

16. PONDICHERRY

16.1 TITLE

Pondicherry Minor Minerals (Concession) Rules, 1977.

16.2 ADMINISTERING AUTHORITY

The State Government is the granting authority for the mineral concessions. However, the State Government may, by notification in the Gazette, direct that any power exercisable by it under these rules, may in relation to such matters and subject to such conditions, if any, be specified in the notification be exercisable also by such officer or authority subordinate to it as may be specified in the notification. Applications for the mining lease or mining permit are to be given to the Deputy Collector (Revenue) of the region concerned or any other officer authorised for this purpose. There is no provision for appeals in these rules.

16.3 TYPES OF CONCESSIONS

There are three types of concessions in vogue, namely; (i) Mining Lease, (ii) Auction Lease, and (iii) Mining Permit.

Mining lease is similar in nature to the mining lease granted under MCR, 1960. The auction lease is akin to the mining lease except that unlike the mining lease it is granted through auction. The maximum period of grant of these two types of leases is also different. Mining permit is granted for removing specific quantities of minor minerals within the period stipulated in the permit.

16.4 PROCEDURE FOR GRANT

16.4.1 MINING LEASE

No mining lease shall be granted to any person who is not an Indian national. Application for the grant of a mining lease must be in the prescribed form and should be addressed to the State Government and personally handed over to the Deputy Collector (Revenue) of the region. It should be accompanied by a fee of Rs.100/-; a deposit of Rs.200/- for meeting the preliminary expenses in connection with the grant of a mining lease, three copies of the cadastral survey map and in case of area not covered by cadastral survey, three copies of topographical survey map on a scale of at least 4" = 1 mile, on which the area applied for is clearly marked. The receiving officer shall cause an inquiry to be made into all relevant matters and if he is an authorised officer he may grant the lease subject to the rules or shall forward within two months of the date of receipt of the application, two copies of the application with his own recommendations to the State Government or to such other authority who may be authorised by the State Government to grant the lease. The State Government or the officer authorised by it may

refuse to grant the lease or grant it for the whole or a part of the area applied for. If the lease is refused, the application fee must be refunded.

Where two or more applications are received for the same area, the application received earlier shall have a preferential right for the grant of the lease over an applicant whose application was received later. Where such applications are received on the same day, the State Government may after taking into consideration the past experience, financial resources, nature and quality of the technical staff employed or to be employed, and the conduct of the applicant in carrying out mining operations on the basis of any previous lease or permit and in complying with the conditions of such lease or permit or the provisions of any law in connection therewith and such other matters that may be considered necessary by the State Government, grant the mining lease to such one of the applicants as it may deem fit.

An applicant for a mining lease shall, before the lease is executed, deposit as security for due observance of the terms and conditions of the lease, a sum calculated at Rs.25/- per hectare of the land to be leased. When an order has been made for the grant of a mining lease, the same shall be executed within three months of the said order or within such further period as the State Government may allow, in this behalf. If the deed is not executed within the aforesaid period due to any default on the part of the applicant, the State Government may revoke the order granting the lease and in that event the application fee shall be forfeited to the State Government. After the lease is granted, arrangements shall be made by the State Government for the survey and demarcation of the area granted under the lease for which the lessee will be charged at the rate of Rs.12.50 per hectare.

16.4.2 AUCTION LEASE

The State Government may notify in the Gazette specified area which may be leased out by auction. No area shall be leased out by auction for more than 5 years at a time. Once an area is so notified, no mining lease or mining permit shall be granted over that area and the area may be leased out only as auction lease. The State Government may by notification in the Gazette withdraw any area notified or part thereof, from the system of lease by auction. No person who is not an Indian national shall be allowed to bid at the auction for lease. The procedure for the grant of auction lease is as follows : The Deputy Collector (Revenue) of the region shall notify the date, time and place of auction and the terms and conditions of the lease, at least 30 days before the auction is to be held. Copies of such notice shall be put up on the notice board of the Deputy Collector's office and at some convenient place close to the area, a copy of the notice shall be sent to the Municipal Office or any other local authority in whose jurisdiction the area is situated. Also, the notice shall be published by beat of drums in the locality where the area is situated and in any other manner considered suitable by the Deputy Collector. The Deputy Collector will be the presiding officer of the auction. The details of the area and the terms and conditions of the lease shall be read out to the intending bidders at the time of auction, any person intending to bid shall deposit Rs.100/- with the Presiding Officer in advance, as earnest money. On completion of auction, the result shall be announced and the provisionally selected bidder shall immediately deposit 25 per cent of the amount of bid for one year as security for execution of the lease and due observance of its terms and conditions, and an equal amount as first instalment of royalty. The bid

shall not be treated as accepted unless confirmed by the State Government or such other authority who may be authorised by the State Government to grant the lease. The earnest money will be refunded to the rest of the bidders except the one whose bid has been accepted. The presiding officer shall submit the papers to the State Government or to the officer authorised to it to grant the lease. The lease shall be granted to the highest bidder provided that the State Government may after taking into consideration the past experience, financial resources, nature and quality of the technical staff employed or to be employed by the bidder; the conduct of the bidder in carrying out mining operations on the basis of any previous lease or permit and in complying with the conditions or the provisions of any law in connection therewith; and such other matters as may be considered necessary by the State Government, accept any other bid made at the auction.

When a bid is finally accepted, the lease deed shall be executed within one month or within such further period as the authority competent to grant the lease may allow in this behalf. If no such deed is executed within the aforesaid period due to any default on the part of the bidder, the said authority may revoke the order and forfeit the security deposit.

16.4.3 MINING PERMIT

No mining permit shall be granted to a person who is not an Indian national or for a period of more than six months. An application for the grant of mining permit shall be submitted in the prescribed form in triplicate to the Deputy Collector (Revenue) of the region or such other authority authorised by the State Government to grant such permit. It shall be accompanied by a fee of Rs.25/- and two copies of cadastral survey map or topographical map on a scale of 4" = 1 mile on which the area applied for, is clearly marked. The authorised officer, after making necessary enquiries either grant or refuse to grant the permit over the whole or a part of the area applied for and subject to such terms and conditions as the said officer may consider necessary.

When an order for grant of permit has been made, the applicant shall, within fifteen days of the communication of the order, deposit the royalty for the total quantity of the mineral permitted in the said order at the rate for the time being specified in the First Schedule to these rules. If the applicant fails to deposit the royalty within the period mentioned or within such further period as may be allowed by the said authority, the order granting the permit shall stand revoked and the application fee shall be forfeited. A mining permit shall be issued to the applicant within fifteen days of the deposit of the royalty.

16.5 PERIOD AND AREA

Mining Lease : The maximum period for which a mining lease may be granted is ten years. If the State Government is of the opinion that in the interest of mineral development it is necessary so to do, it may for reasons to be recorded, grant a mining lease for any period exceeding 10 years but not exceeding 15 years.

No person shall acquire in respect of any minor mineral, one or more mining leases, covering a total area of more than 8 hectares. However, if the State Government is of the opinion that in the interest of mineral development it is necessary so to do, it

may for reasons to be recorded permit any person to acquire one or more mining leases covering an area in excess of the aforesaid maximum of 8 hectares. A person acquiring by or in the name of another person a mining lease which is intended for himself shall be deemed to be acquiring it himself. The length of an area under a mining lease shall ordinarily not exceed four times its breadth.

Auction lease : No area shall be leased out by auction for more than 5 years at a time.

Mining permit : No mining permit shall be granted to a person who is not an Indian national or for a period of more than six months.

16.6 TRANSFER, SURRENDER, TERMINATION

The holder of a mining lease is prohibited to assign, sublet, mortgage or in other manner transfer the mining lease or any right, title or interest therein.

The mining lease may be surrendered by giving a notice, in writing, of not less than 12 calendar months to the State Government.

The State Government may terminate a mining lease or auction lease :

- (i) after serving a notice on the lessee to pay within 30 days of the receipt of the notice any amount due under the lease, including the royalty, if it was not paid within 15 days next after the date fixed for such payment; or
- (ii) for breach of these rules or conditions contained in the lease, after giving the lessee a reasonable opportunity to state his case.

The mining lease may also be determined if in the opinion of the State Government the lessee has committed any breach of the prohibition on transfer of a mining lease.

16.7 RENTS AND ROYALTIES

16.7.1 DEAD RENT

The holder of a mining lease shall pay for every year of the lease, except the first year, such dead rent as may, within the limits specified in the Third Schedule, be specified in the lease by the State Government. If the lease permits the working of more than one mineral in the same area, the dead rent will be paid separately for each mineral. However, the lessee is liable to pay either the dead rent or royalty of each mineral, whichever be higher in amount but not both. The current rates of dead rent are as follows

SCHEDULE-III (Rates of Dead Rent)

Area	Rate of dead rent (Per acre per annum)	
	Minimum	Maximum
1. Upto 10 acres	Rs.50/-	Rs.100/-
2. More than 10 acres but not more Than 30 acres.	Rs.35/-	Rs.70/-
3. More than 30 acres	Rs.20/-	Rs.40/-

16.7.2 AREA ASSESSMENT

The holder of a mining lease is required to pay area assessment at the rates for the time being specified in the Second Schedule. The State Government may, by notification in the Gazette, amend the Second Schedule so as to include therein or exclude therefrom or enhance or reduce the area assessment in respect of any mineral with effect from such date as may be specified in the notification.

SCHEDULE-II (Area Assessment)

Region	Assessment
1. Pondicherry	Rs.2.50 per 4,045 sq.metres for stone, metal, gravel and limestone and Rs.5.00 per 4,045 sq.metres for clay (used for bricks and tiles)
2. Karaikal, Mahe and Yanam	Rs.2.50 per 4,045 sq.metres for stone, metal gravel, limestone and clay (used for bricks and tiles)

16.7.3 ROYALTY

The holder of a mining lease shall pay royalty for all minor minerals at 12.5 per cent of the local market value of the minerals, subject to a minimum of six paise per cart load. The Deputy Collector (Revenue) shall fix the local market value of the mineral either for a region as a whole or different rates for each commune. The market value fixed shall be liable for revision. Where the royalty is to be charged on the pits mouth value of the mineral, the State Government may assess such value at the time of the grant of the lease and the rate of royalty will be mentioned in the lease deed. It shall be open to the State Government to reassess not more than once in a year the pit's mouth value, if it

considers that an enhancement is necessary. The time and manner of payment of the royalty both for the mining lease and the auction lease are as stipulated in the lease. In case of the mining permit, the royalty on the total quantity of the mineral allowed in the permit at the rate for the time being specified in the First Schedule, must be paid before the permit is issued.

SCHEDULE-I (Royalty)

Minor Mineral	Per cart load
1. Rough stone (including undressed burnt stone and every kind of stone) that has not been chiselled.	Re. 0.12
2. Chiselled.	Re.0.25
3. All other minor minerals.	Re.0.06
For Wooder's cart, half rates shall be chargeable.	

16.8 DISPUTE SETTLEMENT PROCEDURE

The rules do not prescribe any procedure for the settlement of the disputes.

SCHEDULE-II (Area Assessment)

Region	Assessment
1. Pondicherry	...
2. Kanikal, Maru and Yanam	...

16.9 ROYALTY

The holder of a mining lease shall pay royalty for all minerals extracted out of the lease area at the rate specified in the First Schedule to these rules. The royalty shall be paid in advance to the Government of the State. The Government may, by order, vary the rate of royalty payable by the holder of a mining lease for any mineral specified in the First Schedule to these rules. The Government may also, by order, exempt any holder of a mining lease from the payment of royalty for any mineral specified in the First Schedule to these rules. The Government may also, by order, exempt any holder of a mining lease from the payment of royalty for any mineral specified in the First Schedule to these rules.