

**Jammu and Kashmir (UT) Government
Department of Geology and Mining
Jammu/Srinagar**

E-Auction Document for grant of Mining Lease/Quarry License:

It is for the information of the General Public that the Mining Lease/Quarry License of minor minerals in the State will be granted through the process of e-Auction in accordance with the Jammu and Kashmir Minor Mineral Concession, Storage, Transportation of minerals and Prevention of Illegal Mining Rules, 2016.

A) Important Instructions:

- a) i) Mining Lease:-The period for which a mining lease may be granted shall be 05 years in respect of river born deposits.

(ii) No Minor Mineral Concession shall be granted for a period more than 5 years in case of Bajri and Sand, and the area shall be again put to auction after 5 years or after the expiry of lease/ license.
- b) The bidder whosoever, becomes a Mineral Concessionary under the said Rules shall be required to deposit a sum of Rs. 1,00,000/- per hectare(Rs. 50,000/- in case of quarry license) or part as security in the shape of a fixed deposit in favour of Director or in any other form/ manner as may be prescribed by the Government for the due observance of the terms and conditions of lease/ quarry license.
- c) Any intending bidder cannot acquire one or more Mineral Concession covering total area of more than 500 hectares in the State.
- d) Any Minor Mineral Block/Plot can be withdrawn from the Auction without assigning any reason.
- e) The Minor Mineral Blocks/Plots identified are Tentative and are being notified on 'as is where is basis' and all prospective bidders are expected and presumed to have surveyed the areas to make their own assessment regarding the feasibility of the Blocks/Plots for which bids are to be offered. The J&K Govt (UT) shall not be responsible for any kind of loss in land/ area or any other loss to the bidders at any point of time (before or after grant of mineral concession) on account of reduction of land/ area or otherwise. Further, the bidders are also expected to have gone through the

terms and conditions of auction notice and also the applicable Acts and Rules for undertaking mining.

- f) The bidder whosoever, declared as successful bidder to whom Letter of Intent(LoI) is to be issued shall have to obtain Mining Plan and Environmental Clearance/Environment Management Plan(EMP)**and consent to operate** duly approved by the Competent Authority and Copy of the registration Certificate from the Department of Commercial Taxes .
- g) The minor mineral shall be exclusively sold and utilized within the J&K Govt (UT) only. Any breach shall invite Penal Proceedings. This shall be corroborated with duly sworn in affidavit before Judicial Magistrate Class-I. However, no such rider shall apply on finished goods out of these minor minerals.
- h) After the registration of duly executed lease deed under rules in force, the Director or the Officer authorized by the Government shall make arrangements at the expenses of the lessee for demarcation of the granted area. Provided that where the competent Authority feels it necessary to demarcate the area before issuing an order of grant for mining lease/ Quarry License, he may ask the applicant to deposit the demarcation charges as may be determined within time specified by him and get the area demarcated. Provided further that if the applicant fails to deposit demarcation charges within the period specified in this regard by the competent authority, the order for grant of lease shall stand cancelled
- i) The areas indicated as blocks/plots in the notice shall be subject to vary i.r.o its size and shall be final only after the title verification of the land from the Revenue Authorities and concerned stake holders and in case of any objection of the Stake holders the bid amount shall be released in favour of the bidder or proportionately the bid amount shall be reduced as per the area, so reduced.
- j) No Mining activity/operation shall be carried out in any river bed below the depth of 3 meters or the ground water level, whichever is lesser.
- k) The minor mineral concession holder shall furnish financial assurance amounting to Rs 25,000/-per hectare or part of the area granted under the mineral concession and put to use for mining and allied activities subject to minimum of Rs. 01 lac in the form and manner as may be prescribed.

- l) TDS/TCS shall have to be paid by the successful bidder/Concessionary as applicable under Income Tax Act, 1961.
- m) On completion of the e-auction process, the Chairman may provisionally accept or reject the highest bid offered or received during the e-auction proceedings and shall send his recommendations to the Director. The highest bidder shall have to deposit 50% of the bid amount after completion of the e-auction process:
- n) The lessee shall pay dead rent as per Schedule-II or royalty of the minor minerals extracted or removed or consumed by him or his agent, manager, employee etc, as per Schedule-I to the Department whichever is more, at the rates specified or revised by the State Govt. from time to time in addition to bid amount.
- o) The licensee shall pay advance royalty on monthly basis on the quantity of the minor minerals intended to be dispatched from the quarry at the rate specified in the schedule-I, to the Department and after which the officer authorized in this behalf shall within his jurisdiction issue the authorization for lifting/removal of the said quantity in Form 'QL3'.
- p) The auction proceedings shall be held separately for each District on the dates to be notified along with the detail of the defined minor mineral blocks/plots and the reserve price bid to be paid by the intending bidder.

B) Eligibility for participation in the Auction:

Pursuant to Rule 55 of the Jammu and Kashmir Minor Mineral Concession, Storage, Transportation of minerals and Prevention of Illegal Mining Rules, 2016, the eligibility for participating in the e-auction shall be as follows:

- (a) Earnest money not less than **Rs. 5.00 lacs or 50% of the minimum** bid amount whichever is higher in the shape of CDR pledged to the District Mineral Officer concerned.
- (ii) An affidavit stating that no dues of the Department are outstanding against the Bidder or partners of the firm/Directors of the company as the case may be.

- (iii) power of Attorney/Resolution passed by the Board of Directors in case intending Bidder is Partnership Firm or Company or Society as the case may be;
- (iv) Income Tax Clearance Certificate/Income Tax Return as provided in Income Tax Act, 1961.
- (c) No interest shall be payable by the department on the earnest money.
- (d) Any participant not having the requisite earnest money, affidavit regarding no dues & power of attorney shall not be allowed to participate in the Auction.
- (e) A copy of authority letter by the Partnership Firms or Copy of resolution of the Board of Directors (BoD) of the Company in favour of the person who shall be offering the bids for such intending agency.

(C) Electronic auction and bidding process of mineral concession:

- (1) The e-auction portal should be security audited by the empanelled agencies of Government of India.
- (2) The notice inviting bid shall be published in four daily news papers, (two daily news papers of each region) at least one of which is **UT level and National Level** having circulation of fifty thousand copies and above and other having wide publicity in the area where lease or license is being granted. The notice inviting bid shall be published at least **twenty one days** before the date fixed for submission of the bid and shall upload particulars, terms and conditions on the web portal of the department. The period of thirty days shall be counted from the publication of the notice inviting bid on the departmental website/print media. The auction document can be downloaded from the Departmental e-Auction web portal by registered bidder against the online payment as specified in the auction notice.
- (3) Notice inviting bid shall contain brief particulars of the Minor Mineral Blocks proposed for auction.
- (4) The Intending bidders shall get registered with the E-auction portal as prospective bidder for participating in any e-auction that this department will be conducting. The registration can be made any time through bidder login page of e-auction web portal of Department of Geology & Mining.

- (5) Bidders shall carefully read guidelines mentioned at para "D" before submitting bids.
- (6) The auction document can be downloaded from the Departmental e-Auction web portal by registered bidder against the online payment as specified in the auction notice.
- (7) After close date of sale of E-auction documents, process of E-auction will have two levels/rounds. In first round the technical bids will be scrutinized by the Auction Committee and only those who qualify for second round (price bidding) will be listed and informed.
- (8) The Government, its employees and advisers make no representation or warranty and shall have no liability to any person, including any bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expenses which may arise from or be incurred or suffered on account of any information or data or arising in any way from participation in the auction process.
- (9) The e-auction shall be an ascending forward online electronic auction and shall comprise of the following rounds, namely:-

(i) First round of auction shall be held in following manner, namely:-

- (a) A technical bid shall be submitted by the bidder along with:-
 - (I) A scanned copy of bid letter;
 - (II) Earnest money pledged not less than **Rs. 5.00 lacs or 50 %** of the minimum bid amount whichever is higher in the shape of CDR pledged to District Mineral Officer.
 - (III) A scanned copy of affidavit regarding no-dues of the department;
 - (IV) A scanned copy of no-dues certificate from the District Mineral officer concerned where the bidder holds or had held mineral concession;
 - (V) Provided that affidavit and no-dues certificate in case of firm, company or association of persons have to be submitted by all the partners, directors or persons, as the case may be.
 - (VI) A scanned copy of Memorandum of Association and Articles of Association, certificate of incorporation in case bidder is a company

or partnership deed and firm registration certificate in case bidder is a firm, as the case may be;

- (VII) A scanned copy of power of attorney or resolution of board of directors in favour of person submitting bid in case of a firm or company, as the case may be;
 - (VIII) A scanned copy of PAN card or TIN;
 - (IX) A scanned copy of address proof;
 - (X) A scanned copy Income Tax Clearance Certificate/Income Tax Return as provided in Income Tax Act, 1961; and
 - (XI) E-mail address and mobile number;
- (b) Evaluation report of technical bids shall be prepared and shall be uploaded to the E-auction portal from where e-mails and SMS shall be sent to the participating bidders;
 - (c) Provided that where the total number of technically qualified bidder is less than two, then no technically qualified bidder shall be considered to be qualified bidder and the auction process shall be annulled.

Provided further that the Director may, in its discretion, decide not to annul the auction process if even second or subsequent attempt the total number of technically qualified bidders continues to be less than two and the Director in such case, decide to consider technically qualified bidder as qualified bidder so as to continue with the bidding process.

- (d) Failure to comply with the provisions of clause (a) for whatsoever reason, shall lead to non-admission of technical bid and consequently will not be able to participate in the bidding process;
- (e) The bids shall be opened by the District Auction Committee concerned and decisions of the committee will be final;
- (f) Qualified progressive bidders shall be intimated about their qualification for electronic auction against specific items in accordance with the terms and conditions of the bid, through notice on the e-auction web site through their secured login as well a system generated e-mail; and SMS on their registered mobile numbers.

(g) The reserve price shall be the floor price for the bidding process of online electronic auction and all the qualified progressive bidders shall participate in the second round of electronic auction:

(ii) **Second round of e-auction/price bidding shall** be held in following manner, namely:-

(a) The qualified progressive bidders may submit their bid price offer exclusive all taxes and duties which shall not be less than the floor price. The bidder will have the sole responsibility to make payment of all applicable taxes and duties to the authorities concern directly and produce the proof of the same to the department:

Provided that the final price offer may be revised till the conclusion of the auction as per notice inviting bid.

(b) The date, time and period of e-auction shall be as per the schedule mentioned in notice inviting bid. However the closing time of e-auction shall be automatically extended in the event a bid is received during the last ten minutes before the scheduled closing time of electronic auction. **The closing time of electronic auction will be automatically extended by ten minutes before the schedule time of closing of E-auction, the closing time shall automatically be extended by 10 minutes after the closing time . This extension shall continue in intervals of 10 minutes , till higher bids or continued to be made in the extended time slots , but not more than one hour from the scheduled closing time of E-Auction.**

(c) The successful bidder shall be decided by the system solely on the basis of highest financial bid submitted by the qualified bidders. No negotiation shall be conducted with any bidder;

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

(e) On close of e-auction, the highest bidder shall be declared as successful bidder and thereafter bid sheet indicating the name of the successful bidder and bid price etc. shall be made available by the Department through e-mail within twenty four hours. The bid sheet may be downloaded through Management Information System (MIS) reports:

(10) After declaration of successful bidder, the successful bidder shall deposit 50% of the bid amount within forty eight hours of completion

of auction process and the Chairman of Auction Committee shall send recommendations of the highest bidder to the competent authority.

- (11) If successful bidder fails to deposit the 50% bid amount within forty eight hours, earnest money deposited shall be forfeited and shall be de-barred for five years in participating in further e-auction. In such case, the offer shall be given to the second highest bidder (H2) in serial. In this process, no negotiation shall be done.
- (12) Earnest money of the un-successful bidders shall be refunded by the Department of Geology & Mining, to the bidders concerned after deposition of first installment of premium amount by the successful bidder.

(D) Guidelines for submitting any bid on e-auction platform.-

- (1) A Bidder shall be required to possess a valid Digital Signature Certificate of signing type to be able to submit its bid and to participate in the electronic auction on e-auction platform. For this purpose, bidders or its authorized signatory shall be required to procure Digital Signature Certificate from any vendor dealing in the trade. The Digital Signature Certificate will be used to digitally sign the bids.
- (2) The bidder and its authorized representative shall be responsible to maintain the secrecy of the password for the Digital Signature Certificate. The bidder and its contact person shall be solely responsible for any misuse of the Digital Signature Certificate and no complaint or representation in this regard shall be entertained at any stage by the Government.
- (3) A bidder shall register itself with the e-auction portal to submit bids for the mining lease, or quarry licence, as the case may be, with the e-auction portal. The registration can be made any time through bidder login page of the e-auction web portal of Department of Geology & Mining. After registration, prospective bidder shall be eligible for participating in e-auction conducted by the department for grant of mineral concession. Bidder shall fill an online registration form and create its "user id" and "password" and keep note of the same. Bidder should ensure that the secrecy of its user id and password is maintained at all times and bidder alone shall be responsible for any misuse of its user id, password and Digital Signature.

- (4) On successful submission of the online registration form, bidder shall receive a confirmation email at the registered email address advising the bidder to submit various documents for verification and activation of its account. Once the complete set of aforementioned documents is received from the bidder, the e-auction service provider shall activate such bidder's login after verification or scrutiny of the documents. On completion of the above stated registration process, a bidder shall be able to log in to e-auction service provider's website. After activation of login, and getting the auction document against the payment as prescribed by the authority, the bidder will be issued a "Photo Identity Card" by e-auction service provider bearing the photograph and signature of the contact person. The Photo Identity Card shall be duly authenticated by e-auction service provider.
- (5) The Technical Bid shall be submitted on the e-auction platform. The Bidder has an option to edit Technical Bid as many times as it wishes till the final submission. The final submission of Technical Bid shall be digitally signed by the bidder using the digital signature, the use of which has been duly authorized on behalf of the bidder and which was used at the time of registration. Any digital signature certificate other than the above shall not be acceptable for bid submission. Upon successful final submission, the bidder shall receive a bid acknowledgment from the system automatically. The bidders may note that the Technical Bid submitted online as above shall be encrypted by the e-auction service provider's own software before storage in the database to protect the sanctity and confidentiality of the bids before the actual opening of the same. Before scheduled closing time for bid submission on the bid due date, bidder may have an option to modify, withdraw or resubmit. Scanned copy of bid letter, affidavit, copy of no dues certificate and power of attorney or resolution, as the case may be, shall be submitted by the bidder online and earnest money shall be deposited as per the provisions of rule 55. Technical Bids shall be evaluated in the manner provided in these rules. The e-auction service provider will conduct training and mock auctions for all the qualified bidders on e-auction platform for which information will be provided on registered mobile numbers and through email.
- (6) The bidder shall receive intimation regarding admission of bid for second round of e-auction. It shall be the sole responsibility of the bidder to regularly check the e-auction service provider website and login to see whether it has qualified for a certain mining lease, or quarry license, or not. The Government or e-auction service provider

shall not be responsible for non-receipt of e-mail by the bidder and its consequences.

- (7) During e-auction process, the qualified bidder will be able to submit its bid offer as many times as it wishes against the same mining lease, or quarry license. The qualified bidder shall remain anonymous to other qualified bidders participating in the electronic auction process as well as to e-auction service provider or Government. The qualified bidder will be able to see the prevailing highest Final Price Offer against the mining lease, or quarry license, but the name of the highest qualified bidder at any point of time shall not be displayed. The qualified bidder shall have to put its Final Price Offer over and above the displayed highest bid by a minimum increment as mentioned in notice inviting bid (NIB) to become the highest qualified bidder. The electronic auction process will have a scheduled start and close time which will be displayed on screen. The qualified bidder shall be able to put its Final Price Offer after the start of bid time and till the close time of electronic auction. The current server time (IST) will also be displayed on the screen. In the event a Final Price Offer is received during the last ten minutes before the scheduled close time of electronic auction, the close time of electronic auction will be automatically extended by ten minutes from the last received bid after the closing time to give equal opportunity to all other qualified bidders. This process of auto extension will continue till no Final Price Offer is received during a period of ten minutes slot but not more than one hour from the scheduled closing time of E-auction.
- (8) During the process of electronic auction, the bidder shall be required to sign their bids with their respective digital signature certificate (DSC) and the use of which has been duly authorized on behalf of the bidder and which was used at the time of registration. Any digital signature certificate other than the above shall not be acceptable for bid submission by the system. Bidders in their own interest are advised to get themselves acquainted with the electronic auction process of e-auction service provider by getting their authorized representative trained beforehand through some demo electronic auction.

(9) It shall be deemed that by submitting a bid, the bidder has,-

- (i) made a complete and careful examination of rules or guidelines for e-auction and unconditionally and irrevocably accepted the terms thereof;

- (ii) Reviewed all relevant information provided by the Government, as may be relevant to the bid;
 - (iii) Accepted the risk of inadequacy, error or mistake in the information provided by or on behalf of the Government relating to any of the matters related to the e-auction process;
 - (iv) Satisfied itself about all matters regarding the e-auction process for submitting an informed bid, in accordance with the rules; and
 - (v) Acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information or ignorance of any of the matters related to the e-auction process hereinabove shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from the Government.
- (10) The Government shall not be liable for any omission, mistake or error in respect of any of the information provided or on account of any matter or thing arising out of or concerning or relating to the tender process, including any error or mistake therein or in any information or data given by the Government.
- (11) The Government reserves the right to verify all statements, information and documents submitted by the bidder, when so required by the Government and the bidder shall make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification by the Government shall not relieve the bidder from its obligations or liabilities hereunder nor will it affect any rights of the Government there under.
- (12) Technical Bids along with the scanned copy of documents as mentioned in rule 55, as the case may be, should be uploaded. The Government may, in its sole discretion, extend bid due date by issuing an amendment that is made available to all bidders.
- (13) Notwithstanding anything contained in these rules, the Government reserves the right to reject any bid and/or to annul the tender process and reject all bids at any time without any notice, without any liability or any obligation for such acceptance, rejection or annulment and without assigning any reasons thereof. In case such cancellation is pursuant to non-compliance by the relevant bidders vis-a-vis submissions of bid then the Government reserves the right to forfeit the bid security submitted by such non-compliant bidders.

- (14) Without prejudice to the generality of the foregoing, the Government reserves the right to reject any following bid on any criteria specified in the rules:-
- (i) bids have not been submitted with all the information;
 - (ii) bids have been submitted without earnest money; or
 - (iii) bids have otherwise not been submitted in accordance with the rules and guidelines.
- (15) The Government, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to-
- (i) Suspend and/or cancel the tender process and/or amend and/or supplement the tender process or modify the dates or other terms and conditions relating thereto;
 - (ii) consult with any bidder in order to receive clarification or further information;
 - (iii) retain any information and/or evidence submitted to the Government by, on behalf of, and/or in relation to any bidder; and/or
 - (iv) Independently verify, disqualify, reject and/or accept any and all submissions or other information and/or evidence submitted by or on behalf of any bidder;
- (16) It shall be deemed that by submitting the bid, the bidder agrees and releases the Government, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/or performance of any obligations hereunder, pursuant hereto and/or in connection with the tender process and waives, to the fullest extent permitted by Applicable Law, any and all rights and/or claims it may have in this respect, whether actual or contingent, whether present or in future.
- (17) The bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the tender process. Notwithstanding anything to the contrary contained herein, the Government may reject a bid, without being liable in any manner whatsoever to the bidder, if the Government determines that the bidder, has, directly or indirectly or through an agent, engaged in

Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice in the tender process. In such an event, the Government shall be entitled to forfeit and appropriate the bid security or security deposit, as the case may be, as damages, without prejudice to any other right or remedy that may be available to the Government under these rules and/or otherwise;

E) Terms of Auction

- i) The Bidder whose bid is provisionally accepted, Director shall issue Letter of Intent (LoI) to complete the formalities as required for the grant of Mining Lease or Quarry License under these rules as the case may be within a period of six months, including deposition of remaining bid amount.
- ii) No person against whom any dues of the Department are outstanding shall be considered for acceptance of a Bid under rules. Provided that where any injunction order has been issued by a court of law or other competent authority staying the recovery of such dues, the non-payment thereof shall not be treated as disqualification for the purpose.

F) Conditions of Lease: Every mining lease shall be subject to the following conditions:-

- (i) the holder of a mining lease granted before the commencement of these rules, shall notwithstanding anything contained in the instrument of lease or any law or rules in force at such commencement, pay royalty in respect of any mineral removed by lessee from the leased area or consumed after such commencement, at the rates specified in Schedule-I in respect of that minor mineral and in the manner as ordered by the competent authority;
- (ii) the holder of a mining lease granted under these rules shall pay royalty in respect of any minor mineral removed by him from and/or consumed, at the rate specified in the Schedule -I in respect of that mineral in the manner as ordered by the competent authority;
- (iii) the lessee shall pay surface rent for surface area used by him for the purpose of mining to the Revenue Department where such land is State land;
- (iv) the lessee shall pay yearly dead rent, as per rates specified in Schedule-II, in quarterly installments in advance: Provided that the

lessee shall be liable to pay either dead rent or royalty in respect of each minor mineral whichever is higher but not both;

- (v) the lessee shall pay all dues in the office of authorized officer in such manner as may be mentioned in the lease agreement;
- (vi) the lessee shall not cut or injure any tree in area of his lease without the previous sanction in writing of an officer authorized in this behalf under law;
- (vii) the lessee shall, at his own expenses, erect and at all times maintain and repair boundary pillars and marks according to the plan and demarcation report annexed to the lease;
- (viii) the lessee shall not erect, set-up or place any building or industrial unit in the leased out area: Provided that shelter for labourers to rest or field office may be erected, which if not removed before expiry of lease shall become the property of the Government; and
- (ix) the lessee shall commence mining operations within three months from the date of execution of the lease and thereafter carry on such operations effectively in a manner which will ensure safety of labourers, conservation of mineral, removal of over burden, and its proper dumping, storage, drainage of water and removal of all valuable minerals from the mines in accordance with the rules.
- (x) The lessee shall as per Environment Management Plan
 - a) take immediate measures for plantation, in the same area or any other area selected by the Director or an officer authorized by him, of trees not less than twice the number of trees destroyed by reasons of any mining operation and shall look after them during the subsistence of the lease, after which these trees shall be the property of the Government;
 - b) restore to the extent possible the mined out areas and other flora destroyed by the mining operations; and
 - c) properly stack the top soil recovered during surface operations and use the same for plantation or as backfill.
- (xi) The lessee shall keep accurate and faithful accounts of all minor minerals excavated from the mines, the quantity lying in stock at the mines and the quantity dispatched/utilized therefrom as also the number of persons employed in Form ML7 which shall contain

particulars regarding the quantity of minor mineral sold/utilized, its value and name of persons or firms to whom sold. The accounts shall be produced before the assessing authority on such date as may be fixed in this behalf for the purpose of assessment. The lessee shall maintain up to date plans of the mines and shall also allow any officer of the Department as may be authorized by the Director in this behalf to examine such accounts and plans at any time and shall furnish him other information as he may require.

- (xii) The lessee shall furnish monthly returns in the Form ML8 to Director/Designated Authority by 15th of the following month to which the returns relate and Annual Returns in the Form ML9 by or before 30th April of each year.
- (xiii) The lessee or any other person shall not remove or dispatch the minor mineral from the lease hold without proper challans in Form A.
- (xiv) The lessee shall abide by all laws and rules for the time being in force in the State and all such other laws or rules as may be enforced from time to time in respect of working at the mines and other matters relating to safety, health and convenience of the employees or of the public.
- (xv) The lessee shall allow existing and future lease holders of any land which is comprised in or is reached by the land held by the lessee, reasonable facilities for access thereto,
- (xvi) The lessee shall allow any Officer of the Department to enter upon the premises comprised in the lease for the purpose of inspecting the same and abide by instructions issued by him from time to time regarding the conservation and development of minerals and the matter related thereto.
- (xvii) The lessee shall make good and pay such compensation as may be assessed by lawful authority in accordance with the law or rules or order in force on the subject for all damages, injuries or disturbances which may be caused by him and shall indemnify, the Department against such damages, injury or disturbances and expenses in connection therewith.
- (xviii) The lessee shall forthwith report to the Department about any accident which may occur at or in the said premises.

- (xix) The lessee shall report to the Department the discovery of any mineral not specified in the lease within thirty days of such discovery and shall not dispose of such mineral unless he is permitted to do so by grant of lease or otherwise.
- (xx) If the lessee intends to work such newly discovered mineral or minerals, he shall, within three months of making such report as mentioned in Clause (11) intimate his intention to the Director, apply for mining lease in respect thereof in accordance with the rules regulating the grant of mining concessions for that mineral and he may find preference over other applicants for grant of mineral concession for that/these mineral(s) within his existing lease area. However, such mining lease shall not be a matter of right.
- (xxi) If the lessee intimates his intention not to work the newly discovered mineral or fails to report about the same within stipulated period from the date of discovery of new mineral, then it shall be open to the Department to grant a lease for the working of the same to any other person. Any objection in this regard will be disposed of after due consideration by the Government.
- (xxii) The lessee may apply for surrender of whole or part of the lease on the ground that deposits of that mineral have since exhausted or depleted to such an extent that it is no longer economical to work the minor mineral. The Government may permit the lessee for such surrender which shall be accepted subject to the following conditions:-
- (a) the extent of surrendered area shall not be less than the minimum prescribed size of the plot fixed for the minor mineral for that area and shall be rectangular and contiguous in shape and length being not more than 4 time the width;
- (b) there shall be no dues outstanding against the lessee; 18 | P a g e
- (c) the lessee applies for such surrender at least 03 months before the intended date of surrender;
- (d) the lessee gives an undertaking that he will not cause any hindrance in the working of mineral area so surrendered, by any other person who is subsequently granted a mining lease in respect of that minor mineral/area: Provided that the security deposited by lessee shall be adjusted against outstanding dues, if any.

- (xxiii) The lease shall be liable to be cancelled by the competent authority if the lessee ceases to work the mine for a continuous period of six months.
- (xxiv) In case of any breach on the part of the lessee of any covenant or condition contained in the lease the Government may determine the lease on the recommendation of the Director who shall take possession of the said premises and forfeit the security deposit or in the alternative may impose payment of a penalty not exceeding twice the amount of annual dead rent of the lease. Such action shall not be taken unless the lease has failed to remedy the breach after serving of 50 days notice.
- (xxv) As soon as the lease gets expired or is surrendered or is determined, the lessee shall deliver up the said premises and all mines dug therein in a proper and workable state (save in respect of any working as to which the Director might have sanctioned abandonment) to the Director.
- (xxvi) The minor mineral, machinery or any structures left on expiry of lease or on determination of lease or on surrender of lease as the case may be shall be removed by the lessee within 30 days of the date of expiry or surrender or receipt of the order of determination of lease and if the minor mineral, machinery or structures is not removed within the aforesaid period, the same shall belong to the Government and Director may dispose it off either by public auction, or by direct sale at the rate prevalent in the adjacent area or by any other means or in any other manner found fit: Provided that the said condition shall also be applicable to the part of lease surrendered.
- (xxvii) The Director may by six months prior notice in writing determine the lease, if it considers that the area under the lease is required for public interest:

Provided, that such notice shall be dispensed within the event of war or any other situation making it impracticable to give such notice.

- (xxviii) Director may by an order in writing prohibit further mining or quarrying in the leased area, if in his opinion such operation is likely to cause premature collapse of any part of the working or otherwise endanger the mine or quarry or the safety of persons employed therein, or there is danger as regard to outbreak of fire or flooding or such operation may cause damage to any property.

- (xxix) The lessee shall not work or carry on or allow to be worked or carried on at any point within a distance as specified in rule 4 from any railway line except with the previous written permission of the Railway administration concerned, or from any reservoir, canal or other public works or buildings or inhabited site except with the previous permission of the Collector or any other officer authorized by or under any law for the time being in force or by the Government in this behalf and otherwise than in accordance with such instructions, restrictions and conditions either general or special as may be attached to such permissions. The said distance as specified in rule 4 shall be measured in the case of railway, reservoir or canal horizontally from the outer toe of the bank or the outer edge of the cutting as the case may be, and in case of a building horizontally from the plinth thereof. Explanation: For the purpose of this sub-rule:-
- (a) The expression "Railway administration" shall have the same meaning as defined under sub-section (4) of section 3 in the Indian Railway Act; and
- (b) "Public road" shall mean a road which has been constructed or artificially surfaced by the Government as distinct from a track resulting from repeated use.
- (xxx) If any area of the leased area is declared as a protected area under the Ancient Monuments Preservation Act, 1904, the lessee shall have to deliver the possession back to the Department without claiming any compensation for the area.
- (xxxi) The lessee shall deliver to or permit sample or samples to be taken by the representative of the Department of all rocks found on Mines or raised there from and all intermediate and finished products sold or intended for sale by the lessee.
- (xxxii) The lessee shall abstain from entering upon the surface of any occupied Government land or on any private land comprised within the leased area without obtaining in writing the prior consent of the occupant.
- (xxxiii) The Director may with the prior approval of the Government impose such special condition as deemed necessary, in the interest of mineral development/protection.

(G) Conditions of Quarry license:

- (a) The licensee shall pay advance royalty to the Department on monthly basis on the quantity of the minor mineral intended to be dispatched from the quarry at the rates specified in the Schedule-I. after making such payment by the licensee, the officer authorized in this behalf shall within his jurisdiction issue the authorization for lifting/removal of the said quantity in Form QL3.
- (b) The licensee shall remove the quarry waste dumped during excavation or pay such amount per year or part thereof to the Department for removal of quarry waste dumped during the extraction at such rate and at such time as may be fixed by Department from time to time.
- (c) The licensee shall start work in the quarry within ten days of the grant of license and shall thereafter continue to work effectively in a proper skillful and workman like manner with regard to conservation of mineral and safety of labourers and surroundings.
- (d) The licensee shall maintain and at all times keep intact boundary pillars at the corners of the plot/area according to the approved site plan.
- (e) The licensee shall abide by the instructions of the Department regarding the working of the quarry, removal of waste, drainage and other matters concerned with the systematic development and working of the area.
- (f) The licensee shall make to the reasonable satisfaction and pay such compensation as may be determined by lawful authority in accordance with the law or rules or order in force on the subject for damages, injuries or disturbances which may be caused by him and shall indemnify and keep indemnified the Department against all such damages, injuries or disturbances and all costs and expenses incurred thereon or therewith.
- (g) The licensee shall without any delay report to the Department any accident which may occur at or in the said premises and also the discovery in or around the license area of any mineral not specified in the license.
- (h) The license may be cancelled by the Director without giving any notice if the licensee fails to start work at the said quarry or does not work it for a continuous period of four months.

- (i) The minor mineral left on the expiry of license period or cancellation of license shall be removed by licensee within 15 days of the expiry of license or receipt of the order of cancellation of license.
- (j) The licensee shall confine his workings within the limits of the minor mineral plot allotted to him and shall not undertake mining outside his plot. In case the licensee is found working outside the boundary of his allotted plot/area, the license may be cancelled.
- (k) The licensee shall not obstruct approach to the adjoining licensees. In case of any dispute about the approach road, directions of Director or officer Incharge shall be final and binding.
- (l) The licensee shall have to make the transportation of mineral removed from the plot/area under a proper challan in Form A.