

**13.6 Entrustment of Minor Minerals administration power to Local Bodies for collection of Seigniorage fee etc., and administration of quarry leases in certain spheres**

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Industries (MMC.1) Department

G.O. (Ms) No. 3

Dated : 2.1.1998

Read :

- i) From the Director of Geology and Mining, D.O.letter No.3255/B5/96, dated 13.3.1997
- ii) From the Director of Geology and Mining, letter Rc.No.3255/B5/96. dated 7.4.1997
- iii) From the Director of Geology and Mining, letter Rc.No.3255/B5/96, a dated 12.5.1997.

**ORDER**

The Government have been receiving many complaints from M.L.A.s and others about the unchecked, large scale and illicit exploitation of river beds and unauthorized transport of sand, rendering the water sources of many drinking water projects non-viable. Similarly, many complaints were received about illicit quarrying of jelly, sand and clay which are common use minor minerals. Apart from damaging the environment, such illicit movement of sand, jelly and clay deprive the local bodies of substantial revenue also. After careful consideration, the Government have decided to adopt a new policy to arrest this illicit movement affecting both the environment and the financial resources of Government and local bodies.

2) Therefore, the method of making the implementation of Tamil Nadu Minor Mineral Concession Rules, 1959 more effective, was examined. It was found that if the violations are to be checked effectively, the regulatory mechanism functioning under the Revenue and Geology and Mining Departments, will have to be considerably strengthened for which a considerable amount of financial and staff resources would be needed. On detailed examination, it was found that a cheaper and more effective alternative will be entrusting the regulatory work in respect of the minor minerals, namely building and road construction stones including gravel, ordinary sand, earth & turf and ordinary clay including silt brick and tile clay to the local bodies. This will enable the President and Members of the local bodies who are always present in the local areas to effectively prevent illicit movement and loss of revenue, thus achieving the goals of environmental protection, safeguarding the water supply sources and also augmentation of their revenue. So, the Government have decided to entrust with the local bodies (Panchayats, Town Panchayats, Townships or the Municipalities or Corporation as the case may be) the administration of minor minerals in common use, namely, sand, jelly, clay and gravel under the Tamil Nadu Minor Mineral Concession Rules, 1959.

3) However, the identification of quarries in respect of common use minor minerals namely, building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including brick and tile clay, the conducting of Tender and auction, the finalization of tender/ auction granting of lease, execution of lease deed after demarcation of the leased out areas shall continue to be vested with the District Collectors assisted by the Joint Director / Deputy Director/ Assistant Director of the Department of Geology and Mining, as at present .

4) Recommendations made by the local bodies for inclusion or for deletion of areas from the list of quarries to the District Collectors shall be considered on merits of the cases and a decision on the same shall be taken by the District Collector within 3 months' time failing which the local body may refer the matter either to the Director of Geology and Mining or the Director of Rural Development for necessary action.

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5) The quarry leases for the common use minor minerals are being granted through Tender-cum-auction process. Collection of seigniorage fee and lease amount are involved. The lease amount which is usually one time payment or annual payment in certain old cases will continue to be remitted as at present and will continue to be shared by the Panchayat Unions and the Panchayat concerned in the proportion on 50% : 50% as is being done now but the seigniorage fee which is collected only at the time of removal of the mineral when the transport permit is issued may be entirely collected and utilized by the Panchayat concerned.

- 6)(i) The work of collection of seigniorage fee, for the common use minor minerals referred to above required to be removed, be entrusted to the local bodies and the power in this respect be vested with the Village Panchayat Presidents, Executive Officers of the Town Panchayats, Townships and Commissioners of Municipalities and Corporations within whose jurisdiction the quarrying areas are situated. The regulatory work of issuing the permit/ despatch slips will be entrusted to the above authorities so that there can be effective local participation in proper mining and mineral accounting.
- (ii) For prevention of illicit mining and leakage of revenue, the power of seizure of vehicle tools, equipments used in such activities shall be vested with the above local body authorities also, in addition to the other authorities.
- (iii) In the case of minor minerals of common use specified above, they would also be vested with the power of entry in quarrying area, inspection and verification of the quarry accounts, recording and obtaining of statements in connection with the above works. Where there is detection of the offence of illicit quarrying or illegal transportation of the mineral on false accounting, etc., leading to leakage of revenue to the local bodies, it shall be reported by the above local body to the Revenue Divisional Officer concerned for initiating further proceedings including compounding of the offence or for preferring complaints to the police for filing criminal case under sections 21(1) or 21(2) of the Mines and Minerals (Regulation and Development) Act, 1957.
- (iv) With a view to decentralize powers, the Revenue Divisional Officers also shall be vested with the power to compound the offences or to take cognizance of the offences in respect of the above common use minor minerals and against their orders there shall be a first appeal before the District Collector and a second appeal before Director of Geology and Mining.
- (v) In all cases of illicit quarrying, the local body authorities shall send a report to the Revenue Divisional Officer, within 48 Hours of the occurrence or detection of the offence for further action. The penalty amount realized due to such action shall also be credited to the accounts of the local body concerned.

7. Complaints on the functioning or non-functioning of the above local body authorities in this sphere may be sent to the Revenue Divisional Officer, District Collector and the Director of Geology and Mining and Directors of the local bodies concerned, for enquiry and follow up action. The members of the local bodies may also discuss such matters in the Council meetings and take follow up actions as provided in the Tamil Nadu Panchayat Act, 1994 and the Rules framed thereunder, if any and other Urban Local body Acts and Rules framed thereunder. The District Collector may take action on the erring local body authorities and refer the cases to the Directors of the Local bodies concerned whenever such actions are required under law on the subject matter.

8) In his letters read above, the Director of Geology and Mining has sent necessary proposals in consultation with the Director of Rural Development for amending relevant Rules of Tamil Nadu Minor Mineral Concession Rules, 1959, so as to entrust the regulatory administration of common use minor minerals mentioned in Para 1 above and also to distribute the proceeds between the local bodies. The Government, after careful examination, have decided to amend relevant Rules of Tamil Nadu Minor Mineral Concession Rules, 1959 accordingly and also issue necessary notification for the purposes mentioned above and direct that relevant Rules of Tamil Nadu Minor Mineral Concession Rules, 1959 be amended.

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The Notification appended to this order will be published in the next issue of Tamil Nadu Government Gazettes and in the District Gazettes.

9) The works Manager, Government Central Press, Chennai-79, is requested to send 50 copies of the Notifications issued, to the Government, Director of Geology and Mining, Director of Rural Development, Director of Town Panchayats and Director of Municipal Administration and the District Collectors to be published in the District Gazettes.

(By order of the Governor)

**M.S. SRINIVASAN**  
SECRETARY TO GOVERNMENT

## 13. ASSIGNED REVENUES

### NOTIFICATION

In exercise of the powers conferred by sub-sections (1) and (1-A) of section 15 of the Mines and Minerals (Regulation and Development) Act, 1957 (Central Act 67 of 1957) the Governor of Tamil Nadu hereby makes the following amendments to the Tamil Nadu Minor Mineral Concession Rules, 1959.

2. The amendments hereby made shall come into force on the First March Nineteen Ninety Eight.

### AMENDMENTS

In the said Rules,

- (1) In Rule 2, after clause (5), the following clause shall be inserted, namely -  
“(5-A) “Local body or bodies” shall mean and include a Village Panchayat, a town Panchayat, a township, a municipality a corporation as defined in the respective Act under which each of the above bodies is constituted and in the Rules made under the respective Act”;
- (2) in Rule 8,
  - (a) in sub-Rule (i), in clause (b), for sub-clause (ii), the following sub-clause shall be substituted, namely -
    - (ii) by notice in the language of the district put up at the Office of the District Collector, the Revenue Divisional Officer, the Tahsildar, Joint Director / Deputy Director/ Assistant Director (Geology and mining) of the district and local bodies concerned having jurisdiction over the area.
  - (b) in sub-Rule (3), for clause (b),the following clause shall be substituted, namely -  
“(b) a crossed account payee demand draft for Rs.25,000/- toWards earnest money deposit obtained from any Nationalised Bank and drawn in favour of the local body in which the quarry is situated. The demand draft shall not be in any individual’s name. In respect of quarries situated in reserved forests and reserved lands governed by the Tamil Nadu Forests Act, 1882 (Tamil Nadu Act V of 1882) the demand draft shall be drawn in favour of the District Forests Officer concerned:

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

- (c) in sub-Rule (5), in clause (b), for sub-clause (vii), the following sub-clause shall be substituted, namely -  
“(vii)the remaining 90 percent of the tendered amount or bid amount, deducting the earnest money deposit already made, shall be paid within a week’s time thereafter. If this balance amount is not paid within the above stipulated time, 10% amount already paid immediately after the auction or tender opening along with the Earnest Money Deposit shall be forfeited to the Government.”
- (3) in Rule 25, after the words “authorized by the”, the words “State Government” shall be inserted;
- (4) in Rule 36, in sub-Rule (5)
  - (i) in clause (a), after the words “authorized by the “. The words “State Government, shall be inserted;
  - (ii) after clause (a), the following clause shall be inserted, namely -

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- (aa) Joint director (Geology and Mining), Deputy Director (Geology and Mining), Assistant Director (Geology and Mining), Assistant Geologist, Special Tahsildar (Mines) Special Deputy Tahsildar (Mines) and Special Revenue Inspector (Mines) in the district offices of the Department of Geology and Mining and Presidents of Village Panchayats, Executive Officers of Town Panchayats or Townships and the Commissioners of Municipalities or Corporations shall exercise the powers and discharge the duties as may be required and as the circumstances of the cases warrant in respect of the provisions of clause (a) and within their respective jurisdiction.

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

- (iii) in clause (b), for the expression in Appendices xii and xiii to these Rules from the officer authorized in this behalf by the District Collector", the expression "in Appendices xii, xii-A and xiii, xiii-A to these Rules from the officer authorized in this behalf by the State Government, the District Collector" shall be substituted.
- (iv) after clause (b), the following clause shall be inserted, namely -

"(bb) In respect of minor minerals namely, building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay occurring in any land except those lands constituted as reserved forests under section 16 of the Tamil Nadu Forests Act, 1882 (Tamil Nadu Act V of 1882) and reserved lands notified under section 26 of the said Act V of 1882, the Presidents of Village Panchayats, Executive Officers of Town Panchayats and Townships and Commissioners of Municipalities and Corporations shall collect lease amount, seigniorage fee or dead rent or area assessment or any other payment as the case may be, in relation to the lessees or permit holders sign and issue transport permits and Despatch slips to the quarrying permit holders and lessees and collect penalty amount and compounding fee from the persons liable to pay the penalty or compounding fee as the case may be:

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

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

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

"(dd) The Joint Director (Geology and Mining), Deputy Director (Geology and Mining), Assistant Director (Geology and Mining), Assistant Geologist, Special Tahsildar (Mines), Special Deputy Tahsildar (Mines) and the Special Revenue Inspector (Mines) in the district offices of the Department of Geology and Mining and the Presidents of Village Panchayats, Executive Officers of Town Panchayats and Townships and the Commissioners of Municipalities and Corporations shall exercise the powers and discharge the duties as may be required and as the circumstances of the cases warrant in respect of the provisions of clause (d) and within their respective jurisdiction.

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

(5) in Rule 36-A, to sub-Rules (1), (3), (4) and (5), the following proviso shall, respectively, be added namely -

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

(6) in Rule 36-B, to sub-Rule (1), the following proviso shall be added, namely -

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

(7) in Rule 36-C, for sub-Rule (1), the following sub-Rule shall be substituted namely -

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

(8) in Appendix XII, under the heading “BULK TRANSPORT PERMIT”, after the expression “For Transportation of Minor Mineral from Quarries ” the expression “ Other than the minor minerals namely, building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay ” shall be added;

(9) after Appendix XII, the following Appendix shall be inserted, namely -

**"APPENDIX XII-A**

**(See Rule 36)**

**TRANSPORT PERMIT**

For transportation of minor minerals namely, building and road construction stones including gravel, ordinary sand, earth and turf, ordinary clay including silt, brick and tile clay only.

Book No.

Permit No.

Date:

1. (i) Name and address of quarrying lease/ permit holder.  
(ii) Order number and date in which quarrying lease/permit is granted  
(iii) Date of expiry of the quarrying lease/ permit

2. (i) Name of the Village Panchayat/ Town Panchayat / Township/Municipality/ Corporation in which the quarry is located.  
(ii) Name of the revenue Village in which the quarry is located  
(iii) Field Survey Number

3. (i) Name of the mineral  
(ii) Quantity of the mineral for transportation  
(iii) Seigniorage fee remittance  
Receipt No  
Date  
Amount Rs.

4. Signature of quarrying lessee / permit holder or his power agent

5. (i) Validity period of this permit

From .....  
To .....  
(should be restricted to a maximum of seven days only)

- (ii) Signature of Panchayat President/ Executive Officer of Town Panchayat/ Township/ Municipal/Corporation Commissioner as the case may be.  
(iii) In case of Village Panchayats, signature of the Panchayats Vice –President or authorized Member.

Office seal

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### CONDITIONS

1. Particulars upto and signature in column (4) should be first filled up. Column (5) should be filled up and signed only after column (1) to (4) are duly filled up.
2. The Office seal of the Village Panchayat/ town Panchayat/township/ municipality / corporation as the case may be shall be imposed only in the space indicated in the permit.
3. This permit is intended for transportation of building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay.
4. This permit is not transferable.
5. This permit is valid for a maximum period of seven (7) days only from the date of issue.
6. No refund of the amount remitted for obtaining this transport permit shall be claimed contending that this permit is not utilized.
7. A copy of this permit should be kept in the quarry site with the lessee / permit holder or with the person authorized by the lessee in this behalf (Prior information of any such authorization should have been given to the lessor)
8. The first copy of this permit should be issued to the lessee/ permit holder and the second copy shall be retained by the local body authority issuing the transport permit.
9. This permit is issued subject to the compliance of the provisions of the Tamil Nadu Minor Mineral Concession Rules, 1959 and any other special conditions imposed by the authorities concerned from time to time."

In Appendix XIII, under the heading "DESPTACH SLIP". The expression "For Despatch of Minor Minerals other than building and road construction stones, including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay" shall be added.

11. after Appendix XIII, the following Appendix shall be added, namely -

### "APPENDIX XIII-A

(See Rule 36)

### DESPATCH SLIP

(for Despatch of minor minerals namely, building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay only).

- |   |   |
|---|---|
| Book No.  | Slip No.<br>Date:                                   |
| 1. (i) Name of the Village Panchayat/<br>Town Panchayat/ Township/<br>Municipality / Corporation in<br>Which the quarry is located. |   |
| (ii) Name of the revenue Village in<br>which the quarry is located.   |   |
| (iii) Field Survey number   |   |
| 2. (i) Particulars of transport permit<br>under which this Despatch slip is issued.   | Book No.<br>Permit No.<br>Date:<br>Validity period: |
| (ii) Name of the mineral being Despatched.  |   |
| (iii) Quantity of the mineral being Despatched<br>using this Despatch slip.   |   |



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3. (i) Name of the quarrying lease/ permit holder.  
(ii) Signature of the quarrying lease / permit holder or his power agent.
4. (i) Signature of the Panchayat President/  
Executive Officer of Town Panchayat/  
Township/ Municipal/Corporation Commissioner  
as the case may be.  
(ii) In case of Village Panchayats,  
signature of the Panchyats  
Vice –President or authorized Member.

Office seal

5. (i) Signature of the person  
authorized to issue Despatch  
slip in the quarry.  
(ii) Date and time of issue of this  
Despatch slip in the quarry to the  
driver of the vehicle. Date:  
Time:
6. (i) Registration Number of the  
vehicle transporting the mineral  
(ii) Departure time of the vehicle from  
the quarry  
(iii) Name of the place to which the  
mineral is transported.  
(iv) Approximate time at which the  
vehicle can reach the destination.  
(v) Signature of the driver of the  
vehicle transporting the mineral.

### CONDITIONS

1. All particulars should be filled upto column (3) of this Despatch slip and signed before Column (4) is filled up and signed by the authority of the local body.
2. Only after all the particulars are filled up and signed as required in column (5) this Despatch slip can be handed over to the driver of the vehicle.
3. Before the vehicle with the mineral leaves the quarry all particulars in column (6) should be filled up and signed by the vehicle driver.
4. The office seal of the Village Panchayat/town Panchayat / township / municipality / corporation as the case may be, shall be imposed only in the space indicated in the Despatch slip.
5. This Despatch slip is intended for transportation of the minor minerals namely, building and road construction stones including gravel, ordinary sand, earth and turf and ordinary clay including silt, brick and tile clay.
6. This Despatch slip is not transferable.
7. Xerox copy of the Despatch slip should not be used for transporting the mineral. This Despatch slip cannot be revalidated.

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8. The quarrying lessee/ permit holder shall issue a copy of this Despatch slip to the vehicle driver retaining one copy with him. The third copy shall be returned to the local body authority issuing the transport permit immediately.

9. The driver of the vehicle should be in possession of the Despatch slip. The despatch slip should be shown to any authorized officer checking the vehicle in which the mineral is Despatched.

10. This Despatch slip is issued subject to the provisions of the Tamil Nadu Minor Mineral concession Rules, 1959 and any other conditions imposed by the authorities concerned from time to time.

(By order of the Governor)

**M.S. SRINIVASAN**  
SECRETARY TO GOVERNMENT