3. Age of the Applicant (persons of 18 years below not eligible) :
4. <sup>1</sup>[Sector/Sectors] for which he intends to participate in the auctions :
5. Affidavit in the prescribed Form on a Non-judicial stamped paper worth <sup>2</sup>[Rs. 25/-] enclosed or not:
6. No. and date of Bank Draft/Banker's Cheque obtained from any Scheduled Bank for an amount equivalent to 10% of the minimum bid :
7. Particulars of leases if any held under different mineral Concessions :
8. Mineral Revenue Dues Clearance Certificate in Form 'H' enclosed or not :  
Income-Tax Clearance Certificate enclosed or not:
- 9.(a) Has he been convicted for any penal offence or any offence under MM (R&D) Act, 1957 :  
(b)Has he been debarred earlier in participating auctions or to obtain leases under different Mineral Concessions :
10. Whether agreed to pay a sum equivalent to 25% of the <sup>3</sup>[knocked down amount] along with next two working days from the day of auctions and to furnish Bank Guarantee valid for one year for the

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<sup>1</sup>. Subs. for the words "area/areas" by G.O.Ms.No. 50, I & C (MI) Dept., dt. 17-3-1997.

<sup>2</sup>. Subs. for the words "Rs. 15/-" by *ibid.*

<sup>3</sup>. Subs. for the words "knocked down bid" by G.O.Ms.No. 50, I & C (M I), dated 17-3-1997.

remaining 75% of the amount within the prescribed time in the confirmation order.

<sup>1</sup>[11. Sealed Tender enclosed or not]

I stated that the particulars furnished above are true to the best of my knowledge. I hereby undertake that the deposit made by me may be forfeited to the Government if the information furnished above is proved to be incorrect.

Place :

Date :

SIGNATURE OF THE APPLICANT

#### HALL TICKET

(Under Condition 2 to the Annexure to Form A-1 under Rule 10-B)

Serial No :

Office of the

Date :

Assistant Director of Mines & Geology

Sri ..... S/o. .... is hereby permitted in the auction/auctions for rights of collection of seigniorage fee on ..... minerals in the <sup>2</sup>[Sector] ..... Mandal ..... District .....

Specimen Signature of  
the Hall Ticket Holder.

Signature of the Issuing Authority.

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#### <sup>3</sup>Form—AIII Tender Form [See Rule 10-C]

1. Name in Block Letters :
2. Father's Name :
3. Present Address :
4. Permanent Address :
5. Occupation :
6. Details of Sector and Minerals specified as per notification :
7. Offered Amount
  - (a) In figures
  - (b) In words

I hereby declare that I am aware of the particulars furnished in regard to the right of collection of seigniorage fee for the minerals specified in the sector as per the auction notification in response to which I am submitting the Tender. I further declare that I am also fully aware of all the rules in regard to the right of collection of seigniorage fee.

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<sup>1</sup>. Item No. 11 added by *Ibid*.

<sup>2</sup>.

<sup>3</sup>. Subs. by G.O.Ms.No. 50, I & C (M I), dated 17-3-1997.

I hereby undertake to abide by the provisions of the A.P. Minor Minerals Concession Rules, 1966.

Signature  
(Name in Block Letters)

- Note:—**
1. This tender is to be submitted in a sealed cover in person or by Registered Post acknowledgement due through his power of Attorney holder and acknowledgement obtained.
  2. Application with the enclosures as required under condition (2) under Annexure to Form A ; should accompany the sealed cover.
  3. The competent authority shall not be responsible for the loss in the postal transit or the delay in receipt of the sealed covers.

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**Form B**  
**Application Form**  
[See Rule 9]

To  
<sup>1</sup>The Deputy Director,  
.....  
Dear Sir,

I/We hereby beg to apply for a quarry lease for a period of ..... years and give below the necessary particulars as required under the Andhra Pradesh Minor Mineral Concession Rules, 1966.

- (1) Name of applicant.
  - (a) Profession.
  - (b) Residence.
  - (c) Permanent address.
- (2) Description of the area applied or :
  - (a) Situation and boundaries.
  - (b) Revenue Survey Nos. or Block No. (in case of Reserve Forest).
  - (c) Area.
- (3) Name of mineral to be quarried.
- (4) Purpose for which it is to be used.
- (5) Enclosures.
  - (i) A copy of the village map which is not in less scale than the village map showing the area applied for.
  - (ii) A mineral dues clearance certificate prescribed in Form 'H'. In case the applicant does not hold any licence for lease under any of the Mineral Concession Rules, he shall submit a declaration to this effect in the form of an affidavit.

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<sup>1</sup>. G.O.Ms.No. 161, I & C, dt. 24-3-1980.

I/We declare that above particulars are correct and request that a quarry lease may kindly be granted.

Place :

Yours faithfully,

Date :

—  
**FORM-B-I**

<sup>1</sup>[x x x]

—  
**FORM C**

**Quarterly Return for Lessee**

[See Rule 28(3)]

For quarter ending .....

- (1) Location of the Quarry :
  - (i) Land Survey Nos. :
  - (ii) Village :
  - (iii) Taluq :
  - (iv) District :
- (2) Name of Lessee :
- (3) Name of mineral quarried :
- (4) Quantity of mineral :
  - (i) Excavated :
  - (ii) Exported by Rail :
  - (iii) Sold locally :
- (5) Average price of mineral :
  - (i) At the quarry site :
  - (ii) At the railway station :
- (6) Average number of persons employed :
  - (i) At the quarry site :
 

Males :	Females :
---------	-----------
  - (ii) At the railway station :
 

Males :	Females :
---------	-----------
- (7) Number of accidents :
  - (i) Serious :
  - (ii) Fatal :

Place :

Signature

<sup>1</sup>. Omitted by G.O.Ms.No. 227, I&C (M-1), Dept., dt. 23-3-2000.



Date :

Designation

**<sup>1</sup>FORM-C-I****Monthly Return to be submitted by the Authorised Agent***[Sub-Rule (iv) of Rule 10-I]*

S.No.	Name and Address of the lessee	Location extent of the lease	Name of the Mineral	Quantity for which permit issued	Amount paid towards permitted quantity	Remarks
1	2	3	4	5	6	7

**FORM-D****Register of Quarry Lease and Periodical Returns for Assistant Director***[See Rules 34/38]*

Sl. No.	Name of applicant	Applicant's address	Situation and boundaries of the land applied for	Area of the said land	Name of the mineral for which the quarry lease is granted	Date of grant of the lease
1	2	3	4	5	6	7

Period for which the lease is granted or renewed	Amount of quarrying fee	Amount of seigniorage fee	Amount of security deposit	Particulars of refund of security deposit	Date of transfer of the lease if any and the name of the transferee	Remarks
8	9	10	11	12	13	14

<sup>1</sup>. Ins. by G.O.Ms.No. 50, I & C (M-I), dt. 17-3-1997.



**FORM-E**  
**Form of Demand, Collection and Balance Statement in respect of Quarry Leases (Minor Minerals)**  
*[See Rule 38]*

Quarrying Fee												Seigniorage Fee			
Serial number	Name of the village	Survey number	Area of the land where the mineral is worked	Description of the mineral worked	Name of the lessee or the patta land agreement holder	Balance at the end of the last half year	Total demand	Amount collected during the half year	Balance	Balance at the end of last half year	Demand for the half year	Total demand	Amount collected during the half year	Balance	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

**FORM-F**  
**Form of Report**  
[See Rule 30]

1. Name and situation of the quarry.
  2. Name of mineral worked.
  3. Name and postal address of Owner.
  4. Name and postal address of Manager.
  5. Depth of the quarry measured from its highest to its lowest point.
  6. Number of persons employed in the quarry.
  7. Whether explosives are used in the quarry.
  8. The general condition of the mines as to safety working
  9. Whether underground workings have been made or are likely to be made.
  10. The date on which the mine was opened (for new mines only.)
- Place : Signature of the Owner  
Date : Agent/Manager.

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**FORM-G**  
[See Rule 8]

**Form of lease (minor minerals) to private persons**

This indenture made the ..... day of 19 ..... between the Governor of Andhra Pradesh (hereinafter called the “Lessor” which expression shall where the context so admits, include his successors in office and assigns) of the one part, and ..... (hereinafter called the “Lessee” which expression shall, where the context so admits, include his heirs, executors, administrators, representatives and assigns) of the other part.

Latest  
passport size  
photo of the  
grantee

<sup>1</sup>[Whereas the lessee has been granted quarry lease by the Government of Andhra Pradesh on application in <sup>2</sup>[Sealed Tender-cum-Public Auction] of the lands in the ..... District for the purpose of quarrying for ..... and has deposited with the Assistant Director of Mines and Geology of ..... the sum

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<sup>1</sup>. Subs. G.O.Ms.No. 3, I & C., dt. 3-1-1991 (vide App. III).

<sup>2</sup>. Subs. for the words “Public Auction” by G.O.Ms.No. 46 (I & C), dt. 6-2-1996.

of Rs. .... as security for the due and faithful performance by the lessee of the covenants and conditions on the part of the lessee hereinafter contained :

And whereas the Government of Andhra Pradesh acting for and on behalf of the lands and premises hereinafter described and demised for the term and at the <sup>1</sup>[knocked down amount] dead rent and seigniorage fee, and subject also to the covenants conditions and conditions hereinafter contained now this indenture witnesses as follows:—

The lessor hereby demises to the lessee all those several pieces or pieces of land situated in the village of ..... in the sub-registration district of ..... and registration district of ..... in Andhra Pradesh being more particularly described in the schedule hereunder written and delineated in the map or plan hereunto annexed and therein coloured.

2. These are included in the said demise and for the purposes thereof following liberties:—

- (1) To get from the said demised pieces of land.
- (2) For the purpose aforesaid to use any water in or under the said demised pieces of land and to divert the same and to make or construct any water courses or ponds so however that nothing shall be done in the exercise of this authority which shall interfere with the rights of any adjoining owners of the tenants or the lessors in respect of such water.
- (3) Generally to do all things which shall be convenient or necessary for getting the ..... and material hereby authorised to be got and for removing and disposing thereof as aforesaid.

3. These are excepted and reserved to the lessor out of this demise:—

- (1) All earth minerals and other substances not hereinbefore expressly authorised to be got from the demised pieces of land by the lessee.
- (2) Liberty for the lessor or other persons authorised by him to search for work, get, carry away and dispose of the excepted minerals and other substances and for such purposes to have the right of ingress, egress and regress over the said demised pieces of land and to make erect and use all pits, machinery, buildings, roads and other necessary works and conveniences provided that the rights hereby reserved shall be exercised in such a way as to cause as little obstruction as possible to the lessee in the use and enjoyment of its rights hereunder and that reasonable compensation for damages caused by any such obstruction shall be paid to the lessee the

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<sup>1</sup>. Subs. for the words “bid amount” by *ibid.*

amount thereof in case of difference to be settled by arbitration as hereinafter provided.

4. The said demised pieces of land shall be held by the lessee for the term of ..... years from the ..... day ..... 19 ..... to the ..... day of ..... 19 ..... determinable as hereinafter provided.

5. The lessee hereby agrees to pay during the said term the following <sup>1</sup>[xxx] dead rent and seigniorage fee whichever is higher and also all cesses which may, from time to time, be imposed by the Government:—

- (1) The yearly <sup>2</sup>[xxx] dead rent of Rs. .... in respect of the said demised pieces of land.
- (2) A seigniorage fee of Rs. .... in respect of the said demised pieces of land.

6. The lessor may, during the currency of the lease, vary the rate of <sup>3</sup>[xxx] dead rent and the seigniorage <sup>4</sup>[xxx].

7. It is hereby agreed and declared that in regard to the said <sup>5</sup>[knock down amount] dead rent and seigniorage fee the following conditions shall be observed by the lessee.

- (i) The said dead rent of Rs..... shall be paid without any deduction on the ..... day of ..... 19 ..... in every year in advance.
- (ii) The said seigniorage fee of ..... per ..... shall be paid before the same is removed from the said demised pieces of land.

8. The lessee hereby covenants with the lessor as follows ;

(1) To pay the <sup>6</sup>[knock down amount] dead rent and seigniorage fee on the days and in manner aforesaid.

(2) To bear, pay and discharge all existing and future rates, taxes, assessments, duties, impositions, outgoings and burdens whatsoever imposed or charged upon the demised pieces of land or the produce thereof or the bid amount, dead rent and seigniorage fee hereby reserved or upon the owner or occupier in respect thereof or payable by either in respect thereof except such charges or impositions as the lessee is or may hereinafter be by law exempted from.

<sup>1</sup>[(2A) Should any rent seigniorage fee or other sums due to the State Government under the terms and conditions of these presents be not paid by

<sup>1</sup>. Omitted by G.O.Ms.No. 3, I & C., dt. 3-1-1991.

<sup>2</sup>. *Ibid.*

<sup>3</sup>. *Ibid.*

<sup>4</sup>. Omitted by G.O.Ms.No. 357, I & C, dt. 5-9-1994.

<sup>5</sup>. Subs. by G.O.Ms.No. 46, I & C, dt. 6-2-1996.

<sup>6</sup>. *Ibid.*

the lessee/lessees within the prescribed time, the same may be recovered together with simple interest due there on at the rate of twenty four per cent per annum on a certificate of such officer as may be specified by the State Government by general or special order in the same manner as on arrear of land revenue.]

(3) Before digging or opening any part of the said demised pieces of land for ..... carefully to remove the surface soil to a depth of at least ..... metres and lay aside and store the same in some convenient part of the said demised pieces of land until the land from which it has been removed is again restored to a state fit for cultivation as hereinafter provided.

(4) To effectually fence off the said demised pieces of land from the adjoining lands and to keep the fences in good repair and conditions.

(5) Not to assign, underlet or part with the possession of the demised land or any part thereof without the written consent of the lessor first obtained. <sup>2</sup>[A quarry lease granted by sealed tender-cum-public auction for sand is not open for transfer.]

(6) After working out any party of the said demised pieces of land forthwith to level the same and replace the surface soil thereof and slope the edges, where necessary, so as to afford convenient connection with the adjoining land.

(7) That the lessee shall keep correct accounts, in such form as the Assistant Director of Mines and Geology concerned shall, from time to time, require and direct showing the quantities and other particulars of the said mineral obtained by the lessee from the said lands and also the number of persons employed in carrying on the said quarrying operations therein and shall, from time to time, when so directed by the Assistant Director of Mines and Geology concerned prepare and maintain complete and correct plans of all quarries and workings in the said lands and shall allow any officer thereunto, authorised by the lessor from time to time and at any time, to examine such accounts and any such plans and shall, when so required, supply and furnish to the lessor all such information and returns regarding all or any of the matters aforesaid as the lessor shall, from time to time, require and direct.

(8) That if in the course of quarrying any mineral not specified in the lease is discovered the lessee or registered holder shall at once report such discovery to the Assistant Director of Mines and Geology concerned who shall obtain orders of the Government regarding the working of the same.

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<sup>1</sup>. Ins. by G.O.Ms.No. 50, I & C, (M I) Dept., dt. 17-3-1997.

<sup>2</sup>. Ins. by G.O.Ms.No. 46, I & C, dt. 6-2-1996.

(9) That the lessor's agents, servants and workmen shall be at liberty at all reasonable times during the said term, to inspect and examine the works carried on by the lessee under the liberties hereinbefore granted and the lessee shall and will, from time to time, and at all times during the said term hereby granted conform to observe all orders and regulations which the lessor or his authorised agent as the result of such inspection may from time to time see fit to impose to keep the lands in good and substantial repair, order and condition or in the interest of public health and safety.

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

(11) That the lessee shall not without the express sanction in writing of the said Assistant Director of Mines and Geology cut down or injure any timber or trees on the said lands but he may clear away brushwood or undergrowth which interferes with any operations authorised by these presents on payment of due compensation for cutting or injuring trees growth in the said lands to the departments concerned.

(12) That wherever necessary, pay to the person concerned, compensation for any loss or damage which may be caused by the lessee to the surface of the demised pieces of land or to anything growing or situated therein in exercise of the rights granted and shall not commence operations until such compensation has been paid. The lessee shall further always keep the lessor indemnified against any claim by any person for any loss or injury caused to him or to his property by lessee. The Deputy Director shall be the competent authority to assess and fix any compensation payable by the lessee for any loss or injury done to him or his property.

(13) That if required by the Assistant Director of Mines and Geology, erect and maintain at his own expense, boundary pillars of substantial material standing not less than three feet above the surface of the ground at each corner or angle in the line of the boundary of the area leased to him and at intervals of not more than three metres along the boundary, as delineated in the plan attached to the lease deed.

(14) If any mineral not specified in the lease deed or agreement is discovered, the lessee or the registered holder shall not win or dispose of such mineral without obtaining the permission of <sup>1</sup>[the Director of Mines and Geology] and without payment of the seigniorage fee and the acreage

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<sup>1</sup>. Subs. for the words "the Assistant Director of Mines & Geology" by G.O.Ms.No. 227, I & C (M-1) Dept., dt. 23-3-2000.



assessment. If lessee or the registered holder fails to intimate <sup>1</sup>[the Director of Mines and Geology] the discovery of such new minerals and obtain his permission within a period of thirty days from the date of the working of the mineral is begun, the Director of Mines and Geology or Deputy Director of Mines and Geology may levy enhanced seigniorage fee and acreage assessment.

(15) The lessee or the registered holder shall strengthen and support to the satisfaction of any 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.

(16) That this lease may be terminated in respect of the whole or any part of the premises by six months notice in writing on either side.

(17) That on such determination the lessee shall have no right to compensation of any kind.

(18) That the <sup>2</sup>[knock-down amount]/dead rent and seigniorage fee payable under these presents shall be recoverable under the provisions of the Revenue Recovery Act, 1864 thereof.

(19) That the determination of the tenancy to deliver up the demised land in such condition as shall be in accordance with the provisions of these presents save that lessee shall if so required by the lessor restore in manner provided by the foregoing covenant in that behalf the surface or any part of the land which has been occupied by the lessee for the purpose of the works hereby authorised and has not been so restored.

<sup>3</sup>[(20) In respect of granite and marble, the lessee shall comply with the provisions of Granite Conservation and Development Rules, 1999 and the Marble Development and Conservation Rules, 2002, respectively.]

<sup>4</sup>[(21) (a) The lessee shall follow and effect the provisions of Labour Laws pertaining to the employment, payment of wages and other welfare measures to the Labour who are employed in quarries and mines.

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

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<sup>1</sup>. Subs. for the words "the Assistant Director of Mines & Geology" by G.O.Ms.No. 227, I & C (M-1) Dept., dt. 23-3-2000.

<sup>2</sup>. Subs. for the words "bid amount" by G.O.Ms.No. 46, I & C, dt. 6-2-1995.

<sup>3</sup>. Subs by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

<sup>4</sup>. Added by G.O.Ms.No. 117, I&C (MI) Dept., dt. 16-11-2011.

(c) If the lessee violates the provisions as stipulated above and having confirmation from the Department concerned necessary action shall be taken for cancellation of the lease, by giving an opportunity.]

9. The lessor hereby covenants with the lessee that on the lessee paying the <sup>1</sup>[knock down amount] dead rent and seigniorage fee hereby reserved and that on observing and performing the several covenants and stipulations herein the lessee shall peaceably hold and enjoy the demised pieces of land and the liberties and powers hereby demised and granted during the said term without any interruption by the lessor or any person rightfully claiming under or in trust for him.

<sup>2</sup>[(9-A). Government reserves the right,—

- (i) to cancel the quarry lease granted and executed under these rules after giving a previous notice;
- (ii) to prohibit quarrying operations in part or the whole of the area under lease with recorded reasons.]

10. It is hereby expressly agreed as follows:—

(1) If any part of the <sup>3</sup>[knock-down amount] dead rent and seigniorage fee hereby reserved shall be unpaid for thirty days after becoming payable (whether formally demanded or if the lessee while the demised pieces of land or any part thereof remain vested in him shall become insolvent or if any covenant on the lessee's part herein contained shall not be performed or observed them and in any of the said case it shall be lawful for the lessor at any time thereafter to declare to whole or any part of the said security deposit of Rs..... to be forfeited and also to reenter upon the demised pieces of land or any part thereof in the name of the whole and thereupon this demise shall absolutely determine but without prejudice to the right of action of the lessor in respect of any reach or non-observance of the lessee's covenants herein contained.

(2) <sup>4</sup>[The expiry or determination of the lease, the lessee shall be at liberty to remove, carry and dispose of all the stocks of the mineral extracted and all engines, machinery, articles and other things whatsoever (not being building or bricks or stones) within one month or extended period granted by the Government after paying dead rent and seigniorage fee and other sums which may be due and performing and observing the covenants on his part hereinbefore reserved and contained and also making good any damages done by such removal but not building which shall be erected on the said demised places of land by the lessee and left thereon at the determination of

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<sup>1</sup>. Subs. for the words "bid amount" by G.O.Ms.No. 46, I & C, dt. 6-2-1995.

<sup>2</sup>. Inserted by G.O.Ms.No. 425, I&C, dt. 21-12-1993 (w.e.f. 27-12-1993).

<sup>3</sup>. Subs. for the words "bid amount" by G.O.Ms.No. 46, I & C, dt. 6-2-1995.

<sup>4</sup>. Subs. by G.O.Ms.No. 357, I&C, dt. 5-9-1994 (w.e.f. 8-9-1994).

the lease and shall be the absolute property of the lessor who shall not pay any price for the same.]

(3) If the lessee shall have paid the <sup>1</sup>[knock-down amount] dead rent and seigniorage fee and duly observed and performed the covenants and conditions on his part herein contained the said deposit of Rs..... shall be returned to him at the expiration of the said term of ..... years.

(4) If any question of difference or dispute shall arise between the parties hereto or any persons claiming under them respectively concerning the <sup>2</sup>[knock-down amount] dead rent and seigniorage fee hereby reserved or touching the construction of any clause herein contained or the rights, duties or liabilities of the parties hereunder or in any other way touching or arising out of these presents the same shall be referred to the Director of Mines and Geology whose decision thereon shall be final and binding on the parties thereto.

In witness whereof..... Assistant Director of Mines and Geology of..... acting for and on behalf of and by order and direction of the Government of Andhra Pradesh the lessee have hereto set their hands the day and year first above writing.

**THE SCHEDULE**

Name of Taluk	Name of Village	Survey field	Extent Nos.	Assessment	Boundaries North, South West and East
1	2	3	4	5	6

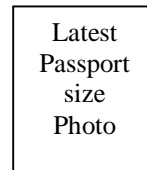
Signed and delivered by the above name in the presence of.....

<sup>3</sup>**[FORM-G1**

[See Rule 9-I(2)]

**Form of Sand Lease Agreement to Private Persons**

This indenture made the ..... day of ..... between the Government of Andhra Pradesh (hereinafter called the "Lessor" which expression shall where the context so admits, include his successors in office and assigns) of the part



<sup>1</sup>. Subs. for the words "bid amount" by G.O.Ms.No. 46, I&C, dt. 6-2-1996.  
<sup>2</sup>. *Ibid.*  
<sup>3</sup>. Form-G 1 Subs. by G.O.Ms.No. 84 Ind. & Com. (MI) Dept., dt. 10-4-2007. Old Form G-I please see Annexure at page 1743.

and ..... (hereinafter called the "Lessee" which expression shall where the context so admits include his heirs, executors, administrators, representatives and assigns) of the other part.

Whereas the lessee has been granted quarry lease by the Government of Andhra Pradesh on application in sealed tender-cum-public auction of the lands in the ..... District for the purpose of quarrying for Ordinary Sand and has deposits with ADM&G .....the sum of Rs. .... (Rupees ..... only) as security for the due and faithful performance by the lessee of the covenants and conditions on the part of the lessee hereinafter contained.

And whereas the Government of Andhra Pradesh acting for and on behalf of the lands and premises hereinafter described and demised for the terms and at the knocked down amount in sealed tender-cum-public auction and subject also to the covenants and conditions hereinafter contained now this indenture witnesses as follows:

The lessor hereby demises to the lessee all those several pieces or pieces of land situated in the village of ..... in the sub-registration district of ..... in Andhra Pradesh being more particularly described in the Schedule hereunder written and delineated in the map or plan hereinto annexed and therein coloured.

2. These are included in the said demise and for the purposes thereof following liberties:—

I. To get from the said demised pieces of land.

II. For the purpose aforesaid to use any water in or under the said demised pieces of land and to divert the same and to make or construct any water courses or ponds so however that nothing shall be done in the exercise of this authority which shall interfere with the rights of any adjoining owners or tenants or the lessors in respect of such water.

III. Generally to do all things which shall be convenient or necessary for getting the ordinary sand and material hereby authorized to be got and for removing and disposing thereof as aforesaid.

3. There are excepted and reserved to the lessor out this demise:—

I. All minerals and other substances not hereinbefore expressly authorized to be got from the demised pieces of lands by the lessee.

II. Liberty for the lessor or other persons authorized by him to search for, work, get, carry away and dispose of the excavated minerals and other substances for such purposes to have the right of ingress, egress and regress over the said demised pieces of land and to make, erect and use all pits, machinery, buildings, roads and other necessary works and conveniences provided that the rights hereby reserved shall be exercised in such a way as to cause as little obstruction as possible to the lessee in the use and enjoyment of its rights hereunder and that reasonable compensation for damages caused by any such obstruction shall be paid to the lessee the amount thereof in case of difference to be settled by arbitration as hereinafter provided.

4. The said demised pieces of land shall be held by the lessee for the term of ..... year from the ..... day to the ..... day of ..... determinable as hereinafter provided.

5. The lessee hereby agrees to pay during the said term the knocked down amount along with 20% enhancement towards second year lease amount along with I.T. prevailing 45 days before the expiry of the 1st year lease period. In respect of registered Boatsman Co-operative Society who remove and carry sand by Boats shall pay the knocked down amount in four equal quarterly instalments 15 days before the commencement of the quarter.

6. The lessee hereby covenants with the lessor as follows:

I. To pay the knocked down amount / Seigniorage fee / Dead rent on the days and in manner aforesaid.

II. To bear, pay and discharge, all existing and future rates, taxes, assessments, duties, impositions, outgoing and burdens whatsoever imposed or charged upon the demised pieces of land or the produce thereof or the knocked down amount hereby reserved or upon the owner or occupier in respect thereof or payable by either in respect thereof except such charges or impositions as the lessee is or may hereinafter be by law exempted from.

III. Should any rent, knocked down amount or other sum due to the State Government under the terms and conditions of these presents be not paid by the lessee / lessees within the prescribed time, the same may be recovered with simple interest due thereon at the rate of 24% per annum on a certificate of such officer as may be specified by the State Government by General or specific order in the same manner as arrears of land revenue.

IV. Before digging or opening any part of the said demised pieces of land for ordinary sand carefully to remove the surface soil to depth of at least ..... meters and lay aside and store the same in some convenient part of the said demised pieces of land until the land from which it has been removed is again restored to a State fit for cultivation as hereinafter provided.

V. To effectually fence off the said demised pieces of land from the adjoining lands and to keep the fences in good repair and conditions.

VI. A quarry lease granted by sealed tender-cum-public auction for sand is not open for transfer.

VII. After working out any part of the said demised pieces of land forthwith to level the same and replace the surface soil thereof and slope the edges, where necessary, so as to afford convenient connection with the adjoining land.

VIII. That the lessee shall keep correct accounts in such form as the ADM&G concerned shall from time to time require and direct, showing the quantities and other particulars of the said mineral obtained by the lessees from the said lands and also the number of persons employed in carrying on the said quarrying operations therein and shall from time to time, when so directed by the ADM&G concerned prepare and maintain complete and correct plans of all quarries and workings in the said lands and shall allow any officer thereunto, authorised by the lessor from time to time and at any time, to examine such accounts and any such plans and shall, when so required, supply and furnish to the lessor all such information and returns regarding all or any of the matters aforesaid as the lessor shall from time to time, require and direct.

IX. That if in the course of quarrying any mineral not specified in the lease is discovered the lessee or registered holder shall at once report such discovery to the ADM&G concerned who shall obtain orders of the Government regarding the working of the same.

X. That the lessor's agents, servants and workmen shall be at liberty at all reasonable times during the said term, to inspect and examine the works carried on by the lessee under the liberties hereinbefore granted and the lessee shall and will, from time to time, and at all times during the said term hereby granted conform to observe all orders and regulations which the lessor or his authorized agent as the result of such inspection may from time to time see fit to impose, to keep the lands in good and substantial repair, order and condition or in the interest of public health and safety.

XI. That lessee shall without delay send to the ADM&G report of any accident involving the death or injury to person which may occur in or about the quarry and shall observe all rules for the time being in force regulating the working of quarries.

XII. That the lessee shall not without the express sanction in writing of the said ADM&G concerned cut down or injury any timber or trees on the said lands but he may clear away brushwood or under growth which interfered with any operations authorized by these presents on payment of due compensation for cutting or injuring tree growth in the said lands to the departments concerned.

XIII. That wherever necessary, pay to the person concerned, compensation for any loss or damage which may be caused by the lessee to the surface of the demised pieces of land or to anything growing or situated therein in exercise of the rights granted and shall not commence operations until such compensation has been paid. The lessee shall further always keep the lessor indemnified against any claim by any person for any loss or injury caused to him or to his property by lessee. The District Level Committees shall be the competent authority to assess and fix any compensation payable by the lessee for any loss or injury done to him or his property.

XIV. That if required by the ADM&G the lessee erect and maintain at his own expense, boundary pillars of substantial material standing not less than of three feet above the surface of the ground at each corner or angle in the line of the boundary of the area leased to him and intervals at not more than three metres along the boundary, as delineated in the plan attached to the lease deed.

XV. If any mineral is not specified in the lease deed or agreement is discovered, the lessee or the registered holder shall not win or dispose of such mineral without obtaining the permission of the Government and without payment of the Seigniorage Fee and the acreage assessment. If lessee or the registered holder fails to intimate the Government the discovery of such minerals and obtain their permission within a period of thirty days from the date of working of the mineral is begun, the Government may levy enhanced Seigniorage Fee and acreage assessment.

XVI. The lessee or the registered holder shall strengthen and support to the satisfaction of any 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 structure.

XVII. The lessee should make use of authorized ramps and paths only for transportation of sand from the quarry and not open any new ramps or paths, without permission of the authorities/pattadars concerned.

XVIII. That this lease may be terminated for violation of conditions of lease as mentioned in Rule 9(B) to 9(z).

XIX. That on such determination the lessee shall have no right to compensation of any kind.

XX. The knocked down amount / Dead Rent and Seigniorage Fee payable under these presents shall be recoverable under the provisions of the Revenue Recovery Act, 1864 thereof.

XXI. That the determination of the tenancy to deliver up the demised land in such condition as shall be in accordance with the provisions of these presents save that the lessee shall if so required by the lessor restore in manner provided by the foregoing covenant in that behalf of the surface or any part of the land which has been occupied by the lessee for the purpose of the works hereby authorized and has not been so restored.

XXII. The lessee shall charge the price for sand at the pit head as fixed by the District level committee, before notification.

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

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

7.1. The Lessor hereby covenants with the lessee paying the knocked down amount / Dead Rent and Seigniorage Fee hereby reserved and that on observing and performing the several covenants and stipulations herein the lessee shall peaceably hold and enjoy the demised pieces of land and the liberties and powers hereby demised and granted during the said term without any interruption by the lessor or any person rightfully claiming under or in trust for him.

II. The Government reserves the right to cancel the Quarry Lease granted and executed under these rules after giving due notice.

III. The Government can prohibit quarrying operations in part or whole of the area under lease with recorded reasons.

IV. Whenever ground water affect is noticed, safety of the structure is affected due to sand quarrying by the lease holder, the Government shall issue prohibitory orders banning sand quarrying in consultation with Ground Water Department and with the concerned Assistant Director of Mines and Geology and the local bodies as the case may be.

8. It is hereby expressly agreed as follows:

I. If any part of the knocked down amount / Dead Rent and Seigniorage Fee hereby reserved shall be unpaid after becoming payable (whether formally become demanded or if the lessee while the demised pieces of land or any part thereof remain vested in him shall become insolvent or if any covenant on the lessee's part herein contained shall not be performed or observed by them and in any of the said case it shall be lawful for the lessor at any time thereafter to declare to whole or any part of the said security deposit of Rs. .... to be forfeited and also to re-enter upon the demised pieces of land or any part thereof in the name of the whole and thereupon this demise shall absolutely determined but without prejudice to the right of action of the lessor in respect of any breach or non-observance of the lessee's covenants herein contained.

II. At the expiry of determination of the lease the lessee shall be at liberty to remove, carry away machinery and all plant articles and things whatsoever (not being building or bricks or stone) within one month or extended period granted by Government after paying bid amount and Seigniorage and other sums which may be due and performing and observing the covenants on his part hereinafter reserved and contained and also making good any damages done by such removal but not buildings which shall be erected on the said demised piece of land by the lessee and left thereon at the determination of the lease land shall be the absolute property of the lessor who shall not pay any price for the same.

III. No movement of sand shall be allowed across the border to the neighbouring State.

IV. No quarrying of sand will be done with machinery / poclains or any other machinery for digging / loading.

V. The sand required for Weaker Section Housing Programme shall be supplied free of cost at pit head by the bidder / tenderer and is exempted from payment of Seigniorage Fee on certificate issued by the District Collector or any other Officer nominated by him.

VI. Sand transported through Bullock Carts and Animals shall be exempted from payment of Seigniorage Fee.

VII. The Government shall have the powers to either suo motu or on complaint cancel the confirmation bid at any stage in such case the bid amount equivalent to the possession held by the bidder will only be collected.

VIII. If the lessee paid the knocked down amount / Dead Rent and Seigniorage Fee and duly observed and performed the covenants and conditions on his part herein contained the said deposit of Rs. .... shall be returned to him at the expiration of the said term of ..... years.

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



X. If any question of difference or dispute shall arise between the parties hereto or any person or persons claiming under them respectively concerning the knocked down amount/Dead Rent and Seigniorage Fee hereby reserved or touching the construction of any clause herein contained or the rights, duties or liabilities of the parties hereunder or in any other way touching or arising out of these presents the same shall be referred to the Government whose decision thereon shall be final and binding on the parties thereto.

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

In witness hereof ..... ADM&G of ..... acting for and on behalf of and by order and direction of the Governor of Andhra Pradesh the lessee have hereto set their hands the day and year first above writing.

#### THE SCHEDULE

Name of Mandal / Reach Name of the Mandal	Location Boundaries North, South, West & East

Signed and delivered by the above

Name in the presence of

LESSEE

LESSOR

Witness:

1)

2)

#### FORM 'H'

##### Mineral Dues Clearance Certificate

1. Name and style of the company, firm, Hindu undivided family or individual in which the applicant/bidder/tenderer is assessed or assessable to mineral revenue and address for the purpose of assessment.

2. The place, taluk and district in which the applicant/bidder/tenderer is assessed to mineral revenue.

3. The following particulars shall be furnished concerning mineral revenue assessment for the preceding four years.

(a) The total correct amount received during the preceding four accounting years:—

##### (Total mining dues assessed)

(1) Seigniorage fee/Bid amount/Cesses. (in the case of minor minerals)

(2) Royalty/Dead Rent/Surface Rent. (in the case of major minerals)

##### (Mining dues demanded)

(1) Seigniorage fee/Bid amount/Cesses. (in the case of minor minerals)

## (2) Royalty/Dead Rent/Surface

Rent/Mineral Right Tax/Cesses. (in the case of major minerals)

**(Balance dues)**

## (1) Seigniorage Fee/Bid amount/Cesses. (in the case of minor minerals)

## (2) Royalty/Dead Rent/Surface (in the case of major minerals)

Rent/Mineral Right Tax/Cesses

If any mineral revenue remains unpaid, the reasons therefor should be explained in an attached statement).

- (b) In case there has been no mineral revenue assessment in any year, it must be stated clearly with reasons therefor.
- (c) It must be declared whether any attachment or certificate proceedings are pending in respect of the arrears.
- (d) The name and address of branch(es) if any.

I, declare that the above information is correct and complete to the best of my knowledge and belief.

Signature of the Applicant/Bidder/Tenderer.

Address:

Date:

In my opinion, the applicant/bidder/tenderer mentioned above has been doing everything possible to pay promptly and regularly the mineral revenue demand and to facilitate the completion of the pending or outstanding proceedings.

(This certificate is valid for the half year ending with the 31st March/the 30th September, 19.....).

Date:

Signature of the Issuing Authority.

Seal:

**<sup>1</sup>FORM-J**

(Should be submitted in triplicate)

**Model form of application for appeal/revision under****Rule 35 or 35-A**

[See Rule 35-C]

1. Name and address of individual(s), firm or company, applying.
2. Profession of individual(s), firm or company.
3. No. and date of order of the ADMG/DDM & G/DMG, against which the appeal/revision application is filed (copy attached).
4. Minor Mineral or Minor Minerals for which the revision application is filed.
5. Details of the area in respect of which the revision application is filed.

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<sup>1</sup>. Inserted by G.O.Ms.No. 25, Ind. & Com., dt. 12-1-1984.

District	Taluk	Village	S.No. and total area claimed
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(A map or plan of the area(s) to be attached).

6. Whether application fee has been deposited in the manner prescribed in sub-rule 35-B read with Rule 35-C(i) if so, the Treasury receipt in original should be attached.
7. Whether the appeal/revision application has been filed within time specified in Rule 35/35-A, if not, the reasons for not presenting it within the prescribed limits as provided for in rules.
8. Name and complete address of the party/parties impleaded, under Rule 35-C of A.P.M.M.C. Rules, 1966.
9. No. of copies of petitions/applications attached (Rule 35-C(4) A.P.M.M.C. Rules, 1966).
10. Grounds of appeal/revision.
11. If the appeal/revision application has been filed by the holder of Power of Attorney, the Power of Attorney to be attached.

Place: Signature of the Applicant.

Date:

<sup>1</sup>[FORM-J 1

[Should be submitted in triplicate]

**Model Form of Application for Appeal/Revision under Rule 9-H**

1. Name and address of individual(s), firm or company, applying.
2. Profession of individual(s) firm or company.
3. No. and date of the order against which the revision application is filed (copy attached).
4. Minor Mineral or Minor Minerals for which the appeal / revision application is filed.
5. Details of the area in respect of which the appeal / revision application is filed.

District	Reach / Mandal
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6. Whether the application fee has been deposited in the manner prescribed in Rule 9-GH(7), if so, the Treasury Receipt in original should be attached.

<sup>1</sup>. Inserted by G.O.Ms.No. 84, Ind. & Com., dt. 10-4-2007.

7. Whether the appeal / revision application has been within time specified in Rule 9-H(7), if not, the reason for not presenting it within the prescribed limits as provided for in rules.
8. Name and complete address of the party / parties impleaded, under Rule 9-H of APMMC Rules, 1966.
9. No. of copies of petition / applications attached under Rule 9-H of Andhra Pradesh Minor Mineral Concession Rules, 1966.
10. Grounds of appeal / revision.

Place:

Date:

Signature of the applicant.

<sup>1</sup>[FORM-K

**Application for issue of permit for despatch of Minor Minerals**

[See Rule 34]

1. Name of the lessee :
2. Address:
3. Location of the quarry  
Survey No., Village, Mandal and District):
4. Name of the Minor Mineral :
5. Quantity of the Minor Mineral in stock and the quantity proposed to be despatched:
6. Payment Particulars  
(a) Challan No., date & amount :  
(b) Name of the Treasury :
7. Route and Mode of Transportation:
8. Purpose of despatch of Minor Mineral (Own consumption or sale in case of sale, the name and address of the purchaser should be furnished):
9. Station of loading :
10. Destination of the Consignment with the name and address of the consignee.
11. Basic value of the minor mineral at pits head.
12. Date within which the applicant desires to despatch the quantity:

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<sup>1</sup>. Inserted by G.O.Ms.No. 425, I&C, dt. 21-12-1993, w.e.f. 27-12-1993.

13. Other particulars which the applicant wishes.

I/We hereby certify that the particulars given above are correct and to the best of my/our knowledge and belief.

Place: Signature of Lessee/Authorised Agent.]

Date:

<sup>1</sup>[FORM-K1

**Application for issue of permit for dispatch of Minor Minerals**

[See Rule 10(5) and Rule 34(3)]

1. Name of the Industry:
2. Address
3. Location of the Industry  
Survey No. Village, Mandal and District :
4. Name of the Minor Mineral utilized in the industry:
5. Quantity of the Minor Mineral in stock and proposed to be procured

Mineral	Unit	Stock at Unit		Raw Material Proposed to be procured
		Raw	Finished	

6. Payment Particulars:
  - (a) Challan No., Date and amount:
  - (b) Name of the Treasury
7. Route and Mode of Transportation of Raw Blocks:
8. Basic value of Finished Product at Industry Site.
9. Date with in which the applicant desires to dispatch the quantity:
10. Other particulars which the applicant wishes.

I/We hereby certify that the particulars given above are correct and to the best of my/our knowledge and belief.

Place: Signature of the applicant/Authorized Agent.”.

Date:

<sup>1</sup>. Inserted by G.O.Ms.No. 104, I&C (M1) Dept., dt. 15-5-2009.

4. The Director of Mines and Geology shall review the entire system once in 3 months, to take stock of the situation at regular Intervals.

5. The Director of Mines and Geology, Hyderabad shall take necessary action to implement the recommendations made by the 2nd Administrative Reforms Commission in its Fourth Report titled "Ethics in Governance" relating to "Reducing Discretion".

6. The order issues with the concurrence of Finance (Expr. I&C) Dept. vide their U.O.No. 12770/221/Exp. I&C/09, dated 13.5.2009.]

<sup>1</sup>[FORM L

**Permit for despatch of Minor Mineral**

[Under Rule 34]

Permit No ..... Dated .....

Permit is hereby granted to ..... to despatch ..... cubic metres of ..... Minor Mineral from his/their ..... quarry lease situated in Survey No ..... of ..... village ..... mandal and ..... district in consideration of payment of a sum of Rs ..... being the seigniorage fee on the said quantity, subject to the following conditions :

1. The permit is valid for ..... from ..... to ..... and shall expire on .....
2. The permit is not transferable.
3. <sup>2</sup>[xxx]
4. The permit shall be surrendered after the quantity noted therein is despatched to the Department within a week after the last consignment of despatch along with the despatch particulars by giving the details of the name of the consignee, the date of despatch etc.
5. Holder of the permit shall allow the executive staff and the officers of the Department of Mines and Geology to inspect, check and measure the minor minerals in all stages of movement.
6. The department has the right to claim amounts by way of difference of seigniorage fee based on the scrutiny of the sale documents and the check measurements, provided the excess quantity is not beyond 10% of the quantity mentioned in the documents. The excess quantity beyond 10% is liable for penalisation under <sup>3</sup>[Rule 34 (1).]

<sup>1</sup>. Ins. by G.O.Ms.No. 425, I&C., dt. 21-12-1993, w.e.f. 27-12-1993.

<sup>2</sup>. Sl.No. 3 omitted by G.O.Ms.No.104, I&C (M1), Dept., dt. 15-5-2009.

<sup>3</sup>. Subs. for "Rule 34 (2)" by G.O.Ms.No. 102, I&C (MI) Dept., dt. 28-09-2010.

6A. <sup>1</sup>[xxx]

- 7. Failure to comply with any of the above conditions shall entitle withdrawal of the permit or cancellation of the same.

Issuing Authority]

<sup>2</sup>[FORM-L1

**Permit for Dispatch of Minor Mineral**

Under Rule 34(3)

Permit No.      Dated:.....

Permit is hereby granted to dispatch \_\_\_\_\_ cubic meters of \_\_\_\_\_ from any authorized quarry lease granted under the provisions of the Andhra Pradesh Minor Mineral Concession Rules, 1966 in consideration of payment of sum of Rs. \_\_\_\_\_ being the seigniorage fee on the said quantity on slab system subject to the following conditions:

- 1. The permit is valid for \_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_ and shall expire on \_\_\_\_\_ .
- 2. The permit is not transferable.
- 3. The permit shall be surrendered after the quantity noted there in is dispatched to the Department within a week after the last consignment of dispatch along with the dispatch particulars by giving the details of the name of the lease holders from whom the material is procured.
- 4. Holder of the permit shall allow the executive staff and the officers of the Department of Mines and Geology to inspect, check, and measure the minor minerals in all stages of movement.
- 5. The Department has the right to claim amounts by way of difference of seigniorage fee based on the scrutiny of the sale documents and the check measurements, provided the excess quantity is not beyond 10% of the quantity mentioned in the documents. The excess quantity beyond 10% is liable for penalization under <sup>3</sup>[Rule 34 (1).]
- 6. Failure to comply with any of the above conditions shall entitle withdrawal of the permit and cancellation of the same.

Encl: Transit forms from

Sl.No. \_\_\_\_\_ to \_\_\_\_\_ to

procure the raw material

under this permit.]      Issuing Authority.]

<sup>1</sup>. Sl.No. 6-A, omitted by *Ibid.*

<sup>2</sup>. Inserted by G.O.Ms.No. 104, I&C (M1) Dept., dt. 15-5-2009.

<sup>3</sup>. **Subs. for "Rule 34 (2)" by G.O.Ms.No. 102, I&C (MI) Dept., dt. 28-09-2010.**

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**FORM 'M'****Form of Agreement***[See Rule 10]*

This indenture made this ..... day of 199 ..... between the Governor of Andhra Pradesh (hereinafter called the "State Government" which expression shall where the context so admits, include his successors in Office and Assigns) of the One Part, and

**WHEN AUTHORISED AGENT IS AN INDIVIDUAL :**

..... (Name of person with Address and Occupation) (hereafter referred to as the authorised Agent which expression shall where the context so admits to be deemed to include his respective heirs and legal representatives).

**WHEN THE AUTHORISED AGENTS ARE MORE THAN ONE INDIVIDUAL:**

..... (Name of the person with address and Occupation) (hereafter referred to as the authorised agents which expression shall where the context so admits to be deemed to include their heirs and Legal representatives).

**WHEN THE AUTHORISED AGENT IS A REGISTERED FIRM :**

..... (Name and Address of Partner) Son of .....  
..... all carrying business in partnership under the firm Name and Style of ..... (Name of the firm) Registered under the Indian Partnership Act, 1932 (9/1932) and having their Registered Office at ..... in the Town of ..... (hereafter referred to as the authorised agent which expression where the context so admits is deemed to include of the said partners their respective heirs Legal representatives and permitted assigns) of the other Part.

Whereas the authorised agent has been granted in <sup>1</sup>[Sealed Tender-cum-Public Auction] by the State Government the rights of collection of seigniorage fee in respect of the Minor Minerals specified in the schedule from the area specified : therein and has paid the 25% of knocked down amount towards 1st instalment and has furnished the bank guarantee for the remaining 75% of the knocked down amount and has deposited with the Assistant Director of Mines and Geology ..... of the sum

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<sup>1</sup>. Subs. for the words "Public Auction" by G.O.Ms.No. 50, I & C (M.I) Deptt., dt. 17-3-1997.



of <sup>1</sup>[Rs. ....] as security for the due and faithful performance by the authorised agent of the conditions on the Part of the authorised agent hereinafter contained.

And whereas the State Government demised the area hereafter described for the term and <sup>2</sup>[knocked down] amount and subject also to the conditions hereinafter contained, now this indenture witness as follows:—

The State Government hereby permits the authorised agent to collect the seigniorage fee in respect of the Minor Minerals specified from the lease holders whose leases are situated in the village of ..... in mandal ..... and District of ..... above more particularly described in schedule hereunder.

**Part - I : MODE OF PAYMENT OF KNOCKED DOWN AMOUNT :**

The authorised agent having paid the 1st instalment of the knocked down <sup>3</sup>[x x x] amount before enter in the agreement shall pay remaining 3 quarterly instalments as detailed below :

2nd Instalment of Rs. .... on or before .....

3rd Instalment of Rs. .... on or before .....

4th Instalment of Rs. .... on or before .....

The State Government shall have the power to terminate the agreement if the authorised agent falls to pay the instalments as above and to forfeit to the Government the amounts paid by the authorised agent and the amount guaranteed by Bank.

**Part - II : LIBERTIES OF THE AUTHORISED AGENT :**

<sup>4</sup>(1) To collect seigniorage fee at the relevant rates specified in Schedule 1 to Rule 10(1) and the relevant rates mentioned under Rule 12(5)(e) from the lease holders including temporary permit holders except the persons/organisations who obtained quarry leases with exemption from payment of seigniorage fee in respect of specified minerals for the quantities consumed or despatched by lease holders from their respective leases situated within the demised area at or before the time of despatch of the minerals.

(2) To issue transit way bills to the lease holders including temporary permit holders after collecting the seigniorage fee.]

<sup>1</sup>. Subs. for the amount "25000" by G.O.Ms.No. 50, I & C (M.I) Deptt., dt. 17-3-1997.

<sup>2</sup>. Subs. by G.O.Ms.No. 50, I & C (M.I) Deptt., dt. 17-3-1997.

<sup>3</sup>. The word "bid" omitted by G.O.Ms.No. 50, I & C (M.I) Deptt., dt. 17-3-1997.

<sup>4</sup>. Subs. by *ibid.*

(3) To check the vehicles transporting specified minor minerals for the purpose of collection of seigniorage fee.

Part - III : RESTRICTIONS ON THE AUTHORISED AGENT :

<sup>1</sup>[(1) The authorised agent shall not collect the seigniorage fee in excess of relevant rates specified in the Schedule I to Rule 10(1) and the relevant rates mentioned under Rule 12(5)(e).]

(2) The authorised agent shall not interfere with the quarrying operations or transportation of any Minor Minerals other than those specified under the schedule appended.

(3) The authorised agent shall not interfere with the <sup>2</sup>[Mining] and transportation of any Major Minerals from the demised area.

(4) The authorised agent shall not interfere with the transportation of Minor Minerals specified in the schedule when they are quarried and transported from the leases situated outside the demised land and the transportation is covered by a valid despatch permit issued by competent authority having jurisdiction over the area from which the minor mineral was quarried.

(5) No building or thing shall be erected, set up or placed on any public ground or any place held sacred any class of persons or in such a manner as to injure prejudicially effect any rights of other persons.

Part - IV : LIBERTIES OF THE STATE GOVERNMENT :

(1) The State Government shall have the liberty to grant the quarry leases in respect of the minor minerals specified in the schedule hereunder as per A.P.M.M.C. Rules, 1966.

(2) The State Government shall have the power to penalise any person indulged in illicit quarrying and transportation of minerals from demised area as per rules.

(3) The State Government shall have the power to terminate the agreement with the authorised agent if he violates the conditions specified in Part-III above.

Part - V : IT IS HEREBY EXPRESSLY AGREED AS FOLLOWS :

(1) The authorised agent shall immediately inform to the Assistant Director of Mines and Geology concerned about any illicit quarrying of minor minerals noticed within the demised area.

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

<sup>2</sup>. Subs. for the word "Minor" by *ibid*.

- (2) The authorised agent shall maintain correct account of the minor minerals consumed or despatched from the demised area and shall furnish the same to the department when asked for.
- (3) The authorised agent shall make his own arrangements for collecting the seigniorage fee from the lessee and he shall not claim any compensation for any failure on his part in collecting the same.
- (4) The Bank Guarantee furnished by the Authorised Agent for the 75% of the knocked down bid amount and the security deposit of <sup>1</sup>[Rs. ....] shall be returned after the completion of the said term of one year. Provided that the authorised agent duly observed and performed the conditions on his part herein contained.
- (5) If any question of difference or dispute shall arise between the parties here to or any person concerning the <sup>2</sup>[knocked down] amount and seigniorage fee hereby reserved any of these presents, it shall be reserved to the State Government whose decision thereon shall be final and binding on the parties hereto.

In witness whereof ..... Assistant Director of Mines and Geology ..... acting for and on behalf of and by order and direction of Governor of Andhra Pradesh and the Authorised Agent have hereupto set their hands the day and year first above writing.

#### THE SCHEDULE

Location of the demised area			Minor Minerals	<sup>3</sup> [knocked down
Village	Mandal	District	Specified	amount
1	2	3	4	5

Signed and delivered by the above named in the presence of :

#### <sup>4</sup>[MODEL FORM - N

Application for Quarry Prospecting Licence for <sup>5</sup>[granite and marble]

To be submitted in triplicate

<sup>1</sup>. Subs. for the expression "Rs., 25,000/-" by G.O.Ms.No. 50, I & C (M.I) Deptt., dt. 17-3-1997.

<sup>2</sup>. Subs. for the word "bid" by *ibid*.

<sup>3</sup>. Subs. for the word "bid" by *ibid*.

<sup>4</sup>. "Form-N to Form-R" Inserted by G.O.Ms.No. 227, I & C (M. I) Dept., dt. 23-3-2000.

<sup>5</sup>. Subs. for "Granite" by G.O.Ms.No. 282, I&C (M-I) Dept., dt. 23-9-2003.

[See Sub-Rule (5) of Rule 12]

Dated ..... day ..... of .....20 ...

Received  
At  
On  
Initial of the Receiving Officer

<p>Latest Passport Size Photo of the applicant attested by a Gazetted Officer be affixed</p>
--

To  
Through  
Sir,

I/We request that a Prospecting Licence under APMMC Rules, 1966 be granted to me/us.

2. A sum of Rs. 5000/- and DD for Rs. .... being the fee in respect of this application and deposit respectively has been paid Vide Challan No..... dt. .... Of the State Bank of India/Treasury ( ) DD No. .... dt. .... Of ..... [any Nationalized Bank.]

3. The required particulars are given below:—

- (i) Name of the applicant with complete address.
- (ii) Is the applicant a private individual/private company/public company/firm or association?
- (iii) In case applicant is:
  - (a) an individual, his nationality.
  - (b) A company, an attested copy of the certificate of registration of the company shall be enclosed.
  - (c) A firm or association, the nationality of all the partners of the firm or members of the association.
- (iv) Profession or nature of business of applicant.

[V-a] No. and date of the valid clearance certificate of payment of mining dues [Copy attached].

[V-b] If on the date of application, the applicant does not hold a Prospecting Licence, it should be specified whether an affidavit to this effect has been furnished to the satisfaction of the State Government.

- vi. Details of <sup>1</sup>[granite and marble] which the applicant intends to prospect.
- vii. Period for which the Prospecting Licence is required.
- viii. Extent of the area the applicant wants to prospect.
- ix. Details of the area in respect of which prospecting Licence is required.

District	Mandal	Village	Sy. No. Plot No.	Area
----------	--------	---------	---------------------	------

(x) (a) Does the applicant have surface rights over the area for which he requires a prospecting licence? If so with relevant certified documents.

(b) If not, has he obtained the consent of the owner, and the occupier of the land for undertaking prospecting operations].

If so the consent of the owner and the occupier obtained in writing be filed. (in certified copies)

**N.B.:**— The areas shall cover whole or recognized part survey numbers.

(c) In case of forest areas, the name of the working circle, the range and felling series.

(d) For areas where no forest or cadastral maps are available, a sketch plan should be submitted on scale showing the area applied for together with boundary, if any, of any other existing quarrying lease or prospecting licence areas if the areas applied for has any common point or line with the boundaries of existing prospecting licence or quarrying lease areas.

(xi) The area applied for should be marked on plans as detailed below:—

(a) In case a cadastral map of the area is available the area on this map should be marked showing the name of the Village, Khasra No. and areas in hectares of each field and part thereof.

**N.B.:**— The area applied for shall cover whole survey numbers.

(b) In the case of forest maps the area should be marked on the map showing the range and felling series.

(c) In case neither cadastral nor forest maps, are available, the area should be marked on a sketch plan drawn to scale showing on this

<sup>1</sup>. Subs. for "Granite" by G.O.Ms.No. 282, I&C (M-I) Dept., dt. 23-9-2003.

plan all important surface and natural features, and dimensions of the lines forming the boundary of the area and the bearing and distance of all corner points from any important, prominent and fixed point or points].

(xiii) Particulars of the areas mineral-wise (in each State duly supported by an affidavit) for which the applicant or any person joint in interest with him.

- (a) Already holds under prospecting licence.
  - (b) Has already applied for but not granted, or
  - (c) Being applied for simultaneously.
- (xiii) Nature of joint in interest, if any.

(xiv) If the applicant intends to supervise the work, his previous experience of prospecting and mining should be explained, if he intends to appoint a manager, the name of such manager, his qualifications, nature and extent of his previous experience should be specified and his consent letter be attached.

(xv) Financial resources of the applicant.

(xvi) Particulars of receipted treasury challan and deposits attached for the amount referred to at 2 above.

(xvii) Any other particulars or sketch map which the applicant wishes to furnish.

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details including accurate plans as may be required by you.

Place:  
Date:

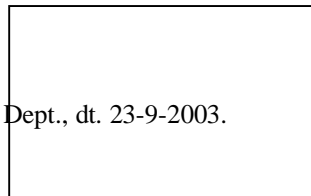
Yours faithfully  
Signature and Designation  
of the Applicant.

**FORM - O**

**Form of Prospecting Licence of <sup>1</sup>[granite and marble]**

[See Rule 12(5)(e)]

<sup>1</sup>. Subs. for "Granite" by G.O.Ms.No. 282, I&C (M-I) Dept., dt. 23-9-2003.



Latest Passport Size  
Photo of Licensee duly  
attested by a Gazetted  
Officer be affixed.

This indenture made the ..... day of..... 20... between the Governor of Andhra Pradesh (hereinafter called the “Government” which expression shall where the context so admits, include his successors in office and assigns) of the part, and..... (hereinafter called the “Licensee” which expression shall, where the context so admits, include his heirs, executors, administrators, representatives and assigns) of the other part.

Whereas the Licensee has been granted Prospecting Licence by the Government of Andhra Pradesh on application of lands in the..... District, for the purpose of Prospecting for <sup>1</sup>[granite and marble] and as deposited with the Assistant Director of Mines & Geology of..... the sum of Rs..... as security for the due and faithful performance by the Licensee of the covenants and conditions on the part of the Licensee hereinafter contained.

And whereas the Government of Andhra Pradesh acting for and on behalf of the Lands and Premises hereinafter described and demised for the term and at the Prospecting Licence fee and subject also to the covenants and conditions hereinafter contained now this indenture witnesses as follows:—

The Government hereby demises to the Licensee all those several pieces or parcels of land situated in the village of..... in the sub-registration district of..... and registration district of Andhra Pradesh being more particularly described in the schedule hereunder written and delineated in the map or plan hereunto annexed and therein coloured.

2. These are included in the said demise and for the purposes thereof following liberties:—

- (i) To get from the said demised pieces of land.
- (ii) For the purpose aforesaid to use any water in or under the said demised pieces of land and to divert the same and to make or construct any water courses or ponds so however that nothing shall be done in the exercise of this authority which shall interfere with the rights of any adjoining owners or the tenants of the Government, in respect of such water.

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<sup>1</sup>. *Ibid.*

3. These are expected and reserves to the Government out of this demise.

- (i) Liberty for the Government or other persons authorised by them to search for work, get and carry away the excepted minerals and other substances and for such purposes to have the right of ingress, egress and regress over the said demised pieces of land and to make erect and use all pits, machinery, buildings, roads and other necessary works and conveniences provided that the rights hereby reserved shall be exercised in such a way as to cause as little obstruction as possible to the licence in the use and enjoyment of its rights hereunder and that reasonable compensation for damages caused by any such obstructions shall be paid to the licensee the amount thereof in case of difference to be settled by arbitration as hereinafter provided.

4. The said demised pieces of land shall be held by the Licensee for the term of ..... years from the..... day of.....20.... to the..... day of .....20.... determinable as hereinafter provided.

5. The Licensee hereby agrees to pay during the said term a Prospecting fee of Rs..... per hectare together with Land Assessment, and Cesses thereon which may from time to time be imposed by the Government.

6. The Government may during the currency of the Licence, vary the rate of Prospecting fee.

7. It is hereby agreed and declared that the said Prospecting fee together with Land Assessment and Cess on Land Assessment shall be paid by the licensee at the time of execution of the Licence Deed and for the subsequent years one month in advance every year.

8. The Licensee is hereby covenants with the Government as follows:—

- (i) To pay the Prospecting Licence fee on the days and in the manner aforesaid.
  - (ii) To bear, pay and discharge all existing and future rates, taxes, assessments, duties, impositions, outgoings and burdens whatsoever imposed or charged upon the demised pieces of land or the Prospecting fee hereby reserved or upon the owner or occupier in respect thereof or payable by either in respect thereof except such charges or impositions as the Licensee is or may hereinafter be by law exempted from.
- (ii-A) Should any Prospecting fee or other sums due to the State Government under the terms and conditions of these presents be



not paid by the Licensee within the prescribed time, the same may be recovered together with simple interest due there on at the rate of twenty four percent per annum on a certificate of such officer as may be specified by the State Government by general or special order in the same manner as on arrears of land revenue.

- (iii) Before digging or opening any part of the said demised pieces of land for..... carefully to remove the surface soil to a depth of atleast .....metres and lay aside and store the same in some convenient part of the said demised pieces of land until the land from which it has been removed is again restored to a state fit for cultivation as hereinafter provided.
- (iv) To effectually fence off the said demised pieces of land from the adjoining lands and to keep the fences in good repair and conditions.
- (v) Not to assign under let or part with the possession of the demised land or any part thereof without written consent of the Government first obtained.
- (vi) After working out any part of the said demised pieces of land forthwith to level the same and replace the surface soil thereof and slope the edges, where necessary, so as to afford convenient connection with the adjoining land.
- (vii) That the Licensee shall keep correct accounts, in such form as the Assistant Director of Mines & Geology concerned shall, from time to time, require and direct showing the quantities and other particulars of the said mineral obtained by the Licensee from the said lands and also the number of persons employed in carrying on the said Prospecting operations there in and shall, from time to time, when so directed by the Assistant Director of Mines & Geology concerned prepare and maintain complete and correct plans of all Prospecting operations conducted in the said lands and shall allow any officer thereunto, authorised by the Government from time to time and at any time, to examine such accounts and any such plans and shall, when so required, supply and furnish to the Government all such information and returns regarding all or any of the matters aforesaid as the Government shall from time to time require and direct.
- (viii) That if the course of the Prospecting any mineral not specified in the licence is discovered the Licence or registered holder shall at once report such discovery to the Assistant Director of Mines & Geology concerned who shall obtain orders of the Director regarding the Prospecting of the same.

- (ix) That the Governments agents, servants and workmen shall be at liberty at all reasonable times during the said term, to inspect and examine the works carried on by the Licensee under the liberties hereinbefore granted and the Licensee shall and will, from time to time, and at all times during the said term hereby granted confirm to observe all orders and regulations which the Government or an authorised agent as the result of such inspection may from time to time see fit to impose to keep the lands in good and substantial repair, order and condition or in the interest of public health and safety.
- (x) The Licence shall without delay sent to the Assistant Director of Mines & Geology a report of any accident involving the death or injury to any person which may occur in or about the Prospecting Licence area and shall observe all rules for the time being in force regulating the working of Prospecting Licence.
- (xi) That the Licensee shall not without the express sanction in writing of the said Assistant Director of Mines & Geology cut down or injure any timber or trees on the said lands but he may clear away brushwood or undergrowth which interferes with any operations authorised by these presents on payment of due compensation for cutting or injuring tree growth in the said lands to the departments concerned.
- (xii) That wherever necessary, pay to the person concerned, compensation for any loss or damage which may be caused by the Licensee to the surface of the demised pieces of land or to anything growing or situated therein in exercise of the rights granted and shall not commence operations until such compensation has been paid. The Licensee shall further always keep the Government indemnified against any claim by any person for any loss or injury caused to him or to his property by the Licensee. The Deputy Director shall be the competent authority to assess and fix any compensation payable by the licensee for any loss or injury done to him or his property.
- (xiii) That if required by the Assistant Director of Mines & Geology, erect and maintain at his own expense, boundary pillars of substantial material standing not less than three feet above the surface of the ground at each corner or angle in the line of the boundary of the area granted to him and at intervals of not more than three metres along the boundary, as delineated in the plan attached to the licence deed.

- (xiv) If any mineral not specified in the Licence deed or agreement is discovered the Licensee or the registered holder shall at once report such discovery to the Assistant Director of Mines & Geology, to enable him to obtain the orders of the Director of Mines and Geology/Government for Prospecting of the same.
- (xv) The Licensee or the registered holder shall strengthen and support to the satisfaction of any Railway Administration concerned or the State Government as the case may be, any part of the Prospecting Licence area 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 structure.
- (xvi) That this Licence may be terminated in respect of the whole or any part of the premises by six months notice in writing on either side.
- (xvii) That on such determination the Licensee shall have no right to compensation of any kind.
- (xviii) That the Prospecting fee payable under these presents shall be recoverable under the provisions of the Revenue Recovery Act, 1864 thereof.
- (xix) That the determination of the tenancy to deliver up the demised land in such condition as shall be in accordance with the provisions of these presents save that the Licensee shall if so required by the Government, restore in the manner provided by the foregoing covenant in that behalf the surface or any part of the land which has been occupied by the Licensee for the purpose of the works hereby authorised and has not been so restored.
- <sup>1</sup>[(xx) The licensee for granite and marble shall comply with the provisions of Granite Conservation and Development Rules, 1999 and the Marble Development and Conservation Rules, 2002 respectively.]

9. The Government is hereby covenants with the Licensee that on the Licensee paying the Prospecting fee hereby reserved and that on observing and performing the several covenants and stipulations herein, the Licensee shall peaceably hold and enjoy the demised pieces of land and the liberties and powers hereby demised and granted during the said term without any interruption by the Government or any person rightfully claiming under or in trust for him.

9(A). Government reserves the right.

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<sup>1</sup>. Subs by G.O.Ms.No. 282, I&C (MI) Dept., dt. 23-9-2003.

- (i) To cancel the Prospecting Licence granted and executed under these rules after giving a previous notice.
- (ii) To prohibit Prospecting operations in part or the whole of the area under Licence with recorded reasons.

10. It is hereby expressly agreed as follows:—

10(i) If any part of the Prospecting Fee hereby reserved shall be unpaid for 30 days for becoming payable (whether formally demanded or not) or if the Licensee while the demised pieces of land or any part thereof remain vested in him shall become insolvent or if any covenants on the Licensee's part herein contained shall not be performed or observed them and in any of the said case it shall be lawful for the Government at any time thereafter to declare the whole or any part of the said security deposit of Rs..... to be forfeited and also to reenter upon the demised pieces of land or any part thereof in the name of the whole and thereupon this demise shall absolutely determine but without prejudice to the right of actions of the Government in respect of any breach or non observance of the Licensees covenants herein contained.

- (ii) At the expiry of the determination of the Licence, the Licensee shall be at liberty to remove and carry all Engines, Machinery, articles and other things whatsoever (not being building or bricks or stones) within one month or extended period granted by the Government after paying Prospecting fee and other sums which may be due and performing and observing the covenants on his part herein before reserved and contained and also making good any damages done by such removal but not building which shall be erected on the said demised piece of land by the Licensee and left there on at the determination of the Licence and shall be the absolute the Property of the Government who shall not pay any price for the same.
- (iii) If the Licensee shall have paid the Prospecting Fee and duly observed and performed the covenants and conditions on his part herein contained the said deposit of Rs..... shall be returned to him at the expiration of the said term of..... years.
- (iv) If any question of difference or dispute shall arise between the parties hereto or any persons claiming under them respectively concerning the Prospecting Fee hereby reserved or touching the construction of any clause herein contained or the rights, duties or liabilities of the parties hereunder or in any other way touching or arising out of these presents the same shall be referred to the Director of Mines and Geology whose decision thereon shall be final and binding on the parties thereto.

In witness whereof..... Assistant Director of Mines and Geology of..... acting for and on behalf of and by order and direction of the Government of Andhra Pradesh the Licensee have hereunto set their hands the day and year first above written.

**The Schedule**

Name of Mandal North, and District	Name of Village	Survey field Nos.	Extent	Assessment	Boundaries South, West and East
1	2	3	4	5	6

Signed and delivered by the above named in the presence of .....

**MODEL FORM—P**

**Application for Quarry Lease for <sup>1</sup>[Granite and Marble]**

To be submitted in Triplicate

[See Rule 12(5)]

Received  
At..... (Place)  
On..... (Date)  
Initial of the Receiving Officer

<p>Latest Passport Size Photo of the applicant attested by a Gazetted Officer be affixed.</p>
---

Dated the ..... day of ..... 20 ....

To:  
.....  
.....

Through:  
Sir,

I/We request that a Quarry Lease under the APMMC Rules 1966 may be granted to me/us.

<sup>1</sup>. Subs. for "Granite" by G.O.Ms.No. 282, I&C (M-I) Dept., dt. 23-9-2003.

2. A sum of Rs. 5000/- and DD for Rs..... Being the fees in respect of this application and deposit respectively payable under sub-rule (5-a) of Rule 12 (vide Challan No..... dated..... of the State Bank of India/Treasury.....) and DD No..... and date .....) [of any Nationalised Bank].

3. The required particulars are given below:

- (i) Name of the applicant with Complete Address. Status of the applicant.
- (ii) Is the applicant a private individual/Co-operative/firm/association/private sector undertaking/Joint Sector undertaking or any other.
- (iii) In case the applicant is .....
  - (a) an individual, his nationality qualification and experience relating to quarrying
  - (b) a company, an attested copy of the certificate of registration of the company shall be enclosed.
  - (c) firm or association, the nationality of all the partners of the firm or members of the association; and
  - (d) a co-operative, nationality of non-India Members, if any along with place of Registration and a copy of the certificate of registration.
- (iv) Profession or nature of business of applicant.
- (v) Particulars of documents appended:                      Document    Reference
  - (a) Mineral Dues Clearance Certificate
 

Or

  - (b) Affidavit in lieu of Mineral Dues Clearance Certificate; subject to the production of Mineral dues, clearance certificate within the period of ninety days of making application
 

Or

  - (c) Affidavit when not holding any quarry lease.
- vi. Mineral or minerals which the applicant intends to quarry.

- vii. Period for which Quarry lease is required.
- viii. Extent of the area for which quarrying lease is required.
- ix. Details of the area in respect of which quarrying lease is required.

District	Mandal	Village	Khasra No.	Plot No.	Ownership/ Area Occupancy
					<ul style="list-style-type: none"> <li>x. Brief description of the area with ; particulars reference to the following:—               <ul style="list-style-type: none"> <li>a. Does the applicant have surface rights over the area for which he is making an application for grant of a quarry Lease.</li> <li>b. If not, has he obtained the consent of the owner, and the occupier of the land for undertaking quarrying operation. If so, the consent of the owner and occupier of the land be obtained in writing and be filed.</li> </ul> </li> <li>xi. a. A copy of Village Map which is not in less scale than village map showing the area applied for the situation of the area in respect of natural features such as streams or lakes.               <ul style="list-style-type: none"> <li>b. in the case of Village area ; the name of the village, the khasra number, the area in hectares of each field or part hereof applied for ;</li> <li>c. In case the area applied for is under forest, then the following particulars be given:—</li> </ul> </li> <li>xii. 1. Forest division Block and Range               <ul style="list-style-type: none"> <li>2. Legal status of the Forest (namely reserved, Protected, unclassified etc.)</li> </ul> </li> <li>xiii. Particulars of the areas mineral wise in each Stated duly supported by an affidavit for which the applicant or any person joint in interest with him.</li> </ul>

- A. Already holds under quarrying lease.
- B. Has already applied for but not granted.
- C. Being applied for simultaneously.
- xiv. Nature of joint in interest if any.
- xv. a. Does the applicant hold a prospecting licence over the area mentioned at (xi) above? : If so, give its numbers and date of grant and the date when it is due to expire.
- b. Has the applicant carried out the prospecting operation over the area held under PL and sent his report to the State Government, If not, state reasons for not doing so.
- c. Nature of the land chosen for dumping overburden/waste and tailings (that is type of land whether agricultural, grazing land ; barren, saline land etc.) and whether proposed site has been shown on the mine working plan. Give also the extent of area in hectares set apart for dumping of waste and tailings.
- xvi. A report giving the details of prospecting carried out in the area together with assessment of the ore reserves, geological plans, results of chemical analysis of the representative samples and bore holes and logs.
- xvii. Manner in which the mineral raised is to be utilised.
  - a. i. if for captive use, the location of plant and industry.
  - ii. for sale for indigenous consumption.
  - b. If for exports to foreign countries:—
    - i. Names of the countries to which it is likely to be exported where the name is being set up on 100% export oriented or tied up basis.
    - ii. Whether mineral will be exported in raw form or after processing. Also indicate



the stage of prospecting, whether intermediate stage or final stage of the end product.

c. If it is to be used within the country, indicate:— the industry/industries in which it would be used. Whether it will be supplied in raw form or after processing.

(xviii)(i) Financial resources of the applicant.

(ii) Anticipated yearly financial investments during the course of quarry construction and aggregate investment upto the stage of commencement of commercial production.

(xix) The application form should be accompanied by a statement of the salient features of the scheme of quarrying. This should be generally on the lines of the Project at a Glance given in a quarrying feasibility report including features relating to the protection of environment.

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details including accurate plans and security deposit as may be required by you.

Place :

Yours faithfully,

Date :

Signature of the Applicant.

**Note:**— 1. If the application is signed by any Authorized Agent of the applicant, then the Power of Attorney should be attached.

2. The application should relate to one compact area only except when the application for Q.L. is for an area already held under P.L. by the applicant.

**MODEL FORM Q**

**Application for Renewal of Quarry Lease for <sup>1</sup>[Granite and Marble]**

[See Rule 12(5)(h)(xi)]

Received  
At..... (Place)

Latest Passport Size Photo  
of the Applicant shall be

<sup>1</sup>. Subs. for "Granite" by G.O.Ms.No. 282, I&C (M-I) Dept., dt. 23-9-2003.

On..... (Date)  
Initial of Receiving Officer.

affixed at this place attested  
by a Gazetted Officer

To  
Through  
Sir,

Dated the ..... day of ..... 20 ...

I/We request for renewal of my/our Quarrying Lease under the Andhra Pradesh Mineral Concession Rules, 1966.

A sum of Rs. 5,000/- (Rupees Five Thousand only) being the application fee payable under sub-rule (5)(f)(11) of Rule 12 of the said rules has been deposited.

2. The required particulars are given below:

- (i) Name of the application with complete address.
- (ii) Is the applicant a private individual/private company/public company/firm or association.
- (iii) In case applicant is:
  - (a) An individual, his Nationality
  - (b) A company, an attested copy of Certificate of registration of the company shall be enclosed.
  - (c) A firm or association, the Nationality of all the Partners of the firm or members of the Association.
- (iv) Profession or nature of business of applicant
- (v) Number and date of valid clearance of payment of Mining and Quarrying dues.
- (vi)(a) Particulars of the Quarry lease of which renewal is desired.
  - (b) Details of previous renewal granted if any.
- (vii) Period for which the renewal of lease is required.
- (viii) Whether renewal is applied for the whole or part of the lease hold?

- 
- (ix) A. (a) Does the applicant continue to have surface rights over the Area of the land for which he required renewal of the Quarry Lease
- (b) If not, has he obtained the consent of the owner, and the occupier for undertaking quarry operations. If so the consent of the owner and the occupier of the land obtained in writing be filed.
- B. Particulars of the areas mineral wise in the State duly supported by affidavit for which the applicant or any person join in interest with him.
- (a) already holds under quarry lease.
- (b) has already applied for but not granted, or
- (c) being applied for simultaneously.
- C. A mining plan which shall include:
- (a) the plan of the area showing the nature and extent of the mineral body spot or spots where the excavation is to be done in the first year and its extent, a detailed plan of spot(s) of excavation based on prospecting data gathered by the applicant, a tentative scheme of quarrying, for the first five years of the lease.
- (b) the details of geology and lithology of the area, the extent of manual quarrying and through machines.
- (c) annual programme and plant for excavation for five years and
- (d) the plan, the area showing natural water courses, limit of reserved and other forest areas and density of trees, assessment of impact of quarrying activity of forest, land surface and environment including air and water pollution, and details of the scheme for afforestation, land reclamation, use of pollution control devices.
- D. Is the mineral going to be used in his own industry?

If so give details.

x. In case the renewal applied for is only part of the leasehold:

- (a) the area applied for renewal.
- (b) description of the area applied for renewal (description should be adequate for the purpose of demarcating the plot)
- (c) particulars of map of the lease hold with area applied for renewal clearly marked on it (attached)
- (d) particulars of existing or created dumps of ones, if any
- (xi) Means by which the mineral is to be raised i.e., by hand labour or mechanical or electric power.
  - (a) manufacture in India.
  - (b) for exports to foreign countries.
  - (c) in the former case the industries in connection with which it is required, should be specified. In the latter case, the countries to which the mineral will be exported and whether the mineral is to be exported after processing or in raw form should be stated.
- (xii) Details of output during the last three years and phase programme For production during the next three years along with a layout plan for development if any.
- (xiii) Any other particulars which the applicant wishes to furnish.

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details, including accurate plans as required by you before the grant of renewal.

Place:

Yours faithfully,

Date :

Signature of the Applicant.

**N.B.:**— If the application is signed by authorised agent of the applicant, Power of Attorney should be attached in original.

**MODEL FORM - R**

**Application for Transfer of Licence/Lease for <sup>1</sup>[Granite and Marble]**

[See Rules 12(5)(h)(viii)]

Dated the..... day of..... 20....

Received  
At..... (Place)  
On..... (Date)

Latest Passport Size  
Photo (Transferor)  
Attested by a Gazetted  
Officer to be Affixed

Latest Passport Size  
Photo (Transferor)  
Attested by a Gazetted  
Officer to be Affixed

Initial of Receiving Officer

To

Through

Sir,

I/We request for sanction of Transfer of my/our Licence/Lease under the APMMC Rules, 1966.

2. A sum of Rs. 5000/- (Rupees Five Thousand only) being the fee in respect of this transfer application has been deposited (Vide Receipt Challan No. .... Dated ..... of the State Bank of India/Treasury.....)

3. The required particulars are given below:

- (i) Name and address of the Transferor  
(Original Licencee/Lessee)
- (ii) Location of the area proposed for transfer.

- 1. Mineral Extent
- 2. Sy. No.
- 3. Village
- 4. Mandal
- 5. District

<sup>1</sup>. Subs. for "Granite" by G.O.Ms.No. 282, I&C (M-I) Dept., dt. 23-9-2003.



- (xi) (a) A copy of Village Map which is not in less scale than village map showing the area applied for the situation of the area in respect of natural features such as streams or lakes.
- (b) in the case of Village area; the name of the village, the khasra number, the area in hectares of each field or part hereof applied for.
- (c) In case the area applied for is under forest, then the following particulars be given:—
- (xii) 1. Forest Division Block and Range
- 2. Legal status of the Forest (namely reserved, Protected, unclassified etc.)
- (xiii) Particulars of the areas mineral-wise in each State duly supported by an affidavit for which the applicant or any person joint in interest with him.
  - A. Already holds under quarrying lease.
  - B. Has already applied for but not granted.
  - C. Being applied for simultaneously ;
- (xiv) Nature of joint in interest if any.
- (xv) (a) Does the applicant hold a prospecting licence over the area mentioned at (xi) above? If so, give its numbers and date of grant and the date when it is due to expire.
- (b) Has the applicant carried out the prospecting operation over the area held under PL and sent his report to the State Government? If not, state reasons for not doing so.
- (c) Nature of the land chosen for dumping overburden/waste and tailings (that is type of land whether agricultural, grazing land, barren, saline land etc.) and whether proposed site has been shown on the mine working plan. Give also the extent of area in hectares set apart for dumping of waste and tailings.
- (xvi) A report giving the details of prospecting carried out in the area together with assessment of the ore reserves, geological plans, results of

- chemical analysis of the representative samples and bore holes and logs.
- (xvii) Manner in which the mineral raised is to be utilized.
- (a) (i) if for captive use, the location of plant and industry.
- (ii) for sale for indigenous consumption.
- (b) If for exports to foreign countries:—
- (i) Names of the countries to which it is likely to be exported where the name is being set up on 100% export oriented or tied up basis.
- (ii) Whether mineral will be exported in raw form or after processing. Also indicate the stage of prospecting, whether intermediate stage or final stage of the end product.
- (c) If it is to be used within the country, indicate:—
- the industry/industries in which it would be used.
- Whether it will be supplied in raw form or after processing.]

<sup>1</sup>[FORM-S 1

[See Rule 9-D]

**Notice inviting Sealed Tenders / Public Auction for leasing out the Right of Quarrying for the Sand Bearing Areas**

..... District

Notice is hereby given inviting sealed tenders and for Public auction to lease out the right of quarrying for sand in the sources described in the Schedule below for a period of two years. The sealed tenders shall be received till 5.00 p.m. on ..... in the office of the ..... and the auction shall be conducted on the date mentioned in the Schedule and subject to the provisions of the Andhra Pradesh Minor Mineral Concession Rules, 1966. The receipt of the applications for issue of Hall Tickets to participate in the public auction shall be closed at 5.00 p.m. on ..... by .....

**SCHEDULE**

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<sup>1</sup>. Inserted by G.O.Ms.No. 84, Ind. & Com., dt. 10-4-2007.



Sl. No.	Description of the area (Reach/Mandal)	Minimum Bid	Maximum Sale Price	Date of auction and time
---------	--	----------------	-----------------------	-----------------------------

Signature of the Notifying Authority

**Note:—** The annexure containing the auction conditions, application proforma etc., can be had from the Assistant Director of Mines & Geology by paying Rs. 1000/- per each Reach / Mandal in the form of D.D. drawn in favour of Assistant Director of Mines & Geology, ..... For additional Reach / Mandal Rs. 500/- shall be paid.]

### CONDITIONS OF AUCTION

#### 1. (a) Submission of Sealed Tender and accepting the Bid:—

(i) Any person, who intend to obtain a lease for quarrying sand in a Reach or Mandal as notified under Rule 9-D shall submit Sealed Tender for the grant of the lease in the prescribed form so as to Reach the Assistant Director concerned two days before the date of conduct of auction (excluding the date of auction) before 5.00 PM and obtain proper acknowledgement.

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

(iii) All persons intending to participate in the public auction shall simultaneously submit the sealed tender for any Reach or Mandal separately in Form 'S-4' in a Sealed Cover superscribing:—

- (a) Notification Number;
- (b) Name of the Tenderer; and
- (c) The Reach / Mandal quoted for.

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

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

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

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

(viii) The tenderer shall present by himself or through his authorized agent in the auction hall at the time of opening of the sealed tender. There shall be open auction and the bidding from different tenderers / bidders shall continue till the

highest bid has been arrived at. The Sealed Tenders shall be opened after the bidding is over for each Reach or Mandal. The Auctioning Authority shall finalize the highest bid amount by taking the highest bid amount from open auction and sealed tenders whichever is higher.

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

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

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

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

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

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

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

**(b) Issue of Hall Ticket**

i) The applications will be issued by the ADMG from the date of publication of the notification and upto the date of closing for submission of filled-in applications. Filled-in applications shall be submitted two days before the date of auction [excluding the date of auction] before 5.00 PM to the Assistant Director of Mines & Geology concerned and obtain proper acknowledgement.

ii) Hall tickets shall be issued one day before the date of conducting of auction and shall be closed by 5.00 PM. It is the responsibility of the applicant to collect the hall ticket either in person or by authorized representative in this behalf.

iii) The auction conducting authority, on the day of auction is authorized to postpone the said date of auction to any other date for recorded reasons duly announcing the postponement in the auction hall and in such case no fresh notification is necessary and no fresh applications will be entertained.

iv) After publication of the notification in the newspaper and upto one day before the closing date for receipt of application, for any eventuality to be recorded in writing, the Assistant Director, Mines & Geology concerned with the approval of the Auctioning Authority may postpone the auction and the date of postponement shall be notified in the newspapers.

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

**(c) Refund of Earnest Money Deposit**

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

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

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

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

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

S.No.	Minimum Bid Amount in Rupees	Auctioning Authority	Confirming Authority	Appellate Authority
1	Upto 5.00 lakhs	Deputy Director of Mines & Geology	Zonal Joint Director of Mines & Geology	Director of Mines & Geology
2	Above 5.00 lakhs	Joint Collector	District Collector	Government

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

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

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

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

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

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

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

(7) Any appeal or revision as the case may be against any order passed under sub-rule (1) of Rule 9-H can file appeal or revision application before the concerned in Form J-1 and the fee for such appeal / revision shall be made as per Rule 35-B of Andhra Pradesh Minor Mineral Concession Rules, 1966 within 15 days from the date of receipt of the order.

The Appellant / Revision Authority can condone the period of delay on valid grounds.

2. i) No person shall be permitted in the auction Hall without the Hall ticket in the prescribed form issued by the Assistant Director of Mines & Geology concerned. The Hall Ticket holder may be allowed to be assisted with one assistant during auctions to participate in the auction.

ii) The hall ticket shall be issued by the Assistant Director of Mines & Geology concerned on submission of the filled in application in the prescribed form with the following documents:—

(a) A Notarized affidavit in the prescribed form on a non-judicial stamp paper worth Rs. 25/- for abiding the conditions and Rules of auction.

(b) Bank Draft/Banker's Cheque obtained only from any Scheduled Bank in Andhra Pradesh for an amount equivalent to 25% of the minimum bid of sand reach/mandal drawn in favour of the Assistant Director of Mines & Geology concerned.

- (c) Mineral Revenue Clearance Certificate in Form-H to substantiate that he is not in debit to the Government in the Mines and Geology Department, provided that in case the bidder did not hold or not holding a licence or lease under any of the mineral concession rules, he shall submit declaration to this effect in the form of a notarized affidavit.

3. (a) Sealed Tenders shall be accepted for each Reach / Mandal separately in separate covers provided.

(b) Every such sealed tender will be separately accompanied with a filled in prescribed form along with the enclosures as required under item (2) above.

(c) Every sealed tender shall be taken into consideration if it is submitted to the Assistant Director of Mines & Geology before the due date as per the notification.

(d) No person shall bid for any person unless he holds a Registered Power of Attorney and presents an application signed by such person.

(e) Tenderers shall be present by himself or through his authorized agent in the auction hall at the time of opening of the sealed tenders. The sealed tenders shall be opened after the bidding is over for each Reach/Mandal. The Assistant Director of Mines & Geology shall maintain a register by duly mentioning all the particulars of all the participants who have submitted sealed tenders and the hall ticket holder. The person whose tender bid is knocked down shall sign and mention his name in block letters by duly affixing, his thumb impression in the register. At the end of the day of the auctions, the auction conducting authority shall announce that any one who is willing to sign at the end as a witness to the proceedings may sign in the Register.

4. On the oral promise of the auctioning authority, the participants shall have no claim to any right.

5. (i) The following persons shall not be entitled to participate in the auction:—

(a) Persons aged below 18 years.

(b) Persons who have been debarred from obtaining Quarry Leases.

(ii) If any person obtains the quarry lease for sand by sealed tenders/public auction on misrepresentation or hiding the facts, the quarry lease shall be cancelled on its coming to the notice of the Government and the amount paid by him shall be forfeited to the Government.

6. No person shall be admitted into Auction Hall without the Hall Ticket issued by the Assistant Director of Mines & Geology concerned. The right of quarrying sand will be ordinarily knocked down to the highest tenderer / bidder, but the right is reserved to the auctioning authority who is conducting the proceedings to reject any tender/bid without assigning any reasons thereof. The deposits made by the unsuccessful tenderers/bidders will be returned to them as early as possible i.e., within 15 days from the date of conducting of auctions. The leasehold right for quarrying sand shall be strictly subject to the confirmation or otherwise by the competent authority who has that right to refuse to confirm the right to quarrying sand by recording reasons thereof.

7. No Reach/Mandal partly or fully covered by scheduled areas shall be leased out to any person who is not a member of Scheduled Tribe.

8. Special Concessions to Boatsmen Co-op. Societies.

(1) The Reaches identified in Major Rivers where the sand is lifted and carried by means of boats, the Registered Boatsmen Co-operative Society registered under the Andhra Pradesh Co-operative Societies Act, 1964 shall be given preference by allowing 10% concession on the highest bid/tendered amount offered in the Auction Hall. The concessional knocked amount be paid by the successful Registered Boatsmen Co-operative Society in not more than four equal quarterly instalments and each such instalments shall be paid 15 days before commencement of each quarter. If there is more than one Boatsmen Co-operative Society participating in the Auction and claims for the same Reach, local registered Boatsmen Co-operative Society shall be given preference. However, if there is more than one local Registered Boatsmen Society participating in such auction and claims for the same Reach, the successful bidder / tenderer shall be decided by drawing lots. Where no local societies participate and if only non-local Societies participate and claim for the same Reach, the successful bidder / tenderer shall be declared by drawing lots among the said non-local registered Co-operative Societies. The Society claiming as local Society to any particular Reach shall submit a certificate from the Divisional Co-operative Officer to the effect that it is a local Society to a particular Reach. Such certificate shall be submitted at the time of filing application.

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

**9. The auctioning authority may at his own discretion reject any persons tender/bid who:**

a) has been convicted for any offence under any lease for the time being in force or any offence under the Mines and Minerals (Development and Regulation) Act, 1957; or

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

**10.** (a) When the tender/bid is knocked down by the Competent Authority, the successful tenderer/bidder shall deposit Bank Draft/Bankers Cheque obtained from any Scheduled Bank within two immediate working days a sum equivalent to 25% of the knocked down amount with the Assistant Director of Mines & Geology concerned.

(b) The successful tenderer/bidder on receipt of the orders of confirmation shall remit the remaining amount including Income Tax as referred in the confirmation order to the prescribed Head of Account in a Government Treasury and also a security of Deposit of 10% knock down amount subject to a minimum of Rs. 1,00,000/- (Rupees One Lakh only) or equivalent to bid amount whichever is

less in the form of National Saving Certificate duly pledged to the Governor of Andhra Pradesh or Bank guarantee issued by any Nationalised Bank and submit the same before the date specified in the order of confirmation to Assistant Director of Mines & Geology concerned and execute the lease deed in Form-G1 on stamped paper as per Registration Act and Indian Stamp Act, 1899, as applicable to Andhra Pradesh within seven days of the order of confirmation.

**11.** If the successful bidder/tenderer fails to pay 25% of the knocked down amount and prevailing I.T. within two working days or the remaining 75% of the knocked-down amount and prevailing I.T. within the specified time in the confirmation order, the amount already paid by the successful tenderer/bidder shall be forfeited to the Government. The confirming authority is the competent authority to forfeit the deposits to the Government.

**12.** If the successful tenderer/bidder fails to pay 25% of the knocked down bid amount and prevailing I.T. on the next two working days or the remaining 75% of the knocked down amount and prevailing I.T. amount after the issue of confirmation orders and fails to execute the lease deed in the prescribed form within the stipulated time, the amounts paid by him shall be forfeited to the Government by the confirming authority.

**13. Payment of Second year lease amounts**

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

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

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

(b) In respect of the Reaches identified to the boatmen co-operative societies, the society shall pay the second year amount along with 20% enhancement in not more than four equal quarterly instalments and each instalment shall be paid 15 days before commencement of each quarter.

If no such payment is received, the lease gets expired by the period ending for which the amount is due and the Security Deposit gets forfeited to the Government:

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

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

(c) The condonation of delay as stipulated under clauses (a) & (b) of Rule 9-P does not entitle the lessee for extension lease period.

**14.** The successful tenderer/bidder shall have no claims for compensation due to floods or any other situation or extension of lease period for the delays in pending orders or the delay caused by himself in paying the required amounts and executing the agreement.

**15.** The successful bidder bound to observe all the statutory provisions of various State and Central enactments and instructions issued by the Government/Department of Mines & Geology, WALTA, 2002 and Ground Water Department from time to time.

**16. Use of authorized Ramps**

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

**17. Powers of the State Government**

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

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

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

**18.** If the auctioning authority notices that any person in the auction hall before or at the time of bidding behaves or acted in such a manner as to cause loss to Government or induces or forbids any person from bidding, he may suspend him from participating the auction and remove him from the auction hall.

**19.** The successful tenderer/bidder shall not be entitled to commence the quarrying on the privilege acquired before executing the lease deed and take out the right of quarrying. It shall be the responsibility of the successful bidder to execute the quarry lease deed within the stipulated time and obtain the right of quarrying sand. If the successful tenderer/bidder fails to comply with the above formalities or if the privilege acquired could not be functioned he shall not be absolved of the responsibility to pay the knocked down amount.

**20.** If the successful tenderer/bidder dies after the privilege is knocked down to him, his legal heirs shall be responsible to execute the lease deed and to carry out the business by remitting to the Government their dues. If the legal heirs do not want to continue the privilege, they should within thirty days from the date of death of the



auction purchaser intimate the auctioning authority their intention in writing by Registered Post. In such cases the auctioning authority shall make alternative arrangement or re-auction the privilege, the amount deposited by the deceased bidder shall be refunded to the legal heirs.

**21.** The sale price at pit head before notification shall be fixed by the District Level Committee by considering the following points:

1. Seigniorage Fee, Sales Tax, Income Tax and other taxes if any applicable during the course of lease period.
2. Location, demand and supply.
3. Marginal profit to be collected by the knocked down bidder.
4. Loading and formation of laying of ramps or roads in the Reach or Mandal.

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

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

**24.** Sand exempted from payment of Seigniorage Fee

- 1) Sand used in the weaker sections housing programme shall be supplied free of cost at pit head by the bidder / tenderer including exemption of payment of Seigniorage Fee on a certificate issued by the District Collector or any authorized officer by him.
- 2) Bullock carts and animals transporting sand are also exempted from payment of Seigniorage Fee.

**25.** No movement of sand shall be allowed across the border to the neighbouring State. In case any vehicle is found transporting to the neighbouring State even with permit it will be treated as violation of rules and the penal provisions as specified in Rule 9X will apply besides the lease shall be liable for cancellation.

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

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

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

29. The lessee should observe the conditions stipulated by the Conservator of Rivers and the Ground Water Department and Irrigation and Command Area Development.

30. Persons authorized to check unauthorized transportation of the sand.

- a) The District Collector shall take all precautionary measures to stop illegal mining of sand in the District. In case of any illegal mining of sand by any person from any quarry or Reach unauthorizedly and is transporting it thereof, the officers competent under Rule 26 of Andhra Pradesh Minor Mineral Concession Rules, 1966 are empowered to check the vehicles and take appropriate action as specified therein or compound as specified in sub-rule (b) hereunder whichever is higher. Besides the District Collector shall nominate any other officer as he thinks deemed fit to exercise these powers in addition to officials so specified.
- b) The minimum penalty for each truck carrying sand without valid permit issued by the concerned authority must be Rs. 10,000/- (Rupees Ten Thousand only) for each truck of 10 tonnes capacity and Rs. 5,000/- (Rupees Five Thousand only) in respect of Tractor. In case of repeated violations vehicle will be confiscated by the officer not below the rank to the Assistant Director of Mines and Geology. The powers delegated to various office under the existing provisions of Andhra Pradesh Minor Mineral Concession Rules, 1966 shall be extended to sand cases also.
- c) The Way bill for transporting sand shall be in the "Form-S-5". The way bills will be issued proportionate to the knocked down bid amount by calculating Seigniorage Fee as specified in the Schedule-1 of Rule 10 of Andhra Pradesh Minor Mineral Concession Rules, 1966. The bidder is liable to pay Seigniorage Fee additionally and obtain permits for the quantities exceeding the proportionate bid amount.
- d) The Municipalities concerned who are the approving authorities for Housing Plans or Shopping / Commercial Complexes are empowered to recover the component of Seigniorage Fee on sand at the rates specified under Schedule-1 of Rule 10 of Andhra Pradesh Minor Mineral Concession Rules, 1966 with one time penalty in case of procurement of sand by any builder without any valid permit in respect of constructions which are of the value of above Rs. 1.00 Crore. Any person aggrieved by the said deduction/orders passed by the Municipalities of Grade-I, II, III appeal lies to the Director of Mines and Geology and in respect of Special Grade, Selection Grade Municipalities and Municipal Corporations appeal lies to Government and the procedure as envisaged in sub-rule (7) of Rule 9-H shall apply.

**31. a) Removal of sand in patta lands**

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

**b) Recovery of Seigniorage fee**

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

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

**33.** In case of any doubt as to the application or interpretation of the version of any of these conditions, the decision of the Government of Andhra Pradesh on the issue shall be final.

**FORM-S 2**

***Application for issue of Hall Ticket***  
**(Under condition 2 of the Annexure)**  
**(Under Rule-9E)**

1. Name and present address of the applicant in Block Letters (proof of address such as attested copies of any ration card / telephone bill / Current Bill / Voter Identity Card / Driving Licence / PAN shall be enclosed). In the absence of the above, a certificate issued by the Mandal Revenue Officer concerned.
2. Name and Permanent address of the applicant in Block Letters)

Note:- In case of partnership firm the partnership deed in case of Private Limited Company, the Articles of Association and in case of Registered Labour Contract Co-operative Society a certificate from the Divisional Co-operative Officer concerned should be produced for participating in the auction:

3. Date of Birth and Age of the applicant (persons of 18 years below not eligible):
4. Reach/Mandal for which he intends to participate in the auction/for submission of sealed tender:
5. Affidavit in the prescribed Form on a Non-Judicial Stamped paper worth Rs. 25/- enclosed or not:
6. No. and date of Bank Draft/Bankers Cheque obtained from any Scheduled Bank for an amount equivalent to 25% of the Minimum Bid:
7. Particulars of Leases if any under different mineral Concession:
8. Mineral Revenue Dues Clearance Certificate in Form 'H' enclosed or not:



9. (a) Has he been convicted for any penal offence or any offence under M and M (R and D) Act, 1957:
10. (b) Has he been debarred earlier in participating auctions or to obtain leases under different Mineral Concessions:
11. Whether agreed to pay a sum equivalent to 25% of the knocked down amount within two working days and the remaining 75% of the amount within the prescribed time in the confirmation order:

**I declare that the particulars furnished above are true to the best of my knowledge. I hereby undertake that the deposit made by me may be forfeited to the Government if the information furnished above is proved to be incorrect.**

Place:

Signature of the Applicant.

**AFFIDAVIT**

I, ..... S/o. .... R/o. .... aged ..... years do hereby solemnly affirm and state as follows:

That I have gone through the auction notice issued by the Asst. Director of Mines and Geology ..... and conditions laid down therein. I intend to obtain quarry lease through sealed tender/auction for the ..... Mandal / Reach as per the Notification No. ....

If I am the highest tenderer / bidder and if it is knocked down in my favour, I declare and agree to abide.

1. To pay the sum equivalent to 25% of knocked down amount along with prevailing IT there of in the form of demand draft, obtained from any scheduled Bank within two working days and to tender the same before the ADMG concerned.

2. To pay balance 75% of the knocked down amount along with prevailing IT there of and security deposit of 10% of the knocked down amount subject to the minimum amount of Rs. 1,00,000/- or equivalent to the bid amount whichever is less on or before to date mentioned in confirmation orders and to execute the lease deed with the Asst. Director of Mines and Geology concerned in Form 'G1' within 7 days from the date of confirmation.

3. In case of default in payment of 25% of the knocked down amount and I.T. thereon within two working days or the remaining 75% of the knocked down amount and I.T. thereon within the time specified in the confirmation order and executed the lease deed within 7 days from the date of confirmation.

4. To abide by the condition that I shall pay the knocked down amount along with 20% enhancement towards the second year lease amount in the Government Treasury and submit the challans to the concerned Assistant Director of Mines and Geology on or before forty five days of the expiry of the 1st year lease period. If no such payment is received by the ADM&G concerned, the Confirmation Authority shall make necessary arrangement for leasing out the quarry and forfeit, the security deposit paid by the original lessee.

5. In case of negligence on my part to pay the balance amount and to execute the lease deed in time, I accept for any action taken by concerned authority to cancel the auction or terminate the lease as the case may be and to forfeit all sums paid.

6. To abide by the additional conditions if any imposed by the authority competent to do so, and

7. To abide by the decision of the Government of Andhra Pradesh in case of any doubt as to the application or interpretation of the versions of any of the conditions or provisions of M&M (D&R) Act, 1957, APMMC Rules, 1966, Mines Act and the Rules made thereunder.

8. I declare that I hold/do not hold any licence or lease under any of the Mineral Concession Rules and not in debt to the Government.

DEPONENT.

Sworn and signed before ..... me on ..... day of .....

Notary

Attested

**FORM-S 3**

**Hall Ticket**

[Under Rule 9-E]

Serial No.:

Office of the ADM&G

Dated:

Sri ..... S/o. .... is hereby permitted to participate in the auction/auctions for sand quarries on ..... for ..... Reach/Mandal ..... District.

Specimen signature of the .....

Hall Ticket Holder.

Signature of the Issuing Authority.

**FORM-S 4**

[See Rule 9E]

**Tender Form**

1. Name in Block letter :
2. Father's Name :
3. Present Address :
4. Permanent Address :
5. Occupation :
6. Details of sand bearing :  
Reach/Mandal as per  
Notification for which  
the tender is filed :
7. Offered Amount (for one year) :
8. (a) in figures :

(b) in words \_\_\_\_\_ :

I hereby declare that I am aware of the particulars furnished in regard to the Reach/Mandal for leasing out the right of quarrying for sand in the Notification in response to which I am submitting the tender. I further declare that I am also fully aware of all the Rules in regard to grant of quarry leases for same.

I hereby undertake to abide by the provisions of A.P. Minor Mineral Concession Rules, 1966.

Signature

Name in Block letters.

- Note:**— 1. This tender is to be submitted in a sealed cover in person or by Reg. Post Ack. Due or through his Power of Attorney holder and acknowledgement obtained.
2. The Application shall reach on or before the date specified in the notification to the Assistant Director of Mines and Geology concerned in a properly sealed cover.
3. The Assistant Director concerned shall not be responsible for the loss in the postal transit or the delay in receipt of the sealed cover.

**FORM-S 5**

***Sand Way Bill Form***

[See Rule 9-X(c)]

Way Bill No. ....

District Code .....

Book No. ....

Date .....

1. Name of the lessee
2. Name of the consumer and destination
3. Name of village / villages / reach / mandal
4. Date of issue of permit and validity
5. Date and time of issue of way bill
6. Quantity of sand under transportation
7. Sale Price of Sand for Cub. Mt at Pit Head
8. Vehicle No.
9. Date and time of departure of the vehicle from the village / reach / mandal.

Signature of the lessee / authorized representative.

**Note:**

1. No overwriting in any form in the way bills makes it invalid.

2. The driver shall carry the duplicate stamped copy of the way bill and hand over it to the consumer / purchaser of sand as evidence of payment of Seigniorage fee.

3. The original Transit Form shall be surrendered to the Assistant Director concerned within 15 days from the date of dispatch and the Triplicate shall be retained with the Lessee.

4. The transporter of the Sand shall produce the way bill as the token of paid the Seigniorage Fee to any checking authorities authorized by the Government or at the check post in operation by the Department of Mines and Geology or other authorized Officers of the Government.

5. The consumer shall properly retain this way bill as token of evidence for payment of Seigniorage Fee to any authorized persons who is authorized for counter checking or else will be liable to pay Normal Seigniorage Fee with one time penalty.

**FORM-S 6**

***For recording Auction Proceedings***

[See Rule 9 H (6)]

Name of the District:

Place of Auction:

Date:

Description of the area Name of the Reach / Mandal:

Minimum bid amount:

Number of sealed / Bid / Tenders Received

**I. Name of the Auction conducting Officer & Designation:**

**II. Other Officers present:**

- 1.
- 2.
- 3.
- 4.
- 5.

**III. List of the participants in the Auction (Enter the Status of Boatsmen Society wherever applicable)**

Sl. No.	Name
---------	------

Signature

The Auction proceedings commenced at ..... with Minimum bid amount of Rs. ....

Name of the Bidder

1st Hike Amount	: Rs.
2nd Hike Amount	: Rs.
3rd Hike Amount	: Rs.

Etc.,

Highest Bidding amount :  
 Open Auction concluded at AM/PM with Highest Bidding amount  
 Request of announcement of opening of Sealed Tenders  
 Name Amount Offered

- 1.
- 2.
- 3.
- 4.
- 5.

**IV. A. Highest amount quoted by the Sealed Tender**

**Name of the Tenderer**

**Amount**

1st Highest Tenderer  
 2nd Highest Tenderer  
 3rd Highest Tenderer

**B. Knocked down Amount by way of Bidding**

**Name of the Bidder**

**Amount**

1st Highest Bidder  
 2nd Highest Bidder  
 3rd Highest Bidder

Declaration of Closing of Auction

Highest of A & B = Amount Rs.

Name of the 1st Successful Tenderer / Bidder

Name of the 2nd Successful Tenderer / Bidder

Name of the 3rd Successful Tenderer / Bidder

Signature of the person in Signature of Auctioning Authority

whose favour the tender/

bid is knocked down/

Thumb Impression.

We have been present throughout the Auction Proceedings and witnessed the proceedings.

Signature of the Assistant Director concerned

Signature of the Official Observer

- 1.
- 2.
- 3.



4.

Witness:

- 1.
- 2.
- 3.]

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