

19. TAMIL NADU

19.1 TITLE

Tamil Nadu Mineral Concession Rules, 1959.

19.2 ADMINISTERING AUTHORITY

The authorities empowered to sanction quarrying lease/permit are the District Collector concerned, the Director of Geology and Mining and State Government. In the case of a lease/permit for mineral in any forest declared to be reserved under section 16 of Tamil Nadu Forest Act, 1882 or in any land at the disposal of the State Government in respect of which rules u/s. 16 of the Act have been made, the District Forest Officer concerned shall exercise the power and discharge the duties of the District Forest Officer concerned shall exercise the power and discharge the duties of the District Collector under these rules.

19.3 TYPES OF CONCESSIONS

Two types of concessions are available under these rules, namely, quarrying permit and quarrying lease. Quarrying permit is granted to extract a specified quantity of a minor mineral within the period stipulated in the permit, while quarrying lease shall have the same meanings as a mining lease in the mines and minerals (Regulation and Development) Act, 1957.

19.4 PROCEDURE FOR GRANT

19.4.1 QUARRYING PERMIT

Quarrying permit for minor minerals other than minerals covered under rule 8-A and 8-C of these rules for quantity not exceeding 2000 cft under one permit to any person who is an Indian National to extract and remove from any land other than forest land are granted by the Director of Geology and Mining. For this permit, an application accompanied with an application fee of Rs.100/- and the seigniorage fee at the rates prescribed from time to time in Appendix-II for the quantity of minerals applied for is to be made to the Director of Geology and Mining through the District Collector concerned. Quarrying permit is not transferable. Quarrying permits shall not be granted for areas notified for grant of a regular lease.

In case of forests lands declared to be reserved forest u/s. 16 of T.N. Forest Act, all quarrying and removal of turf and the earth is prohibited except in accordance with permits granted under the said Act. Procedure given above is to be applied to deal these cases.

19.4.2 QUARRYING LEASE

The District Collector is authorised to grant leasing of lands for quarrying minor minerals other than minerals covered under rules 8-A and 8-C. As per the procedure district Collector shall publish a notice in the district Gazette and also issue an advertisement in the Tamil daily having wide Circulation and also at the Tahsil Offices, etc. inviting tender applications in sealed cover for grant of lease for the areas with details of extent, location, mineral, etc. for quarrying minerals. The tender applicants has to pay Rs. 25,000/- as earnest money deposit (EMD). For each item of the area specified in the District Gazette Notification separate tender application is to be made. Before opening tender applications for each area, an auction shall be conducted in which all eligible applicants can also participate (Auction cum tender proceedings). Immediately after the conclusion of the auction all the valid tender applications for that area shall be opened and examined. List of highest bid amount offered at the auction and highest tender amount quoted in tender application will be examined. Highest bidder/tenderer will be the successful to claim.

The District Collector may grant the lease to the successful bidder/tender and lease agreement will be executed. In case of lands under reserve Forest or declared Forest, the Concerned District Forest Officer will perform the duties of the District Collector and grant the lease for quarrying.

Regarding grant of leases to private persons in respect of black, red, pink, grey, etc. granites or any other rock suitable for use as ornamental and decorative stones under rule 8-A, the procedure is the same i.e., Auction Cum tender. In this case the tender applicants have to pay earnest money deposit (EMD) of Rs. 1,00,000/- alongwith application. The district Collector after conclusion of the auction-cum-tender proceedings shall forward all the application received to the State Government through the Director of Geology and Mining alongwith his recommendation on the reasonableness of the highest bid or tender amount fetched in the said proceedings and specifying the conditions that should be laid down for the grant of quarry lease or issue of the letter of commitment with a copy of the draft lease deed in the Form in Appendix-I. After getting report of the Technical Committee for assessing industrial programme, the DGM shall forward the same to the State Government alongwith his recommendation State Government may grant the lease or the letter of commitment based on the recommendations of the Director of Geology and Mining, etc. to the applicant who is declared as offer or of highest bid amount or tender amount whichever is greater and the lease is granted to him provide he holds an industry for granite cutting and polishing. In case no industry is in existence, but has a slates factory industrial bid programme for cutting and polishing he will be issued only with a letter of commitment subject to the conditions stipulated therein.

Under Rules 8-C, the State Government themselves may engage in quarrying black, red, pink grey, etc. granites or any rock suitable for use as ornamental and decorative stones or may grant and renew leases to a State Government Company or Corporation owned/controlled by the State Government. In this case an application is to be made to the State Government through the concerned District Collector. Following the procedure, the state Government may grant the lease in favour of the applicant or refuse it.

Rules also contain special provision for grant of leases for quarrying stones to the Co-operative Societies under T.N. Co-operative Societies Act, 1983 having membership of released bonded labour women groups otherwise called as Development of Women and Children in Rural Areas groups i.e. "DWCRA Co-operative Society". Such lease is granted by the concerned District Collector on direct application.

The rules also prescribe procedures for quarrying in Ryotwari lands and other lands on inter-mediatory tenure in which Government has claim only to a share of the minerals.

Besides under these rules, the public are allowed to quarry free of charge for bonafide domestic or agricultural purposes, sand, earth or silt from the beds of tanks under the control of the public works Department or Revenue Department notified by Collector. Any individual person engaged in the making of pots or bricks and any registered society as defined in T.N. Co-operative Societies Act 1983 with principal object of making pots or bricks with the help of or through its members allowed to remove clay and sand or mixture of both, 800 cart loads free of seigniorage fee and for the excess quantity they have to pay the seigniorage fee at the rates specified in Appendix II. Rules also provide the quarrying for public purpose from unreserved waste lands including poramboke or tanks free of charge to the departments of Government of India and the State Government, Panchayats, etc. Rules also provide for quarrying and removal of sand from the limits of ports for marine purpose with prior permission of Conservator of ports and for non-marine purposes with prior permission of Collector of District in consultation with Conservator of ports.

19.5 PERIOD AND AREA

No period has been prescribed in respect of permit. In case if lease, the following provisions have been made in the rules.

In case of quarrying lease for minor minerals other than minerals covered u/r. 8-A and 8-C, period for quarrying stone is 5 years and for sand and other minor minerals it is 3 years. The lease shall expire on the date specified in the lease and in no case extension of the period of lease shall be made. Period of lease for quarrying lease for granite u/r. 8-A and 8-C is 20 years. The period of lease is renewable for leases granted to Government Company/Corporation u/r. 8-C and it is not renewable for leases to private persons under rule 8-A. However period of quarry lease granted to Development of Women and Children in Rural Areas groups called as DWCRA Co-operative Society is 1 year.

Area granted in one lease shall not exceed 5 hectares in case of stone quarries and 10 hectares in case of leases for other minor minerals. No one will be granted more than 2 leases at a given point of time.

In case of leases of granite, etc. used as ornamental stone etc. to private person, the State Government reserve the right to the maximum area of lease on the basis of the installed or production capacity of such industry.

19.6 TRANSFER, SURRENDER, TERMINATION

The quarrying permit is not transferable. The lessee shall not assign, sublet, mortgage or transfer his lease, or any right, title or interest thereof without obtaining the written consent of the State Government. A lessee shall be permitted to transfer his lease to within one industrial group only and in accordance with the procedure laid down for the purpose and unless the transferee accept all the conditions and liabilities of the transferor of the lease. No quarrying lease shall be transferred by means of sale from one party or company to another party or Company. If any breach of conditions of TNMM C.R. 1959 is detected, permit shall be cancelled and material will be seized.

The lessee shall not enter into or make any arrangement, Contract or understanding whereby the lessee will or may be directly financed to a substantial extent by any person or body of persons other than the lessee excepting a Bank or a Corporation specified in Appendix II-A.

In the event of failure to pay seigniorage fee or dead rent whichever is greater, the lease will be liable for cancellation on that account.

The Government may terminate the whole or any part of the lease by giving 6 months notice in writing. Likewise, if the leased area is used for any purpose other than for mining or at any time cease to be used for mining, the Government shall be at liberty to terminate the lease without notice. The lease is also liable to be terminated if any part of the land assessment, cess or seigniorage remains unpaid for 30 days after becoming payable or if the lessee becomes insolvent or if any condition of lease is not observed or performed.

19.7 RENTS AND ROYALTIES

The usual terms 'Surface rent' and 'royalty' are not used in these rules. Instead the terms 'area assessment' and 'Seigniorage fee' have been used. The term seigniorage fee is equivalent to royalty whereas the term area assessment is equivalent to surface rent.

19.7.1 SEIGNIORAGE FEE

All lessees, besides the one time payment of the bid amount/tender amount, which is the lease amount, shall also pay seigniorage amount, which is the lease amount, shall also pay seigniorage fee or dead rent whichever is more in respect of actual quantity of mineral removed or consumed at the rates prescribed from time to time in Appendix-II which is given below :

19.7.2 AREA ASSESSMENT

The term area assessment or assessment has been defined as assessment levied under these rules with reference to the entire extent of the land granted under quarrying lease and includes land assessment. In case of Government lands in which the mineral rights belong to the Government and when quarrying is carried on under a permit the area assessment is not payable. However, when regular leases are granted or when a lease is granted through auction to a local body, the area assessment is payable.

In case of ryotwari lands and other lands on inter-mediatory tenure in which Government has claim only to a share of the minerals, seigniorage fee or area assessment may be charged subject to the maximum rates shown in Appendix II to these rules.

APPENDIX-II

A. SEIGNIORAGE FEE

| Sl. No. | Name of the Minor Mineral | Rate of Seigniorage Fee | | | |
|---------|---|--|----|-----------------|----|
| | | Per cart load upto 10 Cubic feet | | Per cubic metre | |
| (1) | (2) | (3) | | (4) | |
| | | Rs. | P. | Rs. | P. |
| 1. | Building and road construction stones other than black, red, pink, grey, green, white or other coloured or multi-coloured granites or any other rock suitable for use as ornamental and decorative stones - | | | | |
| | (a) Rough stones including Khandas and boulders. | 3.75 | | --- | |
| | (b) Size reduced (broken or crushed) materials including metal jelly, ballast, millstone and hand chakais. | 5.50 | | --- | |
| | (c) Laterites | 2.75 | | --- | |
| 2. | Ornamental and decorative stones. | | | | |
| | (a) Black granite | --- | | 2,000.00 | |
| | (b) Red, pink, grey, green, white or other coloured or multi-coloured granites or any other rock suitable for use as ornamental and decorative stones. | --- | | 1,000.00 | |
| 3. | Ordinary Sand | 5.00 | | | |
| 4. | Earth and turf for raising bunds or filling purposes and ordinary clay including silt, brick earth and tile clay that can be used for brick and tile manufacture and other potteries. | 2.25 | | | |
| 5. | Limestone, Limeshell and Kankar that can be used in kilns for manufacture of lime required for use as building material. | 11.50 | | | |
| 6. | Pebbles and nodules of chalcedony, quartzite, flint, etc. | 18.50 | | | |
| 7. | Steatite and other stones for use to make household utensils and carving. | 5.00 | | | |
| 8. | All other minor minerals not herein specified. | 20% of the local market value of the mineral at pits mouth | | | |

B. RATES OF AREA ASSESSMENT

| Sl. No. | Name of the Minor Mineral | Rate of the area assessment per hectare per annum (in Rupees) |
|---------|--|---|
| (1) | (2) | (3) |
| 1. | For minerals specified in Sl.Nos.1 and 3 to 7 under the heading "A. Seigniorage Fee" | 50.00 |
| 2. | For minerals specified in Sl.No.2 under the heading "A. Seigniorage Fee" | 100.00 |
| 3. | For all other minor mineral not herein specified | 50.00 |

C. DEAD RENT

| Sl. No. | Name of the Minor Mineral | Rate of dead rent per hectare per annum (in Rupees) |
|---------|--|---|
| (1) | (2) | (3) |
| 1. | For Minerals specified in Sl.No.2(a) under heading "A. Seigniorage Fee" | 6,000.00 |
| 2. | For Minerals specified in Sl.No.2(b) under heading "A. Seigniorage Fee" | 5,000.00 |
| 3. | For Minerals specified in Sl.No.1, 3 and 5. under heading "A. Seigniorage Fee" | 800.00 |
| 4. | For Minerals specified in Sl.No.4, 6 and 7 under heading "A. Seigniorage Fee" | 500.00 |
| 5. | For all other minor minerals not herein specified | 500.00 |

19.8 DISPUTE SETTLEMENT PROCEDURE :

The District Collector is the appellate authority in respect of orders passed by the Deputy Tahsildar, Tahsildar and Revenue Divisional Officer. The appeal must be preferred within 30 days from the date of receipt of the order. In case of orders passed by the District Collector, the 2nd appeal lies to the State Government within 30 days from the date of such order. In case the aggrieved person is not satisfied with the decision of the

Director of Geology and Mining, he may prefer a second appeal to the State Government. This second appeal should be preferred within 30 days from the date of communication of the order of the Director of Geology and Mining. Any person aggrieved by any order of the Director of Geology and Mining may appeal to the State Government within 30 days from the date of such order.

Any dispute arose regarding an agreement executed, any matter concerning payment of Seigniorage fee, etc. shall be decided by the DGM. In case the registered holder or lessee is not satisfied with the decision of the DGM, the matter shall be referred to the State Government for decision.

The State Government of its own motion for good and sufficient reasons, revise any order of any authority subordinate to them made in exercise of the powers conferred on the authority under these rules. No such order will be made unless the person concerned adversely affected by it has been given sufficient opportunity of being heard.