



# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರ

ಭಾಗ-IVA	ಬೆಂಗಳೂರು, ಶುಕ್ರವಾರ, ಆಗಸ್ಟ್ ೧೨, ೨೦೧೬ (ಶ್ರಾವಣ ೨೧, ಶಕ ವರ್ಷ ೧೯೩೮)	ಸಂ. ೧೦೦೭
Part-IVA	Bengaluru, Friday, August 12, 2016 (Shravana 21, Shaka Varsha 1938)	No. 1007

## COMMERCE AND INDUSTRIES SECRETARIAT

### NOTIFICATION

No. CI 418 MMN 2015(Part), Bengaluru, Dated: 12-08-2016

In exercise of the powers conferred by sections 15, 15A and 23C of the Mines and Minerals (Regulation and Development) Act, 1957 (Central Act 67 of 1957), the Government of Karnataka, hereby makes the following rules further to amend the Karnataka Minor Mineral Concession Rules, 1994, namely:-

#### RULES

**1. Title and commencement.**- (1) These rules may be called the Karnataka Minor Mineral Concession (Amendment) Rules, 2016.

(2) They shall come into force from the date of their publication in the Official Gazette.

**2. Amendment of rule 2.**- In the Karnataka Minor Mineral Concession Rules, 1994, (hereinafter referred to as the said rules), in rule 2 in sub rule(1),-

(1) after clause (a), the following shall be inserted, namely:-

"(a-a) **Additional Periodic Payment**" means the payment made or to be made by the holder of a lease or license, as a percentage of Royalty, in addition to Royalty, for the concerned mineral on dispatch of that mineral as per the final price offer obtained in auction."

(2) in clause (a-1), after sub-clause(ii), the following shall be inserted, namely:-

"(iii) in respect of Quarry Plan for 31 minor minerals notified by the Government of India in notification number S.O.423 (E) dated: 10.2.2015 shall be such Officer or Agency as notified by the State Government from time to time."

(3) after clause (a-1), the following shall be inserted, namely:-

"(a-1-a) **Authorised Officer**" means an officer not below the rank of Group B authorised by the State Government or the Commissioner or Director of Mines and Geology or Deputy Commissioner of the District to act for the specific purpose under these rules;

(a-1-b) **Average Selling Price** of a mineral shall mean the average selling price of that mineral, at the mine site, as published by the Indian Bureau of Mines or by the State Government or any other Agency notified by the State Government in this regard, published separately for domestic sale or for exports or both;"

(4) after clause (b), the following shall be inserted, namely:-

"(b-1) **Composite license**" means prospecting license -cum quarrying lease granted under rule 9;"

(5) after clause (d), the following shall be inserted, namely:-

"(d-a) **e-auction**" means the electronic auction by using such online electronic auction platforms as notified by the State Government so to be used.

(d-b) **End Use** mean the final use of mined minor mineral including for captive use by the lessee or licensee holder himself for production of another material;

(d-c) "**End-Product**" means the final product for sale that is derived from the minor mineral.":

(6) after clause (e), the following shall be inserted, namely:-

"(e-a) "**Local Authority**" means a Municipal Corporation or Municipal Council or Town Panchayat or Panchayat constituted under the Karnataka Municipal Corporations Act, 1976 or the Karnataka Municipalities Act, 1964 or the Grama Swaraj and Panchayath Raj Act, 1993 as the case may be;"

(7) after clause (k-5), the following shall be inserted, namely:-

"(k-6) "**Sale Value**" means the value at which the mineral is sold by the holder of lease or license at the mine site."

(8) in clause (m), after the words "minor minerals specified" the words "in Part-A of the schedule-IA and such other minor minerals, as may be notified" shall be inserted; and

**3. Amendment of rule 3.** - In rule 3 of the said rules, in sub-rules (1) and (2), the words "or quarrying Permit" shall be omitted.

**4. Insertion of new rules 3A,3C,3D,3E,3F and 3G.** - After rule 3 of the said rules, the following shall be inserted, namely:-

"**3A. Exemption of certain rules in certain cases:-** The following activities are exempted from obtaining Quarrying lease or license and from provisions of sub rule (1-A) of rule 8 and chapter-IIA, namely:-

(a) the digging of wells for water and digging of earth for foundation of building and disposal of the minor mineral extracted thereof; and

(b) removal of minor mineral from the agricultural field for bonafide use and / or for betterment of the agricultural land by the occupant himself subject to certification by the Agriculture Department to that effect and subject to the condition that such activity shall not render the land less fit for cultivation than before and also subject to the condition that the mineral is removed in a manner that does not pose danger to the neighbouring areas:

Provided that in case of clause (b) above prior Working Permission in writing shall be obtained from the jurisdictional Deputy Director or Senior Geologist before commencement of extraction and that the removal of minor mineral shall be done within a period of twelve months of the date of grant of permission by the jurisdictional Deputy Director or Senior Geologist.

Provided further that in case of clause (b) above if the minor mineral is sold by the owner or occupant of the agricultural land he shall pay the royalty to the State Government at the rate specified in Schedule-II as well as average Additional Periodic Payment, and that transportation of the minor mineral shall be undertaken only with a valid Mineral Dispatch Permit.

**3B. Special Provisions for minor minerals required for National and State Highways, Major Irrigation Works and Railways:-** (1) Notwithstanding anything contained in these rules, the District Task Force may, after obtaining approval of the State Government, grant quarry lease or license for minor minerals required in construction of National and State Highways, major irrigation works, railways or other major infrastructure projects including Airports (herein after called as Major Development Works) to either the concerned Department of Central Government or State Government or to the Corporation or Agency or Authority set up by the Central Government or State Government (hereinafter called the Development Agency) which is in charge of the work or to the Project Developer or the Contractor appointed by the said Development Agency for Major Development Works or to the assignee of such Project Developer or Contractor.

Provided that grant of such lease or license to Project Developer or Contractor or their assignee shall be done on recommendation of an Engineer, not below the rank of Executive Engineer or Tender Inviting Authority of the concerned Development Agency.

(2) Notwithstanding anything contained in rule 8A, Quarry Lease or license under this rule shall be issued for a period as recommended by an Engineer not below the rank of Executive Engineer or Tender Inviting Authority of the Development Agency which has awarded the work, and may be further extended by the Deputy Director or Senior Geologist of the District as recommended by the said Executive Engineer or the Tender Inviting Authority as may be required for completion of the work.

(3) Quarry Lease or license under this rule shall be granted on the condition that the Lessee or licensee shall pay, in addition to the royalty, an amount which shall be equal to

the average Additional Periodic Payment payable by the holders of quarry lease or license granted through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019; and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring Districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment:

Provided that when such Royalty and Average Additional Periodic Payment is paid, the payment to the District Mineral Foundation by the concerned lessee or license holder, as the case may be, shall be as payable by holders of lease in an auction.

(4) The provisions of the Chapter-IIA, Chapter-V, Chapter-VI, Chapter-VII, Chapter-VIII and Chapter-IX shall apply Mutatis and Mutandis to these cases.

**3C. Powers of the District Task Force Committee for ensuring that ordinary building stone is available for other Government works of significant importance in the District.-** (1) In case of extreme shortage of ordinary building stone for other Government works of significant importance in the District, the District Task Force Committee shall have the power to direct quarry operators in the District to reserve specific percentage of their production for these specific works.

(2) Quarry operators shall, on receipt of such direction from the District Task Force Committee, reserve the specified percentage of their production as directed by the District Task Force Committee for supply to specific Government works of significant importance in the District.

**3D. Reservation of area for Government company or corporation and grant without auction,-**(1) The State Government may reserve any area not currently held under any prospecting license or quarry lease, for undertaking prospecting or quarry operations through a Government company or corporation owned or controlled by it, and where it proposes to do so, it shall by notification in the Official Gazette, specify the boundaries of such area and mineral or minerals in respect of which such area shall be reserved.

(2) If the State Government reserves any area for undertaking prospecting or quarry operations under sub-rule(1), the State Government shall grant prospecting license or quarry lease, as the case may be, in respect of such area to such Government Company or Corporation.

(3) A quarry lease granted to a Government company or corporation under sub rule (2), shall be granted on the condition of payment, in addition to royalty, an amount which shall be equal to the Average Additional Periodic Payment payable by the holders of quarry lease or license granted through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019; and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment:

Provided that when such Royalty and Average Additional Periodic Payment is paid, the payment to the District Mineral Foundation by the Government Company or Corporation as the case may be, shall be as payable by holders of lease in an auction.

**3E. Special provision for discovery of new mineral or use as different mineral or product:** (1) If any minor mineral not specified in a major or minor mineral lease or license is discovered in the leased area or if it is discovered that the mineral included in the lease is now to be extracted or used in a manner that it qualifies for being considered as a different minor mineral as per schedule IA (both the cases hereinafter referred as new mineral discovered), the lessee or licensee shall not win and dispose of such mineral unless such mineral is included in the lease, and shall report the discovery within a period of sixty days of its discovery to the concerned officer in-charge of the District and shall await orders of the Competent Authority in this regard:

Provided that the Officer in-charge of the District shall report the matter to the District Task Force Committee.

(2) The lessee shall have preferential rights over the mineral so discovered if it is a minor mineral.

(3) The lessee shall submit an application before concerned Deputy Director or Senior Geologist of the discovery as mentioned in sub rule (1) above within ninety days of its discovery and the Deputy Director or the Senior Geologist shall,-

(a) if new mineral discovered under sub-rule (1) above is a non-specified minor mineral, place the matter before District Task Force Committee and on its approval include the minor mineral so discovered in the lease deed and allow the holder of the lease to win and dispose of the new mineral

Provided that submission of approved modified quarry plan and environmental clearance shall be necessary before the new mineral is included in the lease or license ;

(b) if new mineral discovered as under sub-rule (1) is a specified minor mineral, place the matter before the District Task Force Committee and on its recommendation further send it to the Competent Authority for approval, and on approval of the Competent Authority include the mineral in the lease deed and allow the holder of the lease to win and dispose the new mineral;

Provided that submission of approved modified quarry plan and environmental clearance shall be necessary before the new mineral is included in the lease or license .

(4) The grant of permission for new mineral discovered under sub-rule (1) shall be subject to the extent of land possessed by him and the minimum area stipulated for grant of minor minerals in Schedule II-A and necessary clearances from the concerned authorities:

Provided that the period of lease for the mineral so discovered under sub-rule (1) shall be restricted to the period of lease that the lessee is entitled under the original lease.

Provided further that when such grant of quarrying for the new mineral discovered under sub-rule (1) is made the lessee shall pay, in addition to royalty applicable to the new mineral discovered as under sub-rule (1) as given in Schedule II, an amount which shall be equal to the Average Additional Periodic Payment payable by the holders of quarry lease or license of the new mineral discovered granted through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be fifty percent of Royalty of the new mineral discovered. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019, and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment.

Provided also that the Royalty and Average Additional Periodic Payment payable as under the above proviso, shall not be less than that what he was paying before such inclusion or as payable as per his bid in auction.

Provided also that when such Royalty and Average Additional Periodic payment is paid, the payment to the District Mineral Foundation shall be as payable by holders of lease in an auction.

### **3F. Exemption of certain rules in case of ordinary building stone**

(1) Notwithstanding anything contrary contained in Chapter IV A, quarry leases of extent five acres and below in case of individuals and 10 acres and below in case of Registered Societies having all the members belonging to the Schedule Caste or Schedule Tribes or having all members who are traditional quarry operators and whose livelihood is dependent on quarrying for ordinary building stone in the lands belonging to the State Government, shall be allotted following procedure prescribed under this rule.

(2) Blocks of ten acres and below identified by the jurisdictional Deputy Director or Senior Geologist shall be notified by him, after approval in the District Task Force Committee, in any two newspapers having wide circulation, of which at least one shall be in Kannada, inviting applications for grant of quarry lease specifying the area available for grant of quarrying lease, reservation of the block and its location with boundaries.

Provided that such notification shall be published at least thirty days prior to the last date for receiving such applications.

(3) The extent of areas so identified in blocks of extent ten acres and below for allotment under rule 3F shall not exceed the percentage prescribed in rule 31B.

Provided that the State Government may issue operational guidelines for identification of such blocks, along with other blocks, and the identification by the jurisdictional Deputy Director or Senior Geologist shall be done as per guidelines notified by the Government from time to time.

(4) Blocks so identified for the purpose of this rule shall be reserved, by way of lottery, for allotment to the residents of the District for quarrying by them, in the following percentages, namely:-

- (i) Persons belonging to the Scheduled Castes or Scheduled Tribes or registered society of such persons - 24%;
- (ii) Persons belonging to economically weaker section who is a quarry operator by tradition and whose livelihood is depending on quarrying of ordinary building stone or registered society of such persons - 24%
- (iii) Persons with disabilities (physically challenged)- 2%; and
- (iv) Others - 50%

Provided that the Tahsildar of the concerned Taluk in which the persons reside or where the Registered Society of such persons is located shall be competent to certify with regard to eligibility of persons or Registered Society of such persons for the purpose of sub rule (4)

(5) The blocks so identified under clause (i) and (ii) of sub rule (4) shall be allotted with the following preference, namely:-

- (i) to registered societies having all the members belonging to the Schedule Caste or Schedule Tribes or having all members who are traditional quarry operators and whose livelihood is dependent on quarrying of ordinary building stone; and
- (ii) to individuals belonging to the Schedule Castes or Schedule Tribes or to category of persons who are traditional quarry operators and whose livelihood is dependent entirely on quarry of ordinary building stone.

(6) Without prejudice to sub-rule (5) above, quarrying lease shall be granted under this rule to eligible applicant by way of lottery, if more than one application is received amongst the categories specified in sub-rule (4) above.

(7) No person or registered society shall be eligible for making application for quarrying lease to be granted under this rule, if he or a member of his family or if the concerned registered society, as the case may be, already holds another quarrying lease in the District or anywhere else in the State of Karnataka

(8) All applications of the applicants other than the applicant who is selected for grant of quarrying lease shall be deemed to have been rejected and application fee in respect of such applications shall be forfeited.

(9) The successful applicant in the "others" category in this rule shall pay, in addition to Royalty, an amount which shall be equal to the Average Additional Periodic Payment payable by the holders of quarry lease or license granted through auction within the Taluk if such average is available for Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be 50 per cent of Royalty. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019; and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment.

Provided that when such Royalty and fifty percent of Average Additional Periodic payment is paid, then the payment by the lessee or holder of license to the District Mineral Foundation shall be as payable by the holders of lease or license through auction.

**3G. Relaxation for quarry leases granted under rule 12.-** (1) Where quarry lease has been granted on priority basis under clause (ii) of sub-rule(1) of rule 12 that existed before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016, a relaxation may be granted by the Deputy Director or Senior Geologist of the District, to the lessee to sell such part of the quarried minor mineral locally that is found to be defective and not fit for export:

Provided that no such permission of relaxation shall be required from the Deputy Director or Senior Geologist of the District in cases where the quantity of minor mineral sold in domestic market is less than twenty five percent of the total quantity sold in any financial year. In such cases a self-certification by lessee shall be accepted by the Deputy Director or Senior Geologist.

Provided further that if more than seventy five percent of the quantity of minor mineral is sold in domestic market consecutively for three financial years, then the lease shall be cancelled and fresh process of grant of lease shall be undertaken."

**5. Amendment of rule 4.** - In rule 4 of the said rules, after the word and punctuations "rules." the words and punctuation "including Competent Authority for approval of Quarrying Plan." word and punctuations shall be inserted.

**6. Amendment of rule 6.**- In rule 6 of the said rules,-

(i) in sub-rule(3),-

(a) for the words "two thousand rupees" the words "ten thousand rupees" shall be substituted;

(b) for the words "ten thousand rupees" the words "fifty thousand rupees" shall be substituted; and

(ii) after sub rule (3), the following proviso shall be inserted, namely:-

"Provided that if a lease or license holder has been imposed with a fine under the above rule for three times during the lease period, the lease or license shall be terminated."

**7. Amendment of rule 8.** - In rule 8 of the said rules,-

(i) in sub rule (4),-

(a) for the word "contravened" the words "been convicted for the violations of" shall be substituted.

(b) after the word "thereunder" the words brackets and figures "or if the lease or license of such person has been determined or cancelled under sub-rule (3) of rule 6 or rule 39 or sub-rule (4) of rule 44 or rule 45 of these rules" shall be inserted.

(ii) in sub-rule (6), for the words, "the same shall be placed invariably before the District Task Force (Mines) Committee in its monthly meetings by the Competent Authority. The opinion from the concerned departmental officers shall be obtained in the meeting and recorded in the proceedings of the meeting and be disposed off accordingly" the words "it shall be deemed that the Deputy Commissioner or the Tahsildar or the Deputy Conservator of Forest or the Assistant Commissioner or the Deputy Director or Senior Geologist, as the case may be, has given his no objection and the District Task Force (mines) Committee shall communicate the same to the Competent Authority for processing such applications for conditional grant to that effect" shall be substituted.

(iii) after sub rule (6), the following shall be inserted, namely:-

"Provided that while communicating the deemed no objection to the Competent Authority, a communication shall also be sent to the concerned Deputy Commissioner or the Tahsildar or the Deputy Conservator of Forest or the Assistant Commissioner or the Deputy Director or Senior Geologist as the case may be that taking into consideration the deemed no objection the matter has been further processed."

**8. Substitution of rule 8A.** - For rule 8A of the said rules, the following shall be substituted, namely:-

**"8A. Periods for which Quarrying Lease, license or Prospecting license may be granted.**-(1) On and from the date of commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016, all the Quarrying leases, licenses and Prospecting cum quarrying lease shall be granted for a period of Thirty years for Specified minor minerals and for a period of twenty years for the non-specified minor minerals.

(2) All the quarrying leases or licenses granted before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016, shall be deemed to have been granted for a period of thirty years in respect of specified minor minerals and for a period of twenty years in respect of non-specified minor minerals:

Provided that the mining leases of the minerals which are now classified as minor minerals by the Central Government vide notification number S.O.423 (E) dated 10.2.2015 shall be deemed to have been granted for thirty years, for an area already granted under such lease and be considered as Quarrying lease or license as the case may be.

(3) The period of all the lease or license of the specified minor minerals and mining leases of the minerals now classified as minor minerals granted before the date of commencement of the Karnataka Minor Mineral Concession

(Amendment) Rules, 2016, the validity of their leases or license have expired or are about to expire under sub-rule (2), shall be extended and be deemed to have been extended

with effect from the date of expiry of the period of renewal last made up-to a period ending on 31st March 2020 or till the completion of renewal period, if any, or a period of thirty years from the date of grant of such lease or license , whichever is later, subject to the condition that all the terms and conditions of the lease have been complied with and also subject to the condition that application for renewal of the expired lease had been made by the lessee within the time required for making such renewal application.

(4) The period of all the lease or license of the non-specified minor minerals except the mining leases of the minerals now classified as minor minerals granted before the date of commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016, the validity of their leases or license are expired or about to be expired under sub-rule (2), shall be extended and be deemed to have been extended with effect from the date of expiry of the period of renewal last made up-to a period ending on 31st March 2020 or till the completion of renewal period, if any, or a period of twenty years, from the date of grant of such lease or license , whichever is later, subject to the condition that all the terms and conditions of the lease have been complied with and also subject to the condition that renewal application for the expired lease had been made by the lessee within the time period required for filing such renewal application.

(5) On expiry of the validity of lease or license period as specified in sub-rule (1), (2), (3) and (4), the lease or license shall be put up for auction as per the procedure specified in these rules:

Provided that if the lease or license was held by a mineral based industry as prescribed in Schedule IB and the mineral was utilized by it for end use, the mineral based industry that was holding the lease or license shall have the first right of refusal in the auction.

(6) The period of Prospecting license shall not exceed one year extendable by one more year by the State Government in the interest of mineral development upon recording the reasons in writing.

(7) Notwithstanding anything contained in this rule, the period of quarrying leases, including existing quarrying leases or mining leases, of Central or State Government companies or corporations or its undertakings shall be valid for a period of thirty years. In case of existing leases that have been granted to a Government company or corporation, the tenure of the same shall be deemed to be thirty years from its date of issuance.

Provided that where, upon expiry of such period of thirty years the lessee Government Company or Corporation so requests the State Government, the period of Quarrying lease shall be extended by the state government for additional periods, each time not exceeding thirty years.

(8) The provisions of this rule, notwithstanding anything contained therein, shall not apply to a quarrying lease or license or mining lease of minerals now classified as minor minerals vide notification of Government of India bearing number S.O.423 (E) dated 10.2.2015 granted before the date of commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016, for which renewal has been rejected, or which has been determined, or lapsed."

**9. Substitution of rule 8B.** - For rule 8B of the said rules, the following shall be substituted, namely:-

**"8B. Status of applications received.**-(1) All applications received and pending for grant of lease or license prior to the date of commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016, shall become ineligible including the applications received for grant of mining leases of the minerals that are now classified as minor mineral.

(2) Notwithstanding anything contained in sub-rule (1), the following shall remain eligible on and from the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016, namely:-

(a) Applications received upon the notification issued under rule 8B existed before the Karnataka Minor Mineral Concession (Amendment) Rules, 2016.

(b) Where the Committee that existed under the provisions of rule 11 or District Task Force Committee has recommended for grant of a quarrying lease or license for grant of mining lease, before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016.

(c) Where in the case of minerals now re-classified as minor mineral by the Central Government by notification No. S.O. 423 (E) dated 10.2.2015, no objection certificates from

revenue and forest departments and the approved mining plan from the Indian Bureau of Mines (IBM) have been received before commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016.

(d) Applications received before 16.6.2015 and for which No Objection Certificates (NOCs) and reports as under sub rule (5) of rule 8 of these rules have been received from the concerned departments before commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016; and

(e) these applications shall be considered for grant of quarrying lease or license, or otherwise as per the provisions that existed before the Karnataka Minor Mineral Concession (Amendment) Rules, 2016 subject to fulfillment of the conditions specified for the same, if any and registration of leases or license deed within a period of twelve months from the date of commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016:

Provided that in case of grant of quarrying lease or license covered by clause (b), (c) and (d) of sub rule (2), the lessee shall pay, in addition to the royalty, an amount which shall be equal to the Average Additional Periodic Payment payable by the holders of quarry lease or license granted through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019; and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighboring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment.

Provided further that when such Royalty and Average Additional Periodic Payment is paid, then the payment by the lessee for the District Mineral Foundation shall be as payable by the holders of lease or license through auction

Provided also that in respect of any mineral that are now re-classified as minor minerals by the Central Government vide notification number S.O.423 (E) dated 10.2.2015, no quarrying lease or license shall be granted except with the previous approval of the State Government.

(3) Where before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016 a reconnaissance permit or prospecting license has been granted in respect of any land for any mineral, the permit holder or the licensee shall have a right for obtaining a prospecting license followed by quarrying lease, or license, as the case may be, in respect of that mineral in that land, if they have carried out the reconnaissance or prospecting in accordance with the terms and conditions stipulated in their permit or license:

Provided that on grant of quarry lease or license in case of sub rule(3) the lessee shall pay, in addition to the royalty, an amount which shall be equal to the Average Additional Periodic Payment: payable by the holders of quarry lease or license granted through auction within the Taluk; if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019; and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighboring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment.

Provided further that when such Royalty and Average Additional Periodic payment is paid, then the payment by the lessee or holder of license to the District Mineral Foundation shall be as payable by the holders of lease or license through auction.

**10. Amendment of Chapter-III.** – In the heading of chapter III to the said rules, the words “for Specified Minor Minerals” shall be omitted.

**11. Substitution of rule 9.-** For rule 9 of the said rules, the following shall be substituted, namely:-

**“9. Application for grant of a quarrying lease:** Every application for grant of a lease to quarry minor minerals in the land belonging to the State Government shall be made in Form-AQL to the Competent authority and shall be accompanied by various fees and documents as may be specified by the State Government in the tender document from time to time.”



**12. Insertion of new rules 9A and 9B.-** In the said rules, after rule 9 as so substituted, the following new rules shall be inserted, namely:-

**“9A Grant of quarrying lease by auctions.** (1) The provisions of this rule shall be applicable to cases other than cases covered under sub rule(3), of rule 8 or rule 3A,3B, 3D, 3E , or rules covered under Chapter IV B or to land in respect of which the minerals do not vest in the Government or to rules covered in Chapter V.

(2) In areas where the existence of mineral contents of any minor mineral specified in schedule-IA is established, the competent authority shall notify such areas inviting applications for grant of quarrying lease for such minor minerals. The terms and conditions subject to which such quarrying Lease be granted shall be in accordance with the provisions of chapter-IVA and such other conditions specified in the tender bulletin or Notification:

Provided that any broken area or previously held area of the minerals specified in schedule-IA, shall be notified for grant of quarrying lease through auction.

Provided further that the maximum and minimum extent of any blocks so identified shall not be in contravention of rule 15 and 15A.

(3) For the purpose of granting a Quarrying lease in respect of any minor mineral specified in schedule-IA in such notified area, the competent authority shall select through auction by method of competitive bidding including e-auction, an applicant who fulfils the eligibility conditions as specified in the notification inviting applications.

(4) The general procedures and manner of conducting auction including reservation of blocks shall be in accordance with chapter-IVA of these rules and the bidding parameters for the selection, which may include a share in the production of the mineral, or any payment linked to the royalty payable, or any other relevant parameter, or any combination or modification of them, as may be specified by the State Government in the tender bulletin or notification.

(5) Without prejudice to the generality of sub-rule (4), the State Government may, if it is of the opinion that it is necessary and expedient to do so, notify terms and conditions including reservation of any particular quarry or quarry blocks for a particular end use and be subject to such conditions which allow only such eligible end users to participate in the auction.

Provided that where any quarry block is reserved for specified end use, the minerals extracted under the quarrying lease shall be utilized solely for the specified end use; and not be sold or transferred or otherwise disposed of, either directly or indirectly.

(6) Without prejudice to the generality of sub-rule (4), the State Government may, if it is of the opinion that it is necessary and expedient to do so, notify terms and conditions, including reservation of any particular quarry or quarry blocks for production of a particular end product:

Provided that, when any quarry block is reserved for production of specified end product, mineral from the quarry shall be extracted for production of that end product in such minimum percentage as notified by the Government in special or general order.

(7) The competent authority shall grant a quarrying lease to the successful applicant selected in accordance with the procedures laid down in this regard in chapter IVA.

**9B. Application of other Provisions.-** The grant of permission to quarry ordinary sand shall only be in accordance with the provisions of the Chapter IV-B and Chapter IIA of these rules.”

**13. Insertion of new Chapter-III A.** – In the said rules, after rule 9B as so inserted the following new shall be inserted, namely:-

### **Chapter-III A Grant of Composite license**

**9C. Application for grant of Composite license .-**(1) Every application for grant of a Composite license to quarry minor minerals in the land belonging to the State Government shall be made in Form-AQL to the Competent authority and shall be accompanied by various fees and documents as may be specified by the State Government in the tender document.

**9D.** (1) The provisions of this rule shall be applicable to cases other than cases covered under sub rule(3) of rule 8 or rule 3A or 3B or sand mining or to land in respect of which the minerals do not vest in the State Government.

(2) In areas where there is inadequate evidence to show the existence of mineral contents of any minor mineral specified in schedule-IA, the Competent Authority shall issue notification

inviting application for grant of Composite license for such minor minerals after obtaining prior approval of the Controlling Authority. The terms and conditions subject to which such Composite license be granted shall be in accordance with the provisions of chapter-IVA and such other conditions as may be specified in the tender bulletin or notification.

(3) For the purpose of granting Composite license in respect of any minor mineral specified in schedule-IA in such notified area, the controlling authority shall select through auction by method of competitive bidding, including e-auction, an applicant who fulfils the eligibility conditions as specified in the notification inviting applications.

(4) The general procedures and manner of conducting auction including reservation of blocks shall be in accordance with chapter-IVA of these rules and the bidding parameters for the selection, which may include a share in the production of the mineral, or any payment linked to the royalty payable, or any other relevant parameter, or any combination or modification of them, as may be specified by the State Government with tender bulletin or Notification.

(5) The Competent Authority shall grant a prospecting license (PL) for the successful applicant selected through auction. The bidding parameter for Prospecting license shall be either the least cost of prospecting or least amount of revenue sharing which the prospecting license holder shall charge in case he refuses to undertake the quarrying lease in the auction or, any other relevant parameters that may be specified by the State Government.

Provided that the holder of Prospecting license shall have the right of first refusal once the area is put for auction for grant of quarrying lease on successful completion of prospecting.

(6) The prospecting operations shall be carried out in such a manner so as to ensure systematic development and conservation of mineral deposits and protection of environment. In case of any breach on the part of the licensee of any covenant or condition contained in the license deed or the rules made by the Central or State Government, the competent authority may determine the licensee and take possession of the said land and forfeit the security deposit. Such action shall not be taken unless the licensee has failed to remedy the breach a period of fifteen days from the date of notice having been served upon him.

(7) Once the holder of a prospecting license completes the prospecting operation and establishes the existence of mineral contents in the area in conformity with such parameters as may be specified for this purpose by the State Government, the said block shall be put for auction for grant of quarrying lease with right of first refusal to the holder of Composite license.

Provided that the quarrying lease shall be granted only with respect to area for which mineral existence is established and the extent shall not be in contravention of the provisions of rule 15 and 15A.

Provided further that any area, if found excess, shall be deemed to be surrendered by the holder of Composite license after completing its reclamation.

(8) If a holder of a composite license fails to complete the prospecting operations or fails to establish the existence of mineral contents required to put the blocks for auction to grant quarry lease, such holder shall not be eligible to receive quarrying lease and the composite license shall be terminated.

(9) The quarry lease shall be granted in favour of successful bidder in accordance with the provisions of rule 9A."

**14. Amendment Chapter-IV.** - In chapter of the said rules, for the heading the following shall be substituted namely:-

**"General Procedures and Statutory Requirements"**

**15. Substitution of rule 11.** - For rule 11 of the said rules the following shall be substituted, namely:-

"11. The provisions of this chapter shall be applicable for all grants of quarrying lease, composite license, quarrying license granted under these rules except for sand and M sand."

**16. Omission of rule 12.**- The rule 12 of the said rules shall be omitted.

**17. Substitution of rule 13.** - For the rule 13 of the said rules the following shall be substituted, namely:-

**"13. Register of quarrying lease or license and Composite license .-**

(1) The Competent authority shall cause to be maintained the following registers, namely:-

- (a) Register of blocks for which notification is issued for inviting applications for grant of quarrying leases in Form-QLN;
- (b) Register of quarrying leases in Form-QL with area sketches appended;
- (c) Register of applications received for quarry license in patta land in Form-AWPL;

- (d) Register of license in Form-WPL with area sketches appended;
- (e) Register of blocks for which notification is issued for inviting applications for grant of Composite license in Form-CLN; and
- (f) Register of Composite license in Form-CL.

(2) Every such registers referred to in sub-rule (1) shall be open to inspection by any person on written request and payment of rupees one hundred at the discretion of the Competent Authority."

**18. Omission of rule 14.**- The rule 4 of the said rules shall be omitted.

**19. Substitution of rule 15.** - For rule 15 of the said rules, the following shall be substituted, namely:-

**"15. Maximum Area for which a quarrying lease or Prospecting license may be granted.**- (1) No person shall acquire in respect of any minor mineral in the State,-

- (a) One or more prospecting license s covering a total area of more than five hundred acres;
- (b) One or more quarrying leases or license s covering a total area of more than fifty acres for the purpose of Mineral based industries and ten acres in case of other purposes; and
- (c) Any quarrying lease or prospecting license in respect of any area which is not compact or contiguous.

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

(2) Nothing in sub-rule (1) shall apply to State Government or central Government Departments or undertakings and to Joint Sector Projects undertaken by the State Government or Central Government Departments or undertakings within the State or to cases covered under rule 3B.

(3) for the purpose of determining the total area referred to in sub-rule (1), the area held under a quarrying lease or composite license by a person as a member or partner of a company or corporation or firm or Hindu Undivided family or a Co-operative Society shall be deducted from the area referred to in sub-rule (1) so that sum total of the area held by such person, under a quarry lease or prospecting cum quarrying lease, whether as such member or partner, or individually, may not, in any case, exceed the total area specified in sub-rule (1)."

**20. Substitution of rule 15A.** - For rule 15A of the said rules, the following shall be substituted, namely:-

**"15A. Minimum area for quarrying lease or license or Composite license to be granted.**-(1) No quarry lease or license or Composite license shall be granted with the extent less than the minimum extent specified in Schedule IIA for concerned mineral:

Provided that the State Government may, if it is satisfied on the basis of proposed production level, Geological or topographical conditions and for the reasons to be recorded in writing, grant a lease over an area less than minimum extent specified in schedule IIA. However, the implementation of Environmental Management Plan in such cases shall be in cluster approach.

(2) Nothing in this rule shall apply for the existing quarry leases till the date of its expiry."

**21. Substitution of rule 16.** - For rule 16 of the said rules the following shall be substituted, namely:-

**"16. Notification of grant of quarry lease or Composite license .-** (1)The Competent authority shall issue a grant notification for quarrying lease in Form-GL for an applicant selected through auction after obtaining the approved Quarry plan or simplified quarry plan, as the case may be.

(2) The Competent Authority shall issue a grant notification for Prospecting license in Form-GPL or in a form as near thereto as circumstances of each case may require for an applicant selected through auction after obtaining scheme of prospecting."

**22. Amendment of rule 17.** - In rule 17 of the said rules in sub-rule (1), for the words, brackets and figures "is notified under sub-rule (5) of rule 11" the words "or prospecting license is notified," shall be substituted.

**23. Amendment of rule 18.** - In rule 18 of the said rules,-

- (i) in the heading after the words "quarrying lease" the words "or quarry license or prospecting license or composite license" shall be inserted;
- (ii) in sub-rule (1), for the words and figures "is granted under rule 11, lease deed," the words "or quarry license , or prospecting license or composite license is granted the quarry lease, quarry license , prospecting license or composite license ," shall be substituted;
- (iii) after sub rule (1), the following shall be inserted, namely:-

"Provided that the date of commencement of the period for which a quarry lease or quarry license or prospecting license or composite license is granted shall be the date on which the deed is duly executed,-

Provided further that the duly executed quarry lease/license deed or prospecting license deed or composite license deed shall be registered with payment of requisite stamp duty and a copy of the registered deed shall be furnished by the lessee or license holder to the Competent Authority

Provided also that unless the deed is registered, no quarrying or prospecting operations shall be commenced, and that the Mineral Dispatch Permits shall not be issued."

(iv) for sub-rule (2), the following shall be substituted, namely:-

"(2) Before execution of a lease or license deed, the grantee shall submit all statutory documents and make all the mandatory payments as specified in the bidding documents or the rules."

(v) for sub-rule (4), the following shall be substituted, namely:-

"(4) As soon as the lease or license deed is executed a copy of the same shall be forwarded to the concerned Revenue and Forest department authorities entitled to issue No Objection Certificate for grant;" and

(vi) for the word "lessee" wherever it occurs and in this rule, the words " lessee or licensee" shall be substituted.

**24. Amendment of rule 19B.-** In rule 19B of the said rules,-

(i) in sub-rule (2), the words and figure "and 25" shall be omitted; and

(ii) the sub-rule (4) shall be omitted.

**25. Omission of rules 21, 22, 23, 24, 25, 25A, 26, 27, 28, 29, 30 and 31 .-** the rules 21, 22, 23, 24, 25, 25A, 26, 27, 28, 29, 30 and 31 of the said rules shall be omitted.

**26. Substitution of Chapter-IVA.-** In the said rules for chapter-IVA and the entries relating thereto the following shall be substituted, namely:-

#### **\*Chapter-IVA**

#### **GRANT OF QUARRYING LEASE OR COMPOSITE LICENSE BY AUCTION**

#### **31. A: Notification of area available for grant of Quarrying Lease or Composite license .**

- (1) For the purpose of grant of quarrying lease or Composite license through auction, the competent authority shall issue a notification on website and in the official Gazette and also in more than two news papers having wide circulation of which at least one shall be in Kannada specifying the area available for grant and the particulars as specified in sub-rule (4) after obtaining the in-principle concurrence of the concerned authorities prescribed under sub rule (5) of rule 8 and formal approvals shall be obtained by the successful bidder by following due procedures, if any before execution of the deed.

Provided that in addition to the above, the prior approval of the controlling authority shall be obtained before issue of notification, inviting applications for grant of Composite license .

(2) Prior to issue of notification inviting application, the competent authority shall identify and demarcate the area where quarrying lease is proposed to be granted through auction by using total station and differential global positioning system and the area so demarcated shall be classified into forests land, land owned by the State Government and land not owned by the State Government.

(3) The extent of area so demarcated shall include area required for all the activities including non-quarrying activities also.

(4) The notification under sub-rule (1) and (2) shall contain the following particulars, namely:-

- (i) Name of the minor mineral;
- (ii) Survey Number, extent of the area and **Global Positioning System** co-ordinates;
- (iii) Name of the Village, Taluk, District and the block number;
- (iv) The period of lease;
- (v) The time schedule of auction events;
- (vi) Reservation category of the block; and
- (vii) General conditions governing the e-auction and any other relevant information.

(5) For the purpose of this Chapter it shall be recognized that assessment of mineral resources is inherently subject to some level of uncertainty and that the reported quantities are estimates as at the effective date of the submission of technical report, based on the available data and there is always a scope for further up-gradation in resources based on new exploration data and processing technology for using low grade resources.

**31B. Reservation of Blocks.-** (1) Area to be granted for quarrying lease or composite license shall be delineated by the jurisdictional Deputy Director or Senior Geologist and the blocks will be

suitably numbered and Deputy Director or Senior Geologist shall prepare a technical report containing minerals available, estimated resource or reserve, sketch of the block with Global Positioning System co-ordinates and details of approach road and land marks, to guide the prospective applicant to the area to be auctioned, which shall be part of bidding document.

(2) For the purpose of reservation, the concerned jurisdictional Deputy Director or Senior Geologist shall group the blocks of all the minor minerals specified in part-A & part-B of schedule-IA separately for the entire district proposed for grant of quarry lease and follow the roster system. Similar method of grouping shall separately be adopted for the blocks proposed for grant of composite license .

Provided that for geological formations that can be used for production of ordinary building stone and production of manufactured sand as well as for other uses, the inter-se ratio of allocation of blocks shall be as follows:

- (a) Ordinary building stone for allocation under rule 3F : not exceeding 25% of the area identified in the District;
- (b) M sand blocks through auction: twenty five percent of the area identified in the District; and
- (c) Others, including for ordinary building stone through auction: balance of the area identified in the District.

Provided further that in case of shortage of sand in any District, the District Task Force Committee shall have the powers to increase the area for M sand blocks in the District up-to a level of fifty per cent by reducing the area under Others category.

Provided also that the District Task Force Committee shall have powers to increase the area for Others category in case M sand blocks to that extent are not required in the District.

(3) After grouping of the blocks as under sub-rule (2), concerned District Task Force Committee shall reserve the blocks so numbered, except blocks that have been identified for allotment as under rule 3F, by way of lottery to the following categories as per percentage mentioned against each category:-

- (i) Persons or company or firm belonging to Scheduled Caste or Scheduled Tribes - 24%;
- (ii) Persons or company or firm who have already established or intend to establish any mineral based industries that use minor minerals as raw material in the State - 14% ;
- (iii) Persons belonging to economically weaker section who is a quarry operator by tradition and whose livelihood is depending on quarrying or registered society of such persons - 10%;
- (iv) Persons with disabilities (physically challenged)- 2%; and
- (v) Others - 50%

Provided that no blocks shall be reserved for the category at clause (ii) of sub-rule (3) to grant composite license and the same shall be considered as others category.

Provided further that the Tahsildar of the concerned Taluk in which the persons reside or where the registered society of such persons is located shall be competent to certify with regard to eligibility of persons or Registered Society of such persons for the purpose of clause (iii) of sub rule (3) of rule 31B.

(4) Notwithstanding anything in sub-rule (3), for quarry blocks for production of M Sand, the concerned District Task Force Committee shall reserve the blocks so numbered for M sand production, by way of lottery, to the following categories as per percentage mentioned against each category,-

- (i) Persons or company or firm belonging to Scheduled Caste or Scheduled Tribes or registered society of such persons - 24%;
- (ii) Persons or companies or firms who have already established M-sand production units in the State - 24%;
- (iii) Persons with disabilities (physically challenged)- 2%; and
- (iv) Others - 50%.

(5) The blocks reserved as under sub-rule (3) and (4) above shall be disposed only through auctions. Persons belonging to respective category shall only be allowed to participate in the auction.

Provided that allotment of blocks reserved under clause (a) of first proviso sub-rule (2) of rule 31 B, shall be done as per procedure prescribed in rule 3F.

(6) If the blocks so reserved are not disposed even after two notifications, it shall be notified for the "Others" category. Any shortfall for the category specified in clause (i) of sub-rule (3) shall be made good in the next allotment treating it as backlog.

Provided that if the backlog continues for more than three rounds of application of roster cycle, and there are no bidders from the said category, then the Director Mines and Geology shall have the power to declare the backlog to have lapsed and such backlog blocks shall go to the General Category for auction.

(7) Operational guidelines for identification of blocks, reservation and roster, carrying of backlog and lapsing of backlog shall be notified by the State Government by way of general or special orders from time to time.

**31C. Process of auction.-** (1) The bidding document shall be provided to the participants along with reports and documents enumerated in sub-rule (1) of rule 31B.

(2) The bidders shall be provided a fixed period, as notified by the competent authority, to study the bidding document and reports and bidding process shall commence only on expiry of period.

(3) Applications which are not duly filled or submitted with required enclosures, proof of deposit of earnest money, application fees and any other requirement shall be rejected under intimation to the applicant through e-portal.

(4) Auction shall be through e-auction and shall have the following two rounds, namely:-

(a) in the first round of auction, the bidder shall submit a technical bid comprising the application in form **Acceptable Quality Limit**, along with relevant documents to confirm eligibility as per the provisions of these rules to participate in the auction, earnest money deposits and such other documents and payments along with initial price offer as may be specified in the bidding document approved by the State Government;

(b) only those bidders who are found to be eligible in accordance with the terms and conditions of eligibility specified in the bidding document and whose initial price offer is equal to or greater than the base price shall be considered for evaluating the technically qualified bidders for second round of auction;

(c) the technically qualified bidders shall be ranked on the basis of descending initial price offer submitted by them and the technically qualified bidders holding the first fifty percent of the ranks (rounded off to next integer, fraction if any) or top five bidders, whichever is higher shall be qualified for second round of auction;

Provided that where the total number of technically qualified bidders is less than three, then no technically qualified bidder shall be considered to be qualified bidder and the auction process shall be annulled, but the same shall not be applicable for the auction process after third and subsequent call.

Provided further that if the number of technically qualified bidders is between three and five, then all the technically qualified bidders shall be considered as qualified bidders for the second round of auction. However, in the event of identical initial price offer being submitted by two or more technically qualified bidders, all such bidders shall be assigned the same rank and aforementioned fifty percent shall stand enhanced to fifty percent plus the number of persons with same rank.

(d) The highest price offer amongst the technically qualified bidders shall be the floor price for the second round of auction.

(5) In the second round of auction, the qualified bidders may submit their final price offer which shall be greater than the floor price:

Provided that the final price offer may be revised till the conclusion of the auction as per the technical specifications prescribed in the auction platform;

(6) The auction process shall be annulled if none of the qualified bidders submits a final price offer on the online electronic auction platform;

(7) The qualified bidder who submits the highest final price offer shall be declared as the successful bidder in the auction process;

(8) All applications other than applicant who is selected for grant of quarry lease or Composite license shall be deemed to have been rejected and application fee in respect of such applications shall be forfeited;

(9) A provisional acceptance letter shall be issued to the successful bidder by the competent authority upon approval of the e-auction from the controlling authority;

(10) Successful bidder shall deposit 4 times the earnest money deposit as security within three weeks from the date of acceptance letter, failing which earnest money shall be forfeited and application shall be rejected;

(11) On depositing of security amount as per sub rule (10), letter of intent shall be issued to the successful bidder by the concerned competent authority requiring him to submit approved quarrying plan/ simplified quarry plan and such other documents within two months for issue of grant notification;

Provided that the successful bidder of a Composite license shall submit scheme of prospecting for grant of prospecting license and quarrying plan/ simplified quarry plan, as the case may be during grant of quarry lease.

(12) If the provisions of sub-rule (11) is not complied with by the successful bidder, the security amount deposited by him and earnest money deposited shall be forfeited and application shall be rejected; and

(13) Notwithstanding anything contained in the sub-rules above, the State Government may prescribe a simplified tender cum auction procedure which may not be e-auction, as well as bid formats, for grant of quarry blocks for minor minerals for the category of persons belonging to the Scheduled Castes or Scheduled Tribes or for persons belonging to economically weaker section who is a quarry operator by tradition and whose livelihood is depending on quarrying or for registered society of such persons.

**31D. Eligibility.**- (1) The eligibility for participating in the auction shall be determined as per the terms and conditions of eligibility specified in sub-rule (2) and in the bidding document for participating in the auction and among the eligible bidders, the successful bidder shall be decided solely on the basis of financial bids submitted by the eligible bidders.

(2) No person or company or firm shall be considered as eligible to participate in the auction, if he,-

- (i) is a minor or an undischarged insolvent or is of unsound mind; or
- (ii) is holding an office of profit under the State Government or Central Government; or
- (iii) has not paid the arrears of royalty or dead rent in respect of lease held by him; or
- (iv) has been convicted of any offence involving moral turpitude or illegal mining; or
- (v) does not belong to the category for whom the block is so reserved.

(3) The controlling authority shall maintain and publish the list of persons who have defaulted in payment of royalty, dead rent, penalty or any dues to Government.

**31E. Withdrawal of bid.**- The bid once offered shall not be withdrawn till the grant of quarry lease or Composite license in respect of such area.

**31F. General conditions of auction.**- (1) the competent authority shall, on the date and at the time specified in the notification conduct the auction. If the e-auction is not held on that day due to the day being a public holiday or for any other reasons, the auction shall be held on the date and time that shall be published in the website or e-portal in case of e-auction for which no further notification or notice shall be necessary, and in same newspapers where original notification of auction was published in case of tender cum auction, not being e-auction;

(2) All the fees and Earnest Money Deposit (EMD) shall be in accordance with the directions contained in e-portal and bidding documents;

(3) The quarrying lease or composite license shall be granted for minerals published in the notification for auction and if any new mineral is discovered, then the holder of quarry lease or composite license shall report within sixty days of such discovery to the competent authority

Provided that the lessee shall not win and dispose of such mineral unless the same is included in the lease or license as per provisions under Rule 3 D and shall be liable to pay the dead rent or royalty plus premium in respect of each mineral, whichever be higher in amount, but not both;

Provided further that, where an area is auctioned for more than one mineral or more than one mineral is included in the lease or license, the final quote of successful bidder shall be applicable for the purpose of payment in respect of each such mineral.

(4) If the lessee or licensee holding a quarrying lease or composite license, is found winning the minerals not specified in their lease or license, he shall not be eligible to continue the quarrying operation and the lease or license shall stand terminated, for which the competent authority shall pass an order after giving an opportunity of being heard and recording the reasons in writing with forfeiture of whole or part of security deposit, performance guarantee etc.,

**31G. Undertaking to be given for auction.**- The person offering a bid shall give a prior undertaking that such offer shall not be withdrawn.

**31-H. Rejection of bids in auction.**- The Competent authority or Approving authority may reject any offer or bid offered through auction on the ground that such offer or bid is too low or for any other reason, to be recorded in writing.

**31-I. Confirmation.**- (1) Where the Competent Authority has provisionally accepted offer or bid, he shall forthwith submit to the controlling authority or the State Government, as the case may be, the records of the proceedings conducted by him, for confirmation.

(2) The controlling authority or State Government shall, on a consideration of the records under sub-rule (1) pass an order either confirming the bid for grant of a quarrying lease or refusing to confirm the same. The order passed thereon shall be communicated forthwith to all the concerned.

**31-J. Grant of Quarrying Lease.**- (1) The quarrying lease shall be granted in favour of successful bidder upon confirmation of the bid under rule 31-I by the Competent Authority in accordance with the provisions of rule 9A and chapter IV subject to following additional conditions namely:-

- (i) The successful bidder shall submit Performance Guarantee as specified in sub-rule (5) of rule 36 before execution of lease deed.
- (ii) The successful bidder shall formally obtain all necessary clearances, if any within a period of six months and operationalise the quarrying within a period of one year.



Provided that such period may be extended to a period of nine months and eighteen months respectively by the competent authority, in case the lessee is able to show that the delay was due to reasons beyond his control;

- (iii) The Successful bidder for blocks reserved for mineral based industries shall establish the mineral based industries, within a period of eighteen months of execution of lease deed and start the production; and
- (iv) The lessee shall produce and dispatch minimum fifty per cent of the permitted Annual production quantity, and if he fails to achieve the same, he shall be liable to pay royalty and premium as per the minimum production and dispatch requirement of fifty percent of permitted Annual production quantity;

Provided that where the failure to achieve minimum production and dispatch requirement is due to reasons beyond the control of the holder of the lease or license, the Competent Authority on an application made by the lessee or licensee, and after giving opportunity of hearing, may waive the requirement of the minimum production and dispatch for such period as it may deem fit.

(2) The holder of such grant shall execute a lease deed in accordance with the provision of rule-17 subject to compliance of all statutory requirements and additional conditions;

**31K. Grant of Composite license .-** (1) The prospecting license shall be first granted in favour of successful bidder upon confirmation of the bid under rule 31-I by the competent authority in accordance with the provisions of rule 9D and chapter IV, subject to the additional conditions specified in clause (i) and (ii) of sub-rule (1) of rule 31J.

(2) The holder of such grant shall execute a license deed in accordance with the provision of rule-17 under this rule subject to compliance of all statutory requirements and additional conditions;

(3) After successful completion of the prospecting, the holder of composite license shall submit his geological exploration report along with delineated area suitable for auction to grant quarrying lease to the competent authority.

(4) After satisfaction of the report submitted by the holder of composite license, the competent authority shall conduct auction to grant quarrying lease in accordance with provisions of Rule 9A and grant the quarry lease to successful bidder with first right of refusal to the holder of composite license

Provided that in case the composite license holder does not win the bid or does not exercise his right of first refusal, he shall be entitled to get from the successful bidder a compensation for the expenses incurred by him on prospecting activity.

**31L.- Surrender of lease:** (1) A Lessee may surrender his lease granted under this Chapter by giving notice in writing of not less than ninety days to the competent authority and by delivering possession of the area leased.

(2) The competent authority may accept the surrender of the lease, subject to the condition that the lessee has paid all the dues payable to the State Government under the lease up to the date of application and complied all statutory requirements.

(3) The competent authority shall dispose of the application under this Rule within Ninety days from the date of receipt of the application.

(4) The surrender shall take effect at the end of the said period of Ninety days subject to fulfillment of the condition specified in sub-rule (2) and in other cases; it shall take effect only, when the competent authority accepts surrender. lessee or ex-lessee shall not be entitled to continue in possession or re-enter possession of the quarry thereafter.

**31M. Transfer of Lease.-** (1) No lessee shall without the previous consent in writing of the competent authority:-

- (i) assign, sublet, mortgage or in any other manner transfer the Quarrying Lease or any right, title or interest therein, or ; and
- (ii) enter into an agreement, contract or understanding with any persons whereby the lessee is directly or indirectly financed to a substantial extent by such person and quarry operations and any other activities connected there with are substantially controlled by such person.:

Provided that nothing in this rule, shall apply to mortgage made by the lessee in favour of the Institution specified in Schedule-VI.

Provided further that the holder of original quarrying lease shall intimate the Competent Authority the consideration payable by the successor-in-interest for the transfer.

(2) The competent authority shall not give its consent to transfer of Quarrying Lease unless the transferee,-

- (i) has accepted all the conditions attached to the lease and liabilities which the transferor was having in respect of such lease;



(ii) Is eligible to hold the quarrying lease and has accepted to make payment of premium and other fees in accordance with the original lease; and

(iii) belongs to the same category for which the transferor was considered during grant.

(3) The competent authority by order in writing determined any lease at any time, if the lessee has in the opinion of the Competent Authority committed breach of any of the provisions of sub-rule(1) or has transferred any lease or any right, title or interest therein otherwise than in accordance with Sub-Rule(2).

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

(4) An application for transfer of lease shall be disposed of by the competent authority within ninety days from the date of receipt of the application.

(5) The sanction for the transfer shall take effect from the date of such sanction, subject to the fulfillment of the conditions specified in sub-rule (2).

(6) Where on an application for transfer of quarrying lease, previous consent for the transfer has been obtained under this rule, a deed in such form as may be specified by the Competent Authority, shall be executed within ninety days from the date of sanction order for the transfer or within such period as the Competent Authority may allow in this behalf.

(7) Transfer of mineral concessions shall be allowed only for leases that are granted through auction.

(8) Transfer of mineral concessions may be allowed as per provisions above subject to the condition that the premium payable by the transferee lease holder shall not be less than the Average Premium payable by the holders of quarry lease or license through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighbouring Districts, such Average Premium shall be deemed to be fifty per cent of Royalty. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019, and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment.

**31-N. Application of Certain rules for lease or composite license granted under this Chapter:**

The provisions of rules 3, 4, 5, 6, 7, 8, 8A, 13, 15, 15A, 16, 17, 18, 19A, 19B, 19C, 20, and chapter IIA Chapter VI, Chapter VII and Chapter VIII and rule 54 and 55 of Chapter IX shall *mutatis mutandis* apply to Quarry leases or composite license s granted under this Chapter:

Provided that for the Composite license s granted under this chapter, chapter IIA shall not be applicable during the period of prospecting license .”

**27. Substitution of Chapter IV-B.** - In the said rules, for Chapter-IV-B and the entries relating thereto the following shall be substituted namely:-

**“CHAPTER IV-B**

**Permission for quarrying of ordinary sand in river bed, patta land, removal of sand bars in Coastal Regulation Zone areas of coastal districts and special provisions for production of M-sand as well as for and transportation of sand and M-Sand.**

**31-R. Permission for quarrying and transportation of ordinary sand in river bed.-** (1)

There shall be constituted for each district a sand monitoring committee, (hereinafter referred as the 'District Committee'.) consisting of the following namely:-

1.	The Deputy Commissioner of the District	Chairman
2.	The Chief Executive Officer of the Zilla Panchayat	Member
3.	The Police Commissioner and the Superintendent of Police in-charge of the city or district.	Member
4.	The Executive Engineer of the Public Works Ports and Inland Water Transport Department.	Member
5.	The Executive Engineer of the Major Department of Water Resources	Member
6.	The Deputy Conservators of Forest (Territorial)	Member
7.	The Regional Transport Officer	Member
8.	The Officer in-charge of the Karnataka Pollution Control Board.	Member
9.	The Assistant Commissioners of the sub-divisions of Revenue	Member
10.	The Deputy Director or Senior Geologist, Department of Mines and Geology	Member-Secretary

**Note:-** The Chairman of the committee may invite any officer or other knowledgeable person on the subject, to be the Member, depending on the specific issues.

(2) There shall be a Taluk Sand Monitoring Committee, (hereinafter referred as 'Taluk Committee') consisting of following namely:-

1.	Assistant Commissioner of respective sub-division of Revenue	Chairman
2.	Concerned Deputy Superintendent of Police having jurisdiction over the Taluk	Member
3.	Geologist, Department of Mines and Geology	Member
4.	Executive Officer of concerned Taluk Panchayat	Member
5.	Concerned Inspector of Police and the Sub-Inspectors of Police.	Member
6.	Assistant Executive Engineer or Assistant Engineer Public works, Ports and Inland Water Transport Department and Water Resources Department.	Member
7.	The Assistant Executive Engineer/ Assistant Engineer of the Water Resources Department	Member
8.	Taluk Social Welfare Officer	Member
9.	Range Forest Officers of the concerned Taluk or range	Member
10.	Motor Vehicle Inspector of concerned Taluk of Transport Department	Member
11.	Concerned Revenue Inspectors of Revenue Department	Member
12.	Concerned Panchayat Development Officer or Secretary of the concerned sand bearing Grama Panchayats	Member
13.	Tahsildar of the respective Taluk	Member Secretary

**Note:-** The Chairman of the committee may invite any officer or other knowledgeable person on the subject, to be the Member.

(3) **Powers and Functions of the District Sand monitoring Committee.-** The District Committee shall exercise and perform the following powers and functions, namely:-

The District Committee shall,-

- (i) Meet at least once in two months;
- (ii) take decision to grant lease or license for the sand blocks for sand quarrying in accordance with the provisions of these rules;
- (iii) after considering the recommendations of the Taluk Committee, shall either after accepting or accepting with such modifications as necessary, notify in the Official Gazette the specific sand blocks for grant of quarrying lease through auction for sand quarrying, or reserving for Government works or low income housing or for extraction by Central or State Government or Body Corporation owned or controlled by the Central Government or State Government;
- (iv) require the successful bidder to obtain quarry plan and other necessary documents or clearance as per chapter II-A and as per the notification of Ministry of Environment and Forest, Government of India for Environmental Clearance;
- (v) Take necessary steps to regulate illegal sand quarrying, storage, and transportation, through its members and Taluk Committee and also through other law enforcement agencies;
- (vi) direct the lease or license holder to allocate up-to twenty five percent percentage of the sand extraction to government works or to low income house construction viz., Ashraya houses at rates not exceeding the Public Works, Ports and Inland Water Transport Department schedule of rates;
- (vii) follow the orders and guidelines issued by the State Government from time to time.
- (viii) may reserve any sand block for the purpose of Central Government or State Government Development works and grant lease or license, to the contractor or to the authorized assignee of the contractor who has been awarded the contract by the Central Government or State Government Department.
- (ix) reserve any sand block for the purpose of the extraction and sale of sand to public by any Central or State Government body or Corporation owned or controlled by the Central Government or State Government.
- (x) have the right of purchasing the sand at Public Works, ports and Inland Water Transport Department schedule of rates prevailing at the time of such purchase;
- (xi) establish check post wherever necessary to regulate transportation of sand and make suitable arrangements for patrolling to monitor illegal transportation including river patrol wherever necessary; and
- (xii) issue directions to officers of Government or Zilla Panchayat or of local authorities constituted under the Karnataka Municipalities Act, 1964 or the Karnataka Municipal

Corporations Act, 1976 or the Karnataka Grama Swaraj and Panchayat Raj Act, 1993 to assist in any or all works for the implementation of these rules.

**(4) Powers and functions of the Taluk Sand Monitoring Committee:-** The Taluk Committee shall exercise and perform the following powers and functions namely.-

The Taluk Committee shall,-

- (i) meet once in a month at place of convenience;
  - (ii) conduct site inspection and identify sand blocks for the purpose of tender cum auction or for reservation for Government works or for extraction of sand by Central Government or State Government or body corporation owned or controlled by the Central Government or State Government.
  - (iii) estimate approximate quarriable sand available in each identified block, by restricting quarrying to three meters depth or water level whichever is less, with the assistance of the Officers of the Revenue, Public Works, ports and Inland Water Transport Department, Water Resources, Mines and Geology and Forest. The blocks shall be identified by incorporating the Co-ordinates in the certified sketch;
  - (iv) assist the District Environmental Impact Assessment Authority (DEIAA) for preparation of the District Mineral Survey report as per the notification issued by the Ministry of Environment and Forest, Government of India (MOEF).
  - (v) submit joint inspection report and documents with a clear recommendation report to the District Committee for the purpose of notification of sand blocks and their extent, which may be either individual blocks or cluster of blocks, for tender- cum- auction or for reservation for Government works or for extraction of sand by Central Government or State Government or body corporation owned or controlled by the Central Government or State Government.
  - (vi) supervise and monitor all sand quarrying blocks in accordance with the provisions of these rules and also in consonance with environmental clearance conditions;
  - (vii) enforce laws and regulate illegal sand quarrying, storage and transportation with the assistance of members and its subordinate officers authorized by the District Committee and also through other law enforcing agencies.
  - (viii) recommend any other matter to the District Committee for implementation of these rules.;
  - (ix) seize and dispose of the illegal sand as per Public Works, ports and Inland Water Transport Department SR rates of concerned Public Works, ports and Inland Water Transport Department division;
  - (x) carry out such other assignment as given by the District Committee from time to time;
- (5) The royalty, Additional Periodic Payment and fines collected shall be credited to the State Consolidated Fund.
- (6) Payment to the District Mineral Foundation by holders of lease for extraction of sand shall be ten percent of Royalty and the DMF amount shall be credited in a manner specified by the State Government.
- (7) Twenty five percent of the royalty and Additional Periodic Payment so collected shall be provided to concerned Gram Panchayaths through an appropriate budget provision.
- (8) Provided there shall be a State Corpus Fund account created and managed by Director or Commissioner, of the Department of Mines and Geology as under rule 31-Y
- (9) Quarrying, Generation, Production, Storage and Sale of Filter Sand in any category of land including patta land is prohibited.
- (10) Mechanized boats and Dredgers in river sand quarrying are prohibited.
- (11) Use of backhoe equipment like JCB and screening in river bed sand quarrying shall be in accordance with guidelines issued by the Ministry of Environment, Forest and Climate Change, Government of India (MoEF) from time to time.
- Provided that loading equipment like dumpers, tractor mounted loaders, may be used on the river banks, only for loading without destabilizing river banks.
- (12) No person or entity, other than the holder of a lease or license for sand quarrying or a Government Department or Corporation owned by the Central Government or State Government, shall stock sand for sale.
- (13) The District Committees and Taluk Committees shall regulate, monitor and take legal action against any contravention of these rules. All the members of the District and Taluk Committees and subordinate officers of the member departments, as authorized by the District Committee shall exercise the powers under sub-section(1) and (1A) of section 4 and section 21 and 22 of the Act and sub-rule (3) of rule 43 and file a complaint with jurisdictional court either directly or through the jurisdictional police station.
- (14) No transport of sand shall be made across the border to other States.

Provided that in case of exigencies the State Government on the recommendation of the District Committee, or on its own, may allow transportation of sand across the border to other States.

(15) No sand quarrying shall be allowed within a radius of five hundred meters from wells meant for Water Supply to the villages and towns.

(16) Quarrying activity shall be done in accordance with Ministry of Environment Forest and Climate Change, Government of India notifications issued from time to time.

(17) In-stream sand extraction is prohibited except in cases provided below:

Provided that in-stream sand extraction may be allowed by the State Government on specific justification provided by the District Committee and on such terms and conditions that the State Government may specify.

Provided further that such permission shall be given by the State Government only where this is permissible as per the general or specific notifications or guidelines issued by Ministry of Environment, Forest and Climate Change Government of India from time to time in this regard, and also only after specific consultation in each case with the Forest, Ecology and Environment (FEE) Department of the State Government.

Provided also that all statutory clearances including environmental clearances shall be required for such in-stream sand extraction.

(18) The Mineral Dispatch Release Order (herein after referred to as MDRO) and Computerised Mineral Dispatch Permit (herein after called as CMDP) for transportation of sand from the leased blocks shall be as per rule 42 of these rules.

(19) All sand transporting vehicles shall install Global Positioning System or Radio Frequency Identification and shall transport only in the approved route as indicated in the Mineral Dispatch Permit. Government may by special order require that the sand transport vehicles be registered with the Department of Mines and Geology for monitoring purpose. The Transport Department, the Taluk Committee and the District Committee must ensure that sand transporting vehicles carry sand within their permissible limits (RWL).

(20) No sand quarrying shall be undertaken without a Quarry Plan and Environmental Clearance.

(21) Sand quarrying permission shall be up to a period of five years, which shall be inclusive of non-quarrying periods like rainy season, flood or any natural calamities for which no extension is allowed, and subsequent renewals of sand quarry lease will not be allowed.

Provided that renewal may be given for lease or license given to Central or State Government or body corporations owned by the Central or State Governments.

(22) Premature surrender of lease or license granted for quarrying of sand is allowed subject to review, ascertaining completion of all necessary protective measures and its acceptance by the District Committee with no compensation.

(23) Sand quarrying shall be allowed from 6 AM to 6 PM only.

(24) Nothing in this chapter shall apply for disposal of any derivatives and associated minerals generated in sand quarrying by the lessee and the same shall be disposed for the purpose of environmental reclamation, in accordance with the environmental clearance conditions or in accordance with rule-8-N of these rules..

**31-S: Reservation of Sand Blocks:** (1) District Committee may by notification in the official Gazette, reserve sand blocks for low income housing and or for government works or for sand extraction by Government agencies or Boards or Corporations owned by the Central Government or State Government. The rest of the blocks shall be notified for grant by way of tender cum auctions.

(2) District Committee shall reserve the sand blocks identified for grant through tender cum auction, by way of lottery to the following categories as per percentage mentioned against each category; namely:-

- (i) Persons or company or firms or Societies belonging to Scheduled Caste or Scheduled Tribes - 24%;
- (ii) Persons with disabilities (physically challenged)- 2%; and
- (iii) Others - 74%.

(3) The blocks reserved shall be disposed only through public auctions. Persons belonging to respective category shall only be allowed to participate in the auction.

(4) If the blocks so reserved under clauses(i) and (ii) of sub rule(2) are not disposed even after two notifications, it shall be notified for the "Others" category by the District Committee.

(5) For the purpose of reservation the roster shall contain 33 points, out of which 1, 7, 14, 17, 21 and 27<sup>th</sup> points shall be reserved for the scheduled castes and 2 and 18<sup>th</sup> point shall be reserved for physically handicapped person and remaining point shall be for other category.

Provided that the Tahsildar of the concerned Taluk in which the persons reside or where the registered society of such persons is located shall be competent to certify with regard to eligibility of persons or registered society of such persons for the purpose of claiming the reservations.

**31-T. Disposal of Sand Blocks through Tender-cum-auction.- (1)** For the purpose of grant of sand quarrying lease by tender cum auction in respect of the lease area notified by the District Committee, the Committee shall issue a notification containing the following particulars, namely:-

- (i) Sand blocks details, Survey Number, extent of the area, GPS Co-ordinates (boundaries) and approximate sand quantity available in the blocks;
- (ii) Name of the Village, Taluk and District;
- (iii) Reservation and category of the Block;
- (iv) The period of lease;
- (v) The last date for receipt of tender, the time at which and time schedule of auction events; and
- (vi) General condition governing the tender which shall be issued by the District Committee.

(2) The notification shall be published in at least two daily newspapers having wide circulation (one in English and one Kannada) at least fifteen days before the last date specified in the notification for the receipt of tender.

(3) The District Committee may, as part of the tender condition, fix the maximum price of sale of sand at the loading point by the lessee who is granted sand quarry lease or license through tender cum auction, with escalation factor for every year of the lease period, and indicate these in the tender document before the bid.

(4) All bids shall be construed and pursued on **as-is-where is** basis. Tender applicants shall inspect the notified sand blocks and satisfy themselves of the prevailing operational conditions before submission of tender application or bids. Objection raised subsequently shall not be considered.

(5) (a) the bidding document shall be provided, to the participants along with the notified sketch and any other relevant documents.

(b) the bidders shall be provided a fixed period, as notified by the District Committee to study the bidding document and reports and bidding process shall commence only on expiry of the said period.

(c) Applications which are not duly filled or submitted with required enclosures, proof of deposit of earnest money, application fees and any other requirement shall be rejected under intimation to the applicant through e-portal.

(d) Tender-cum-auction shall be online and shall have the following two rounds, namely:-

(i) In the first round of auction, the bidder shall submit a technical bid comprising the application in form AQL, along with relevant documents to confirm eligibility as per the provisions of these rules to participate in the auction, earnest money deposits and such other documents and payments along with initial price offer as may be specified in the bidding document approved by the District Committee;

(ii) Only those bidders who are found to be eligible in accordance with the terms and conditions of eligibility specified in the bidding document and whose initial price offer is equal to or greater than the base price shall be considered for evaluating the technically qualified bidders for second round of auction;

(iii) The technically qualified bidders shall be ranked on the basis of descending initial price offer submitted by them and the technically qualified bidders holding the first fifty percent of the ranks (rounded off to next integer, fraction if any) or top five bidders, whichever is higher shall be qualified for second round of auction:

Provided that where the total number of technically qualified bidders is less than three, then no technically qualified bidder shall be considered to be qualified bidder and the auction process shall be annulled, but the same shall not be applicable for the auction process after third and subsequent call.

Provided further that if the number of technically qualified bidders is between three and five, then all the technically qualified bidders shall be considered as qualified bidders for the second round of auction. However, in the event of identical initial price offer being submitted by two or more technically qualified bidders, all such bidders shall be assigned the same rank and aforementioned fifty percent shall stand enhanced to fifty percent plus the number of persons with same rank.

(iv) The highest price offer amongst the technically qualified bidders shall be the floor price for the second round of auction.

(6) In the second round of auction, the qualified bidders may submit their final price offer which shall be greater than the floor price.

Provided that the final price offer may be revised till the conclusion of the auction as per the technical specifications prescribed in the auction platform.

(7) The auction process shall be annulled if none of the qualified bidders submits a final price offer on the online electronic auction platform.

(8) The qualified bidder who submits the highest final price offer shall be declared as the successful bidder in the auction process.

(9) All applications other than applicant who is selected for grant of quarry lease of sand shall be deemed to have been rejected and application fee in respect of such applications shall be forfeited.

(10) A provisional acceptance letter shall be issued to the successful bidder by the Deputy Director or Senior Geologist, upon approval of the e-auction from the District Committee.

(11) Successful bidder shall deposit four times the earnest money deposit as security within three weeks from the date of acceptance letter, failing which earnest money shall be forfeited and application shall be rejected.

(12) On depositing of security amount as under sub rule (11), letter of intent shall be issued to the successful bidder by the concerned Deputy Director or Senior Geologist requiring him to submit approved quarrying plan and such other documents and statutory clearances within three months for issue of grant notification.

(13) If the provisions of sub-rule (12) is not complied with by the successful bidder, the security amount deposited by him and earnest money deposited shall be forfeited and application shall be rejected.

**31-U Eligibility.**- (1) The eligibility for participating in the auction shall be determined as per the terms and conditions of eligibility specified in the underlying sub-rule-(2) and in the bidding document for participating in the auction and among the eligible bidders.

(2) No person or company or firm shall be considered as eligible to participate in the auction, if he.-

- (i) is a minor or an undischarged insolvent or is of unsound mind; or
- (ii) is holding an office of profit under the State Government or Central Government; or
- (iii) has not paid the arrears of royalty or dead rent in respect of lease held by him; or
- (iv) has been convicted of any offence involving moral turpitude or illegal quarrying.
- (v) does not belong to the category for whom the block is so reserved.

(3) The Deputy Director or Senior Geologist shall maintain and publish the list of persons who have defaulted in payment of royalty, dead rent, penalty or any dues to Government.

**31-V: General conditions of auction and withdrawal of the bid:** (1) The bid once offered shall not be withdrawn till the grant of sand quarry lease in respect of such block.

(2) The Competent Authority shall, on the date and time specified in the notification conduct the e-auction. If the e-auction is not held on that day due to the day being a public holiday or for any other reasons, the auction shall be held on the date and time that shall be published in the website or e-portal for which no further notification or notice shall be necessary.

(3) All the fees and Earnest Money Deposit (EMD) shall be in accordance with the directions contained in e-portal and bidding documents.

(4) The person offering a bid shall give a prior undertaking that such offer shall not be withdrawn.

(5) Amongst the bidders found eligible, successful bidder shall be decided solely on the basis of financial bids submitted by the eligible bidders.

(6) Where the Deputy Director or Senior Geologist has provisionally accepted offer or bid, he shall forthwith submit to the District Committee, the records of the proceedings conducted by him, for confirmation.

(7) The District Committee shall, on a consideration of the records under sub-rule (1) pass an order either confirming the bid for grant of a quarrying lease or refusing to confirm the same. The order passed thereon shall be communicated forthwith to all the concerned.

**31-W Grant, Transfer and Surrender of Quarrying Lease.**- (1) The Deputy Director or Senior Geologist shall grant quarrying lease in favour of successful bidder upon confirmation of the bid under sub-rule(7) of rule 31-V subject to following additional conditions namely:

- (i) the successful bidder shall submit Performance Guarantee which shall be equal to one fourth of the Royalty on permitted annual production quantity in advance in the form of bank guarantee or fixed deposit receipts or demand draft or in any other manner as may be specified by the State Government from time to time before execution of the lease. The same shall be reconciled every year before 30<sup>th</sup> April for the forthcoming year with the prevailing rates of royalty and the lessee shall make good the shortfall payments, if any, by way of additional guarantee;
- (ii) Any violation of the lease conditions shall make the performance guarantee liable for being forfeited;
- (iii) the successful bidder shall formally obtain all necessary clearances within a period of three months and operationalise the quarrying within a period of four months;

Provided that such period may be extended up to a period of six months and nine months respectively by the District Committee, in case the lessee is able to show that the delay was due to reasons beyond his control.

- (iv) The lessee shall produce and dispatch minimum fifty per cent of the permitted Annual production quantity, and if he fails to achieve the same, he shall be liable to pay royalty and Additional Periodic Payment as per the minimum production and dispatch requirement of fifty percent of permitted Annual production quantity:

Provided that where the failure to achieve minimum production and dispatch requirement is for reasons beyond the control of the holder of lease or license the Competent Authority, on an application made by the lessee or license e, and after giving opportunity of hearing, may waive the requirement of the minimum production and dispatch for such period as it may deem fit.

- (2) The holder of such grant shall execute a lease deed, subject to compliance of all statutory requirements and additional conditions:

Provided that the executed lease deed shall be registered within one month of the execution of lease.

- (3) A Lessee may make an application for surrender the entire area of the sand quarrying lease after giving a notice in writing of not less than ninety days from the intended date of surrender. Such application shall be accompanied by an approved final quarry closure plan.

- (4) The Deputy Director or Senior Geologist may accept the surrender of the lease within ninety days from the date of application, subject to the following conditions:-

- (i) the lessee has submitted documents to evidence implementation of the approved final quarry closure plan;
- (ii) all dues with respect to the sand quarrying lease have been settled;
- (iii) in case of surrender of sand quarrying lease, the performance guarantee provided by the lessee shall be forfeited; and
- (iv) The lessee shall pay any expenditure over and above the performance security incurred by the District Committee towards protective reclamation and rehabilitation measures in the leased area of sand quarrying lease area which has been surrendered.

- (5) The surrender shall take effect at the end of the said period of Ninety days subject to fulfillment of the condition specified in Sub-Rule (4) and in other cases it shall take effect only, when the Deputy director or Senior Geologist accepts surrender and he shall not be entitled to continue in possession or re-enter possession of the quarry thereafter.

- (6) On registration of lease deed or license after furnishing of performance guarantee, the Earnest Money Deposit (herein after called as EMD) and the security deposit as under sub rule (11) of rule 31-T shall be refunded.

- (7) Transfer of Sand Quarry Lease is prohibited.

**31-X. Transitory provisions for tendered working blocks.-** Notwithstanding anything contained in this chapter, wherein work order has been issued by Public Works Department (PWD) for a specific period for already tendered sand blocks, such sand blocks shall be continued and monitored as per the provisions existing before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016 by Public Works, ports and Inland Water Transport Department till expiry of such work order:

Provided that Public Works, ports and Inland Water Transport Department shall ensure that the existing permit system for sand transport from such blocks shall be fully integrated with the ILMS of the Department of Mines and Geology block by block by the 31<sup>st</sup> of October 2016, and that no transport shall be allowed without such integration from the 1<sup>st</sup> of November 2016. A calendar of such block by block integration shall be issued by the Commissioner of Mines and Geology by the 31<sup>st</sup> of August 2016.

Provided further that in case of difficulty the Commissioner of Mines and Geology may extend the date of such integration by another thirty days, only for specific blocks.

**31-Y. Responsibilities of the lessee and holder of license .-** Sand quarrying activity shall take place only in accordance with terms and conditions of the environmental clearance and the lease deed or license under these rules and methods approved in the quarry plan.-

- (i) the lessee may store the sand beyond 20 meter but within 200 meter from the river bank. The lessee shall make his own arrangements for the same;
- (ii) the lessee shall adhere to pay the Royalty, Survey and Demarcation fees, Additional Periodic Payment amount, Deed book fees, Environment Protection fees, Special Security Permit paper fees, Processing fees, quarry plan approval fees etc and shall abide by the terms and conditions of thereunder document and the lease deed or license;
- (iii) the lessee shall install the Office, Computer facility, Electricity supply, CC camera, Weigh Bridge, Security at dump yard or stock yard of the sand;
- (iv) the lessee shall maintain an inward and dispatch registers and stock register in the camp office and allow for inspection by the Official of the Taluk and District Committee and such other officers authorized in this regard by the State Government;



- (v) sand stored in dump yard or stock yard shall be disposed off, by issuing Comprehensive Medical and Dental Program(CMDP) to the public or transporters;
- (vi) Lessee shall not sell sand to public or transporters above the maximum price as indicated in the tender documents and incorporated in the lease deed or license;
- (vii) monthly or quarterly or yearly as the case may be progress returns of sand production, dispatch details shall be submitted by the lessee in Forms Q(a), Q(b) and Y(a) to the Deputy Director or Senior Geologist of the District;
- (viii) CMDPs shall be issued to the border villages of the State after obtaining the certification from Panchayat Development Officer of concerned Panchayat regarding sand requirement for building construction activity of the person residing in that villages;
- (ix) if the lessee is found to violate any of the conditions or rules of the statutes, the competent authority shall issue a notice for rectification and if the lessee is found to continue with the violation, the lease shall be terminated and the amounts paid including performance guarantee shall be forfeited;
- (x) the lessee shall supply sand up-to twenty five percent of production for low income housing and or for other Government works, as directed by the District Committee; and
- (xi) the lessee shall not charge for sale of sand a rate exceeding the rate that has been indicated in the Tender document or in the lease or license.

**31-Z: Constitution of Corpus Fund.-** (1) There shall be a State Corpus Fund which shall be in the nature of a bank Account created and managed by the Director or Commissioner of Department of Mines and Geology which shall be credited with advance drawal of the annual budgetary provisions.

(2) There shall also be District Corpus Funds which shall be in the nature of bank Accounts created and managed by Chairpersons of the concerned District Committee for which funds shall be allocated out of the State Corpus Fund Account.

(3) After approval of the District or Taluk Committee, as the case may be, the amount from District Corpus Fund Account shall be utilized for the following purposes namely:-

- (a) expenses towards regulatory efforts of all minor minerals, use of man power and machineries for that purpose logistics of mobile squads and any unforeseen expenses incurred thereof;
- (b) meeting expenditures of District and Taluk Sand Committees and expenditure pertaining to District survey for identification of sand blocks and preparation of District Survey Report;
- (c) expenses shall be paid through the corpus fund, in case of lessee having failed to undertaken the implementation of rehabilitation and reclamation and environmental safeguard measures in the sand quarries;
- (d) expenses for getting the quality of sand or M sand tested in specified laboratories; and
- (e) any other expenses that the State Government may by order specify.

(4) The facility of State Corpus Fund is only to facilitate advance drawal of funds from the budgetary provision and thereafter transfer or withdrawal to the respective District Corpus Fund accounts. This fund account shall not be used for incurring any specific expenditure from the Commissioner or Director, Department of Mines and Geology.

(5) The Commissioner or Director, Department of Mines and Geology shall draw in advance, the funds available in the budgetary provision once in a Quarter and deposit the same in "State Corpus Fund" account and shall thereafter release the funds to the concerned District Corpus Fund accounts utilizing the Core Banking facility.

(6) The advance drawals by the Commissioner or Director of Department of Mines and Geology shall be limited to the net requirement in subsequent quarter based on available balances in the State and District Corpus Fund including the interest, if any, accrued thereon.

(7) The Commissioner or Director of Department of Mines and Geology shall release the money to concerned district account based on need and shall be at liberty to withdraw or re-allocate the unspent money, if the same is required for any other districts. However release of funds to District Corpus fund in subsequent request shall normally be subject to utilization of 85% of funds already released.

(8) The Commissioner or Director of Department of Mines and Geology shall submit the consolidated quarterly reports of the State Corpus Fund along with District wise details to the Secretary to Government, Commerce and Industries Department and Finance Department or as intimated by the Government from time to time.

(9) No funds shall be released to District Corpus fund account from State Corpus Fund account until the certified details of having closed the Revolving Fund and having transferred the balances to District Corpus Fund is submitted by the District Sand Monitoring Committee to the Director or Commissioner, Department of Mines and Geology.

(10) All Deputy Commissioners shall send a request to Director, Department of Mines and Geology for release of funds based only on the actual requirement.



(11) The Deputy Commissioner shall make the payments for the expenditure components specified in the rules from the District Corpus Fund account through cheque after scrutiny and certification of the bills from the concerned Deputy Directors or Senior Geologist before making payments.

(12) Every District Sand Monitoring Committee shall send the Utilization Certificate (UC) of the funds released in previous quarter within 10<sup>th</sup> of succeeding month to the Commissioner or Director, Department of Mines and Geology.

(13) The Member Secretary of the concerned District Sand Monitoring Committee shall maintain the accounts of the District Corpus Fund account. There shall be separate Cash book for the purpose of District Corpus Fund.

(14) The accounts of Corpus Fund shall be maintained in accordance with the Karnataka Financial Code. The accounts of all receipts and expenditure of Corpus Fund shall be maintained in double entry system.

(15) The monthly transaction report and monthly reconciliations statement shall be certified by the Chairman or his Authorised Officer.

(16) The Accounts of Corpus Fund shall be subject to annual audit by State Accounts Department and the audit report shall be forwarded annually by the State Government.

**31-ZA. Permission for quarrying and transportation of ordinary sand in or from patta land.**- (1) Sand quarrying in patta land is prohibited except in cases of where based on recommendation of the District Committee with adequate justification, the State Government may permit sand quarrying in specified patta lands with such terms and conditions as may be specified by the State Government from time to time:

Provided that before making such recommendations, the District Committee shall carry out tests and establish that the quality of such sand in the patta land is such that it can be used for construction purposes.

(2) Such permission shall be granted after demarcating a 50 meter safe zone from the high flood level of the river.

Provided that additional safeguards shall be prescribed in each such permission to ensure stability of river banks.

(3) the license shall be provided for extraction of sand in patta land with the condition that the holder of license shall pay, in addition to royalty, an amount which shall be equal to the Average Additional Periodic Payment payable by the holders of quarry lease or license granted through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. The deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019, and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate shall become the final rate for the Average Additional Periodic Payment.

(4) The District Committee shall have powers to fix the maximum rate at which the holders of license can sell sand at the loading point and indicate this in the license condition, and can also allocate up-to 25% of sand for low income housing or government work from holders of license .

**31-ZB: Permission for removal of sand bars and transportation of ordinary sand in Coastal Regulation Zone (CRZ) areas.**- (1) Notwithstanding anything contained in these rules, nothing in this Chapter shall apply for sand quarrying within the area of coastal regulation zone (CRZ) in coastal district and in the Coastal Regulation Zone sand shall be disposed in accordance with the official memorandum issued by Ministry of Environment, Forest and Climate change, Government of India vide No.11-83/2005-IA-III (Vol-III), dated 08-11-2011 and as amended from time to time.

(2) The royalty collected for the sand disposed after removal of sand bars from Coastal Regulation Zone (CRZ) shall be remitted to the State Consolidated Fund. twenty five percent of the royalty so collected shall be provided to the concerned Gram Panchayats through the District Committee.

**31-ZC: Special provisions for M-sand:** (1) Notwithstanding anything contained anywhere in these rules, Manufactured Sand (herein after called as M-sand) units commissioned or operational as on the date of commencement of these rules producing M-sand of the quality that meet the standards for being used in building construction for use in masonry and concrete shall be granted quarry lease, following the procedure prescribed hereunder, to enable them to produce M-sand for the next twenty years at a capacity that may go up-to two times their present average annual production in the last three years or up-to two times the capacity shown in the environmental clearance of the quarry lease that they may have.

(2) M-sand units commissioned or operational as on the date of commencement of these rules shall, if they are in requirement of quarry blocks, apply to the Commissioner or Director, Department of Mines and Geology for their requirement with exact area, sketch and DGPS readings

of the boundary points of quarry blocks identified by these units within a distance of ten kilometers of the present location of the M-sand unit.

Provided that in case the M-sand unit is owned by a company or firm then the application shall be made by the said company or firm that owns the M-sand unit, and in case the M-sand unit is owned by an individual then the application shall be made by the concerned individual who owns the M-sand unit.

Provided further that an application under Form AQL shall be made within a period of six months of the commencement of these rules.

(3) The Commissioner or Director, Department of Mines and Geology shall satisfy himself through getting necessary tests done in laboratories or institutes notified by the Government that the concerned unit is producing M-sand of quality that meets the standards for being used in building constructions for masonry and concrete.

(4) The Commissioner or Director, Department of Mines and Geology shall assess the requirement of quarry blocks size to be allotted to the applicant to enable him to produce M-sand for the next twenty years at a rate up-to two times the annual average production done in the past three years or up-to two times the capacity shown in the environmental clearance in case the applicant undertakes to enhance the production of M-sand within a period of six months from the date of grant of quarry lease.

(5) The Commissioner or Director as the case may be shall then issue a letter of intent for grant of quarry lease for the M-sand unit clearly specifying the area to be allotted with DGPS readings of the boundary points.

(6) Based on the letter of intent, the applicant of the M-sand unit shall proceed to procure the necessary No Objection Certificates from the Revenue Department and the Forest Department, environmental as well as pollution board clearances and any other necessary statutory clearances that may be needed as under existing applicable law.

(7) On submission of the No Objection Certificates and other necessary clearances the Commissioner or Director of Mines and Geology, as the case may be, shall grant quarry lease to the applicant for a period of twenty years clearly specifying the extent of grant with the DGPS readings of the boundary points of the lease, the period of the grant and the minimum annual production of M-sand that the lessee shall produce:

Provided that the M-sand unit granted quarry lease under these rules shall pay in addition to Royalty, and additional sum which shall be equal to *fifty percent* of the Average Additional Periodic Payment by the holders of quarry lease or license through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighbouring Districts if such average is not available for the District, and if such average is not available within the neighbouring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019, and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment:

Provided further that when such Royalty and Additional Periodic Payment is paid as provided above, the payment to District Mineral Foundation by the lessee shall be as payable by holders of lease in an auction.

(8) In case the grantee fails to enhance the production as indicated in the lease within six months of the signing of quarry lease deed, the grant made under these rules shall be liable to be cancelled.

Provided that in case the grantee is able to show genuine reasons for not being able to enhance production within the above prescribed period of six months the Commissioner shall have the power to extend the period up-to another six months.

(9) In case market conditions are such that demand for M-sand has come down substantially, then the minimum annual production that has been indicated in the quarry lease conditions can be suspended by the Commissioner for a period that would be indicated in an order issued by the Commissioner in this regard and during such period the M-sand unit shall produce as per the quantity shown in the said order.

(10) M-sand units shall produce M-sand of the quality that meets the specified standards for being used in building construction for use in masonry and concrete and failure to do so will make the lease liable for cancellation:

Provided that M-sand units shall keep a stock register of M-sand as well as by products in a format prescribed by the Commissioner and update the stock register on a daily basis. Such stock register shall be kept in the premises of the concerned M-sand unit.

Provided further that M-sand units shall declare to the Authorised Officer every month the quantity of M-sand and by products in opening balance, produced during the month, sold or disposed of during the month and in closing balance at the end of the month.

Provided also that the M-sand unit shall keep the M-sand and the by-products always physically separate in stock.

(11) Any officer authorized by the Commissioner or Director of Mines and Geology or by the Deputy Commissioner of the District in this regard, by a general or special order, or a member or the District or Taluk Committee shall be competent to draw samples of M-sand produced by the lessee and get it tested in laboratories or institutes notified by the Government and if the sample fails to meet the standards for M-sand to be used in building construction for use in masonry and concrete, the Competent Authority shall issue a notice to the M-sand unit to stop production forthwith and suspend supply of M-sand and on receipt of such notice the M-sand unit shall comply with the order forthwith.

(12) The Competent Authority shall give a period of sixty days to the M-sand unit to comply with the standards for M-sand to be used in building construction for use in masonry and concrete standards and if the unit fails to comply with these standards, the Quarrying Lease shall be cancelled.

(13) The stock of M-sand in the M-sand unit that does not meet the standards for M-sand to be used in building construction for use in masonry and concrete shall be seized and confiscated by the Competent Authority and disposed of in a manner that it cannot be used for building construction for use in masonry and concrete.

(14) The quarry lease shall be liable to be cancelled if the M-sand unit is found to be producing for the third consecutive time M-sand of quality that does not meet standards for M-sand to be used in building construction for use in masonry and concrete.

(15) Whoever produces and or supplies, for construction purpose, M sand that does not meet the specified standards for M sand to be used in building construction for use in masonry and concrete shall be punished with imprisonment of up-to two years or fine that may extend up-to rupees five lakh or both.

**31-ZD Special Provision in case of applications pending for grant of quarry lease for production of M-sand.-** Notwithstanding anything contained in these rules, applications pending for grant of quarry leases for production of M-sand which were filed before the commencement of these rules and for which No Objection Certificates and Reports under sub rule (5) of rule 8 have been received before the commencement of the Karnataka Minor Minerals Concession (Amendment) Rules, 2016 shall be processed and decided by the District Task Force Committee as per the rules that existed before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rule, 2016.

Provided that the M-sand unit granted quarry under rule 31-ZD shall pay in addition to Royalty, an amount which shall be equal to the Average Additional Periodic Payment payable by the holders of quarry lease or license granted through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. The deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019; and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment:

Provided further that when such Royalty and Average Additional Periodic Payment is paid the payment to District Mineral Foundation by holders of lease, license shall be as payable by holders of lease in an auction.

**31-ZE Application of certain provisions to this chapter.-** (1) The provisions of rule 3, 4, 5, 6, 7, 8 of Chapter II, Chapter IIA, Chapter VI, Chapter VII and rules 54 and 55 of Chapter IX shall apply *mutatis mutandis* to this Chapter.

(2) The provision of Chapter V shall apply *mutatis mutandis* apply to M\_sand.

(3) The provision of Chapter V shall also apply *mutatis mutandis* to sand to the extent that it is not inconsistent to provisions of sub-rules under Rule 31ZA."

**28. Amendment of rule 32.-** In rule 32 of the said rules, -

(i) in sub rule (1),-

(a) for the words "who are full owners of sub soil minor minerals situated in their patta land" the words "in whose lands sub soil minor minerals are situated" shall be substituted; and for the words "working permission" the words "quarrying license" shall be substituted.

(b) in the explanation after the word "pattadar" the word "by" and after the word "acquired" the word "through" shall be inserted;

(c) after sub-rule (1), the following shall be inserted, namely:-

"(1A). The provisions of this chapter shall be applicable for such minor minerals that may be notified by the State Government from time to time."

- (ii) in sub-rule (5), for the words and figures "area, subject to the pattadar paying the expenses which shall be at the rate as specified in rules 17 and 29, as the case may be depending on the mineral applied.", the words and figures "area upon payment of the expenses by the pattadar at the rate as specified in rule 17" shall be substituted
- (iii) in sub-rule (6) for the words, letters and figure "Rules 17,18,19-A, 19-B,19-C and 29, sub-rule (3) of Rules 36 and 39, shall mutatis mutandis apply for grant of quarrying permission under this rule as applicable to specified and non-specified minor mineral" the words, letters and figure "rules 13, 15A, 17, 19, 19A, 19B, 19C and Chapter VI, Chapter VII, Chapter VIII and Chapter IX shall mutatis mutandis apply for grant of Quarrying license under this chapter" shall be substituted.
- (iv) for sub-rule (7), the following shall be substituted, namely:  
 "(7) Notwithstanding anything contained in this Chapter, the provisions of this chapter shall not be applicable, except for provisions of sub rule (6), for granted patta lands for which the rules in Chapter IV A shall apply.
- (v) after sub-rule (7) as so substituted, the following shall be inserted, namely,-

(8) license may be given to GPA holders of patta-lands or for holders of consent from the Pattadars for extraction of minerals from patta lands:

Provided that every application under this rule shall be accompanied by a Consent Letter specified in form CFQ from the owner of the land to the effect that he has no objection for carrying minor mineral by the applicant.

Provided further that this consent once given in the Consent Letter shall not be withdrawn for any reason during the pendency of the application for grant of quarrying license or during the currency of the quarrying license granted in favour of the applicant.

(9) Grant of license in patta lands (to pattadars, GPA holder or consent holder) for specified minor minerals shall be done only after recommendation of the District Task Force and approval of the State Government.

(10) In cases where the mineral rights of minor mineral do not vest with the pattadar, the holder of the license shall pay, in addition to the royalty, an amount which shall be equal to the Average Additional Periodic Payment payable by the holders of quarry lease or license granted through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighbouring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. This deemed percentage being reset after three years based on average obtained in auctions by 31.3.2019; and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate will become the final rate for the Average Additional Periodic Payment.

Provided that when such Royalty and Average Additional Periodic Payment is paid, then the payment by the lessee for the District Mineral Foundation shall be as payable by the holders of lease through auction

(11) All existing Working Permissions shall be converted into Quarrying license s within a period of eighteen months from the commencement of these Rules.

(12) Holders of Working Permissions granted under these rules shall apply within nine months of commencement of these rules to convert their working permissions into quarrying license .

(13) A quarrying license granted under this Chapter may be renewed for a further period of 20 years for non-specified minor mineral and 30 years for specified minor minerals, subject to establishment of mineral availability and workability of the quarry, and further subject to provisions of rules in Chapter II and IIA.

Provided that renewal of license under this rule shall be done only on approval of the District Task Force for non-specified minor minerals, and on recommendation of the District Task Force and approval of the State Government for specified minor minerals."

**29. Amendment of rule 36.-** In rule 36 of said rules,-

(i) after proviso to sub-rule (1), the following shall be inserted, namely:-

"Provided further that if the lease or license permits the working of more than one mineral in the same area the lessee or licensee shall be liable to pay the dead rent **for the entire lease area on the mineral** for which the dead rent is higher but not both.

Provided also that the State Government may provide for Royalty on any mineral to be charged on ad-valorem basis on Sale Value or Average Selling Price of the mineral or the notified royalty per cubic meter or per metric tonne whichever is higher.

Provided also that the State Government may prescribe an Additional Periodic Payment or Average Additional Periodic Payment as a percentage of Royalty to be charged, in addition to royalty, on lease or license s as per these rules.”

(ii) after sub-rule (4), the following shall be inserted, namely:-

“(5) Notwithstanding anything contained in this rule, the grantee of quarry lease or license shall pay one -fourth of the royalty amount of the permitted annual production quantity in advance as performance guarantee in the form of Bank guarantee, Fixed deposit receipts or Demand draft or in any other manner as may be specified by the Government from time to time before execution of lease or license . The same shall be reconciled every year before 30<sup>th</sup> April for the forthcoming year with the prevailing rates of royalty and make the shortfall payments, if any:

Provided that the holders of existing quarry lease or license and mining leases, which are now considered as minor minerals shall also make the similar payment.”

**30. Insertion of new rule 36A.-** After rule 36 of the said rules, the following shall be inserted, namely,-

“**36A. Payment to District Mineral Foundation.-** (1) Every holder of the quarry lease or license or composite license of minor minerals except Ordinary Sand shall, in addition to the royalty, make payment towards the District Mineral Foundation of the district in which the mining operations are carried on, an amount which is equivalent to ten percent of the royalty in case of leases granted through auction and thirty percent of royalty in case of leases granted without auction:

Provided that for ordinary sand the payment to District Mineral Foundation by the Public Works, Ports and Inland Water Transport Department or by holders of lease or license or working permission for extraction of sand or removal of sand bars shall be ten percent of Royalty.

(2) Payment to the District Mineral Foundation shall be deposited into an account as per the provisions of the rules made by the State Government under sub-section (4) of section 15 of the Act.”

**31. Amendment of rule 40.-** After rule 40 of the said rules, the following proviso shall be inserted, namely:-

“Provided that if the lessee or licensee fails to submit the documents required to finalize the annual audit report or the information submitted are incorrect or the competent authority has reasons to believe that the lessee or licensee had evaded or avoided royalty, may after giving a reasonable opportunity of being heard to the lessee or licensee, and after making such enquiry, as the Competent Authority considers necessary, the competent authority shall finalize the annual audit report to the best of its judgment:

Provided further that no such annual audit report shall be finalized on best judgment basis without obtaining prior approval of the next higher authority for the same”.

**32. Amendment of rule 42.-** In rule 42 of the said rules, in sub rule (5) after the words “thereof from the date of issue” the words “and two hours of additional time together for loading and unloading of the minor mineral” shall be inserted.

**33. Amendment of rule 43.-** In rule 43 of the said rules,-

(i) in sub rule (5), for the words “five times” the words “ fifteen times” shall be substituted;

(ii) in sub-rule (6), after the words “by a vehicle”, the words “and also seize and confiscate the vehicle” shall be inserted.

**34. Amendment of rule 44.-** in rule 44 of the said rules,-

(i) in sub-rule (1) for the words “one year or with fine which may extend to rupees five thousand” the words “two years or with fine which may extend to rupees five lakh” shall be substituted;

(ii) in sub-rule (2) for the words “five thousand” the words “fifty thousand” shall be substituted;

(iii) in sub-rule (3), for the words “ is liable to pay a penalty of rupees five thousand or value of the mineral, whichever is higher” the words “ is liable to pay a penalty equal to fifteen times of royalty” shall be substituted; and

(iv) after sub-rule (3), the following shall be inserted, namely:-

“(4) If any lessee or licensee or his managers, employees, contractors, consumers or buyers dispatch or transport mineral without valid permit, such lessee or licensee shall be liable to pay a penalty equal to 15 times of royalty of mineral so dispatched or transported and if such dispatch or transport without valid permit happens for any subsequent times of such levy of penalty, then he shall be liable for additional levy of penalty equal to 15 times of royalty for mineral so dispatched or transported for the subsequent time also and the Competent Authority shall also order for determination of lease or license:

Provided that, no such order of determination shall be made with giving the lessee or licensee an opportunity being heard.

(5) When the offender is not known or cannot be found, the Court competent, may, if he finds, that an offence has been committed, order the property in respect of which the offence has been committed to be forfeited to the State Government together with mineral, tools, equipment,

vehicles or any other thing used in committing the offence and taken charge of by the authorised Officer, or to be made over to the person whom the Court competent deems to be entitled to the same:

Provided that no such order shall be made until the expiration of thirty days from the date of seizing the property, or without hearing the person, if any, claiming "

**35. Amendment of rule 53.-** In rule 53 of the said rules,-

(i) in sub-rule (2A), for the words, figures and letter "the Director rejecting any tender or offer or bid under Rule 31 I may", the words, figures and letter "the competent authority or approving authority rejecting any offer or bid under rule 31H may" shall be substituted;

(ii) after sub-rule (2A), the following shall be inserted, namely,-

"(2B) notwithstanding anything contained in these rules, any applications which are referred to the committee existed under rule 11 before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016 by the competent court shall be considered and disposed by the State Government."

(iii) after sub-rule (5) the following shall be inserted, namely:-

(6) The revision applications pertaining to renewal of lease or license that are pending before the Competent Revision Authority where renewal applications were filed before expiry of lease or license shall be disposed by the Revision Authority in accordance with the rules that existed before the commencement of the FMCR Amendment Rules, 2016."

**36. Omission of rule 57.-** Rule 57 of the said rules shall be omitted.

**37. Substitution of rule 59.-** for rule 59 of the said rules, the following shall be substituted, namely:-

**"59. Transitory Provisions.-** All the applications received before 12<sup>th</sup> January 2015 for grant of mining lease with respect to 31 Major minerals, which are now classified as minor minerals vide Government of India notification number S.O.423 (E) dated 10.2.2015 shall be deemed to have been applied under these rules and shall be disposed in accordance with rule 8B of these rules:

Provided that, in case if there is evidence of major mineral in such area then the lease for such minor mineral shall not be granted."

**38. Insertion of new rule 60 and 61:** After rule 59 of the said rules, the following shall be inserted namely:-

**"60. Special provision for lease or licenses granted on or after 16.6.2015, but before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016, for which lease deed have not been executed before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules 2016.-** All leases or licenses granted on or after 16.6.2015 but before the commencement of the Karnataka Minor Mineral Concession (Amendment) Rules, 2016 which have not been executed any lease deed or license deed as on the commencement of the Karnataka Minor Mineral Concession (Amendment) Rule 2016 shall pay, in addition to royalty, an amount which shall be equal to the Average Additional Periodic Payment payable by the holders of quarry lease or license granted through auction within the Taluk if such average is available for the Taluk, or within the District if such average is not available for the Taluk, or within the neighboring Districts if such average is not available for the District, and if such average is not available within the neighboring Districts, such Average Additional Periodic Payment shall be deemed to be fifty per cent of Royalty. This deemed percentage shall be reset after three years based on average obtained in auctions by 31.3.2019; and if no auctions have taken place by 31.3.2019 for deriving the average from Taluk, District or neighbouring districts, as the case may be, then the deemed rate shall become the final rate for the Average Additional Periodic Payment.

Provided that when such Royalty and Average Additional Periodic Payment is paid, the payment to the District Mineral Foundation by the concerned lessee or license holder, as the case may be, shall be as payable by holders of lease in an auction.

**61. Removal of difficulty.-** (1) If any difficulty arises in giving effect to the provisions of these rules, the State Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of these rules, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made under this rule after the expiry of a period of two years from the commencement of the said rules."

**39. Amendment of Schedule I.-** In the schedule-I to the said rules, for item at serial no.18 and the entries relating thereto the following shall be substituted, namely:-

18.	Ball clay, Fire clay	11,000
19.	Barytes	11,000
20.	Calcareous Sand	16,500
21.	Calcite and Gypsum	16,500
22.	Chalk	5,500
23.	China clay and Kaolin	27,500
24.	Clay (others)	16,500
25.	Corundum	37,500
26.	Diaspore	11,000
27.	Dolomite	16,500
28.	Dunite or Pyroxenite	27,500
29.	Quartz, Feldspar and Mica	16,500
30.	Quartzite and Fuchsite Quartzite	16,500
31.	Jasper	16,500
32.	Laterite	11,000
33.	Ochre	16,500
34.	Ordinary building stone used for M-sand purpose	35,000
35.	Pyrophyllite	11,000
36.	Shale and Slate	27,500
37.	Silica Sand	27,500
38.	Steatite or Talc or Soapstone	37,500
39.	Sand (Others)	16,500
40.	All Other minor minerals	5,500

**40. Insertion of new Schedule IA and IB.-** In the said rules, after schedule-I, the following shall be inserted, namely:-

**"SCHEDULE IA  
(See sub-rule (m) & (f) of Rule 2)**

**Part-A  
Specified Minor Minerals**

Sl.No	Name of the Minor Minerals
1.	Corundum
2.	Dolomite
3.	Dunite or Pyroxenite
4.	Felsite and its varieties suitable for use as Ornamental Stones
5.	Feldspar
6.	Fuchsite Quartzite
7.	Jasper
8.	Marble or crystalline Limestone as Ornamental Stone.
9.	Mica
10.	Ornamental and decorative building Stones.
11.	Sandstone and their varieties, suitable for use as Ornamental stones.
12.	Steatite suitable for use as Ornamental stone.
13.	Silica Sand
14.	Kaolin and China Clay
15.	Ordinary building stone and any other minor mineral used for M-sand purpose

**Part-B  
Non-Specified Minor Minerals**

Sl.No	Name of the Minor Minerals
1.	Agate
2.	Ball clay
3.	Barytes
4.	Bentonite
5.	Brick and Tile clays
6.	Calcareous Sand
7.	Calcite

8.	Chalk
9.	Chalcedony
10.	Clay (others)
11.	Diaspore
12.	Fire clay
13.	Fuller's Earth
14.	Gypsum
15.	Laterite
16.	Lime Kankar
17.	Lime shell used for other than industrial purpose
18.	Limestone under title "Shahabad Stone" where used for building stone
19.	Lime stone (Non-Cement)
20.	Murrum
21.	Ochre
22.	Ordinary Sand
23.	Ordinary Building Stones for other than M-sand purpose.
24.	Pyrophyllite
25.	Quartz
26.	Quartzite
27.	Sand (others)
28.	Sandstone used for making household articles
29.	Shale
30.	Slate
31.	Steatite or Talc or Soapstone
32.	All other minor minerals

**Schedule I B**

(See Sub Rule (5) of rule 8A)

**List of Mineral Based Industries**

Sl. No	Name of the Minor Mineral	Mineral Based Industry
1	Dolomite	Cement and Lime Industry
2	Feldspar and Kaolin (crude and processed)	Ceramic Industry
3	Ornamental and Decorative Stones	Granite Cutting and Polishing Units including 100% Export Orient Units
4	Silica Sand	Glass Industry and Ferro Foundries
5	Ordinary Building Stone and any other minor mineral used for M-Sand Purpose	M-Sand Manufacturing Units

**41. Substitution of Schedule II.-** In the said rules for Schedule II the following shall be substituted, namely:-

**SCHEDULE-II**

[See sub-rule (1) of Rule 36]

**ROYALTY**

Sl.No.	Name of the Mineral	Royalty
1	2	3
1.	Ornamental and Decorative Building Stones as defined under clause (m) of Rule 2 (A) Dyke Rock (i) Black granites: (a) Chamarajanagar District  (b) All other Districts other than (a) above	15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 4,500 per m <sup>3</sup> whichever is higher  15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,500 per m <sup>3</sup> whichever is higher



	(ii) Other varieties of dyke other than black granites (Entire State)	15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,500 per m <sup>3</sup> whichever is higher
	(B) (i) Pink and Red Granites (Ilkal Pink Variety) (i) Hungunda and Badami Taluk of Bagalkot District, Kustagi of Koppal District.  (ii) Pink and Red granites, gneisses and their structural Varieties (other than Ilkal Pink Variety)	15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,200 per m <sup>3</sup> whichever is higher  15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,800 per m <sup>3</sup> whichever is higher
	(C) Grey and White Granites and their varieties: (i) Very fine grained Grey granite (Sira grey Variety) Chinthamani, Siddlaghatta of Chikkaballapura District Hoskote of Bangalore District.  (ii) Grey and white granites and their textural varieties having shades of grey, black and white colours (other than (i) above) Entire State.  (iii) Grey Granite of Sadarahalli, Koira of Bangalore Rural District.	15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,350 per m <sup>3</sup> whichever is higher  15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,050 per m <sup>3</sup> whichever is higher  15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 600 per m <sup>3</sup> whichever is higher
2.	Felsite and its varieties suitable for use as Ornamental Stone - Entire State	15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,800 per m <sup>3</sup>
3.	Quartzite and sand stone and their varieties suitable for use as Ornamental Stones - Entire State	15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,800 per m <sup>3</sup>
4.	Marble and Crystalline Limestone as ornamental stone - Entire State	15% of Sale Value or of Average Selling Price on ad-valorem basis or Rs. 1,800 per m <sup>3</sup>
5.	Bentonite - Entire State	Rs. 400 per MT
6.	Fullers Earth - Entire State	Rs. 125 per MT
7.	Buff colour (waste) The permits should not exceed 20% of permit issued For Fullers Earth	Rs. 60/- per MT
8.	Limestone under the title "SHAHABAD STONE"	Rs. 70/ per 10sq. meters or Rs. 70/- per MT
9.	Limestone (non-cement) when used for Building Stone - Entire State	Rs. 25/- per MT
10.	Ordinary Building Stones (Entire State as defined under clause (g) of Rule-2(1))	Rs. 60/- per MT
11.	Lime Shell - Entire State	Rs. 100/- per MT
12.	Lime Kankar (Non-cement) - Entire State	Rs. 50/- per MT
13.	Agate, Chalcedony, Flint - Entire State	Rs. 240/- per MT
14.	Ordinary Sand - Entire State	Rs. 60/- per MT
15.	Steatite and sandstone used for making household utensils/ articles - Entire State	Rs. 40/- per MT

16.	(a) Murram (All types of soils) - Entire State (b) Clay used for manufacturing tiles and bricks.	Rs. 20/- per MT Rs. 40/- per MT
17.	All other minerals - Entire State.	30% of sale value at pit mouth on ad-valorem basis
18.	Waste rocks generated in ornamental stone quarry - Entire State (see explanation under Rule-36)	Rs. 300/- per MT or Rs. 850/- per m <sup>3</sup>
19.	Irregular shaped waste rock generated in Ornamental stone quarry, which is not suitable for ornamental purpose - Entire State.	Rs. 60/- per MT
20.	Waste rocks generated in Shahabad stone quarry - Entire State (see explanation under Rule-36)	Rs. 60/- per MT
21.	Finished Kerb Stones/cubes not exceeding 30 cms each face - Entire State.	Rs. 110/- per MT
22.	Barytes	6.5% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
23.	Calcite	15% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
24.	China clay and Kaolin (including Ball clay and White shell, White clay) (a) Crude  (b) Processed	8% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis  12% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
25.	Clay (others)	Rs.40 per MT
26.	Corundum	12% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
27.	Dolomite	Rs.75 per MT
28.	Dunite and Pyroxenite	Rs.30 per MT
29.	Felsite (other than for ornamental purpose)	12% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
30.	Fire clay	12% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
31.	Gypsum	20% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
32.	Jasper	12% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
33.	Quartz, Feldspar	15% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
34.	Mica	4% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
35.	Quartzite & Fuchsite Quartzite	12% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
36.	Laterite	Rs. 60 per MT
37.	Ochre	Rs.24 per MT

38.	Pyrophyllite	20% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
39.	Shale	Rs.60 per MT
40.	Slate	Rs.45 per MT
41.	Silica Sand	10% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis
42.	Steatite or Talc or Soapstone (other than for household articles)	18% of Average Selling Price or of Sale Value whichever is higher on ad-valorem basis

**Note:** MT means Metric Tonne.

**42. Amendment of Schedule IIA.-** In the schedule-IIA to the said rules,-

(1) in the heading for the brackets, words, figures and letters "(see rules 15A, 25A and sub-rule (1A) of Rules 32) the brackets, words, figures and letter "(see rule 15-A)" shall be substituted.

(2) in the item at serial no.7 and 9, at column 3, for the figure "0.20" the figure "1.00" shall be substituted.

(3) for item at serial no.18 and the entries relating thereto the following shall be substituted, namely:-

18.	Ball clay, Fire clay	1.00
19.	Baytes	1.00
20.	Calcareous Sand	2.20
21.	Calcite and Gypsum	2.20
22.	Chalk	1.00
23.	China clay and Kaolin	10.00
24.	Clay (others)	1.00
25.	Corundum	2.20
26.	Diaspore	1.00
27.	Dolomite	10.00
28.	Dunite or Pyroxenite	2.20
29.	Quartz, Feldspar and Mica	2.20
30.	Quartzite and Fuchsite Quartzite	2.20
31.	Jasper	2.20
32.	Laterite	1.00
33.	Ochre	2.20
34.	Pyrophyllite	1.00
35.	Shale and Slate	1.00
36.	Silica Sand	10.00
37.	Steatite or Talc or Soapstone	1.00
38.	Sand (Others)	12.20
39.	Ordinary building stone used for M-sand purpose	5.00
40.	All Other minor minerals	1.00

**43. Substitution of Form Q(a) and Q(b).-** In the said rules, for the Forms Q(a) and Q(b), the following shall be substituted, namely:-

**FORM-Q(a)**

[See clause (vii) of rule 31-Y ]

Monthly returns for the month of \_\_\_\_\_

**Important:** Please return this form duly filled to the Commissioner/Director of Mines & Geology, Bangalore, the Chairman, District Committee and the Member Secretary of the Committee on or before 5<sup>th</sup> day of the succeeding month

- (1) Name and Address of the lessee/licensee
- (2) Q.L.No \_\_\_\_\_ Date of grant \_\_\_\_\_ Date of expiry \_\_\_\_\_
- (3) Sand Sale price fixed for MT/M<sup>3</sup> Rs. \_\_\_\_\_

- (4) Royalty paid during the month Rs\_\_\_\_\_ Progressive from the \_\_\_\_\_ month of in Rs\_\_\_\_\_
- (5) Total No. of CMDP's issued with quantity  
 (a) Total No. of CMDP's \_\_\_\_\_  
 (b) Total quantity ( in MT's) \_\_\_\_\_  
 (c) Total quantity at dump yard/stock yard (in MT's) \_\_\_\_\_

(6) River stretch and its sand blocks , Production and Dispatch of river sand quarried details.

Month	Name of the River and River stretch in kms Taluk and District,	Portion of the River Stretch Sand Block No and its Geo Co-ordinates details	Extent in Acres	Survey No & Village	Quantity permitted from the DEIAA/SEIAA/ MoEF (in MT's)	Production (in Mts)	Dispatch (in Mts)
Total							

Date: \_\_\_\_\_

Signature of the Lessee/licensee

**FORM-G (b)**

[See clause (vii) of rule 31-Y ]

Quarterly returns for the period from \_\_\_\_\_ to \_\_\_\_\_

**Important:** Please return this form duly filled to the Commissioner/Director of Mines and Geology, Bangalore, the Chairman, District Committee and the Member Secretary of the Committee on or before 5<sup>th</sup> day of the succeeding month

- (1) Name and Address of the lessee/licensee
- (2) Q.L.No \_\_\_\_\_ Date of grant \_\_\_\_\_ Date of expiry \_\_\_\_\_
- (3) Sand Sale price fixed for MT/M<sup>3</sup> Rs. \_\_\_\_\_
- (4) Royalty paid during the  
 (a) Rs. \_\_\_\_\_ for the month of \_\_\_\_\_  
 (b) Rs. \_\_\_\_\_ for the month of \_\_\_\_\_  
 (c) Rs. \_\_\_\_\_ for the month of \_\_\_\_\_
- (5) Total Royalty paid for 3 months Rs. \_\_\_\_\_ Progressive for the year Rs \_\_\_\_\_
- (6) Total No. of CMDP's issued with quantity  
 (a) Total No. of CMDP's \_\_\_\_\_  
 (b) Total quantity ( in MT's) \_\_\_\_\_  
 (c) Total quantity at dump yard/stock yard (in MT's) \_\_\_\_\_

(7) River stretch and its sand blocks , Production and Dispatch of river sand quarried details.

Months	Name of the River and River stretch in kms Taluk and District,	Portion of the River Stretch Sand Block No and its Geo Co-ordinates details	Extent in Acres	Survey No & Village	Quantity permitted from the DEIAA/SEIAA/ MoEF (in MT's)	Production (in Mts)	Dispatch (in Mts)
Total							

Date: \_\_\_\_\_

Signature of the Lessee/licensee

**44. Insertion of new Form-JIR-** In the said rules, after Form-Q(b) as so substituted, the following shall be inserted, namely:-

**"FORM -JIR**

(See clauses (ii),(iii),(iv), (v) and (vi) of sub rule (1-C) of rule 31-R.)

**Joint Inspection and Recommendation report.**

- (1) Quarriable Sand Reserve Details (Deposit should be shown in 1'=660' and the same should be enclosed with this report).

Sl. No.	Name of the River, River Stretch in kms Taluk and District.	Blocks Details and Mineable Sand Reserves						Extent in Acres	Survey No & Village	Block No.
		Portion of the River Stretch Sand Block and its Geo Co-ordinates details	Length of the block recommended for mineral concession (in Mtr)	Average width of the block recommended for mineral concession (in Mtr)	Depth of the Sand block recommended for mineral concession (in Mtr)	Total area of the block recommended for mineral concession (in Sq.Mts)	Total quarriable mineral potential in the block (in MTs)			
1.										
Total										

- (2) Are there any public structures like bridges, drinking water tanks and irrigation tanks within 500 mts from the sand blocks of the river stretch? If so, give details and indicate them on the river stretch and its blocks map.

- (3) Whether the area was held previously for sand quarrying by the Public Works Ports and Inland Water Transport Department. If so give sand production and dispatch details of the last quarry period, year.

Sl. No.	Name of the River, Taluk and District.	Portion of the River Stretch Sand Block and its Geo Co-ordinates details	Extent in Acres	Survey No and Village	Block No.	Production (in Mts)	Dispatch (in Mts)
1.							
Total							

- (4) Whether any river stretch and its blocks are reserved for the purpose of Government works or for Ashraya or low income group housing. If yes, give details.

Sl. No.	Name of the River, Taluk and District.	Block No.	Geo Co-ordinates details	Total quantity of quarriable Sand Reserves (in Mts)	Extent in Acres	Survey No & Village
1.						
Total						

- (5) Whether any river stretch and its blocks is required to declare as Cluster. If yes, give details.

Sl. No.	Name of the River, Taluk and District.	Block No.	Geo Co-ordinates details	Total quantity of quarriable Sand Reserves (in Mts)	Extent in Acres	Survey No & Village
1.						
Total						

- (6) Whether any river stretch and its blocks contravene the forest/land revenue, acts and its rules. If yes, give details.

Sl. No.	Name of the River, Taluk and District,	Block No.	Geo Co-ordinates details	Total quantity of quarriable Sand Reserves (in Mts)	Extent in Acres	Survey No & Village	Brief Information
1.							
Total							

- (7) Whether any river stretch and its blocks comes under the eco-sensitive zone or not. If yes, give details.

Sl. No.	Name of the River, Taluk and District,	Block No.	Geo Co-ordinates details	Total quantity of quarriable Sand Reserves (in Mts)	Extent in Acres	Survey No & Village	Brief Information
1.							
Total							

- (8) For sand quarrying clear recommendation of the Joint Inspecting Officers (Along with this report, all necessary maps, village maps & Geological sections should be enclosed )

Signature of the  
Inspecting Officers."

Date:

- 45. Substitution of Form QLA.-** In the said rules, for Form-QLA, the following forms shall be substituted, namely:-

**"FORM-AWPL**

[see clause (c) of sub rule (1) of rule 13]

**Register of applicants for quarry license in patta land**

Sl. No	Date of application & purpose	Date on which the application is received	Name of the pattadar with full address	Name of the applicant with full address (if not same as (4))
(1)	(2)	(3)	(4)	(5)

Particulars of applied area					
District	Taluk	Village/Forest range	Sy.No	Extent in acres	Name of the minor mineral
(6)	(7)	(8)	(9)	(10)	(11)

Other details			
Particulars of the amount paid	Final disposal of the application together with No. and date of order.	Remarks	Signature of the officer
(12)	(13)	(14)	(15)

**FORM-WPL**

[see clause (d) of sub rule (1) of rule 13]

**Register of quarry license**

Sl. No	Name of the holder of quarry license with full address (permanent and correspondence)	Date of issuing quarry license with order No.	Date of execution of quarry license & period	quarry license No.
(1)	(2)	(3)	(4)	(5)

Particulars of land permitted/license d					
District	Taluk	Village/Forest range	Sy.No	Extent in acres	Name of the minor mineral
(6)	(7)	(8)	(9)	(10)	(11)

Other details	
Particulars of the amount paid	Remarks
(12)	(13)

**FORM-CLN**

[see clause (e) of sub rule (1) of rule 13]

**Register of Notifications for composite license by e-auction**

Sl.No	Name of the minor mineral(s)	District	Taluk	Name of the village/Forest range
(1)	(2)	(3)	(4)	(5)

Block No.	Extent in Acres-Guntas	Reservation category of the block	Notification No and date	Last date to issue bidding documents	Date of e-auction	Remarks and additional information
(6)	(7)	(8)	(9)	(10)	(11)	(12)

**Form-CL**

[see clause (f) of sub rule (1) of rule 13]

**Register of composite license**

Sl. No	Name of the holder of composite license with full address (permanent and correspondence)	Date of issuing prospecting license with order No.	Date of execution of prospecting license & period	Composite license No.	Details of Final bid accepted
(1)	(2)	(3)	(4)	(5)	(6)

Particulars of land license d						Other details
District	Taluk	Village/ Forest range	Sy. No	Extent in acres	Name of the minor mineral(s)	Particulars of amount paid
(7)	(8)	(9)	(10)	(11)	(12)	(13)

Details of quarry lease				
Name of the holder of quarry lease, if other than holder of composite license with full address (permanent and correspondence)	Details of Final bid accepted	Details of Sy.No, extent, name of minor mineral(s), if any changes from the prospecting license	Date of quarry lease executed and period.	Remarks and payment details, if any
(14)	(15)	(16)	(17)	(18)

**46. Insertion of new Form-Y.-** In the said rules, after Form-Y, the following shall be inserted, namely:-

**FORM-Y(a)**

[See clause (vii) of rule 31-Y]

Annual returns for the Year ending 31<sup>st</sup> March\_\_\_\_\_

**Important:** Please return this form duly filled to the Commissioner/Director of Mines & Geology, Bangalore, the Chairman, District Committee and the Member Secretary of the Committee on or before 5<sup>th</sup> day of the succeeding month

- (1) Name and Address of the lessee/license e
- (2) Q.L.No\_\_\_\_\_ Date of grant\_\_\_\_\_Date of expiry\_\_\_\_\_
- (3) Sand Sale price fixed for MT/M<sup>3</sup> Rs.\_\_\_\_\_

(4) Total Royalty paid for 12 months Rs. \_\_\_\_\_

(5) Total No. of CMDP's issued in the year with quantity

(a) Total No. of CMDP's \_\_\_\_\_

(b) Total quantity ( in MT's) \_\_\_\_\_

(c) Total quantity at dump yard/stock yard (in MT's) \_\_\_\_\_

(6) River stretch and its sand blocks , Production and Dispatch of river sand quarried details.

Months.	Name of the River and River stretch in kms Taluk and District.	Portion of the River Stretch Sand Block No and its Geo Co-ordinates details	Extent in Acres	Survey No and Village	Quantity permitted from the DEIAA/SEIAA/ MoEF (in MT's)	Production (in Mts)	Dispatch (in Mts)
<b>Total</b>							

Date: \_\_\_\_\_

Signature of the Lessee/licensee

**GOVERNMENT OF KARNATAKA  
DEPARTMENT OF MINES AND GEOLOGY  
FORM-APR**

**YEARLY REPORT OF PROSPECTING OPERATIONS CARRIED OUT**

[See sub rule (3) of rule 31K ]

To  
The Competent Authority  
Department of Mines and Geology

1. Type of the mineral for which prospecting operations has been granted : (a)  
(b)

2. Name and address of the licensee :

3. Particulars of the prospecting licensee :

(i) Date of execution :  
(ii) Period : years : From : To:  
(iii) Area under license : Acres/Hectares  
(iv) Composite license No :

4. Location of the prospecting licensee d area :

(i) Toposheet Number:  
(ii) Cadastral Survey or Khasra Number:  
(iii) Village :  
Taluk:  
District:  
State:  
(iv) Post Office:  
Police Station:  
(v) Nearest Railway Station:  
Distance:

5. Particulars of the Geologist or qualified person employed optionally, if any. for the prospecting licensee d area:

(i) Name and address :  
(ii) Qualification :  
(iii) Date of appointment :  
(iv) Status of employment : Whole time: Part time:



6. Status of prospecting operations: In progress:

Please tick mark one whichever is applicable Completed :  
Abandoned:

7. Total surface area covered by prospecting work (hectare):

8. Prospecting work completed during the year :

(a) Geological mapping : Area in Hectare: Scale:

(b) Pitting

(i) No. of Pits :

(ii) Grid Pattern :

(iii) Depth (Mts.) Average:

Maximum :

Minimum :

(c) Trenching

(i) No. of trenches (with interval) :

(ii) Length (Mts) Average :

Maximum :

Minimum :

(d) No. and size of samples :

(e) Drilling :

(i) No. of boreholes completed during the year (with size of core):

(ii) No. of boreholes in Progress :

(iii) Total yearly drilling (Mts) :

(f) Particulars of drilling

Machines	Type	
	Make Capacity	
	No. of drills	

(g) Details of samples tested :

(i) No. of samples tested :

(ii) Complete report :

(testing the suitability as per market requirement)

Place:

Date:

Signature  
Name in full  
Designation

Note: Please enclose a geological report describing the prospecting operations undertaken so far accompanied by the detailed geological plans and sections showing structures details such as joints, fractures, folds, grain size, texture etc. and also showing locations of (a) bore hole, (b) pits, (c) trenches (d) sample position etc. The report shall also contain the bore hole logs and inferences drawn as a result of the study of the geology of the area and the interpretation of bore hole cores, pits, trenches, reserves of mineral and complete report of at least two representative samples indicating stone quality and suitability as per market requirements and the blocks proposed for quarrying operations."

**Form-CFQ**  
**Consent Letter for Quarrying**  
**(See sub rule (8) of rule 32)**

**(To be presented by the applicant along with the application for quarrying)**

Date: -----

**To,**  
**(The Competent Authority),**  
**Department of Mines and Geology,**  
Office of .....  
.....District  
Karnataka

Dear Sir,

SUB: Consent Letter to carry out quarrying activities in the private land.

The undersigned I/we being owner/owners/ Legal heirs of Private land bearing Sy.No..... of .....village, .....Taluk, .....District measuring an extent of ..... Acres/ Hectares do hereby give my/ our consent to Sri/Smt/m/s....., resident of ..... to apply for quarrying license and to carryout quarrying activities of .....mineral/s available in the said schedule property.

I/We hereby declare that this consent has been given after understanding the provisions of sub rule 8 of Rule 32 of KMMCR, 1994 and that the consent shall not be withdrawn for any reason during the pendency of the application for grant of quarrying license or during the currency of the quarrying license granted in favour of the applicant.

The schedule of the property having consent for quarrying is as follows:  
Sy.No....., Extent:..... Acres/Hectares, Village:.....,  
Taluk:.....  
North:  
South:  
East:  
West:

Signature of the Consentee/s

Signature of Consenter/s

1.  
2.

1.  
2.

Witness:

1)  
2)

Note: Name and Full Address of the above signatories shall be specified and shall submit relevant proof of address.

**47. Amendment of Form E:** In the said rules, in Form E, under clause (4) of part V for the words "five times" the words "fifteen times" shall be substituted.

By order and in the name of the Governor of Karnataka.

**K.VENKATESH**

Under Secretary to Government (Mines)-2  
Commerce and Industries Department