

11. KARNATAKA

11.1 TITLE

Karnataka Minor Mineral Concession Rules, 1994.

11.2 ADMINISTERING AUTHORITY

The Competent Authority is authorised to grant a quarrying lease/licence. Competent Authority means such officer as the State Government may by notification published in the Official Gazette appoint to perform the function of the Competent Authority under these rules.

The Director, Joint Director, Senior Geologist and Geologist of the State Department of Mines and Geology are specified to perform the function of Competent Authority for purposes of the provisions of different rules in their respective jurisdiction. There shall be a Committee to make recommendations for grant/renewal of lease to quarry specified minor minerals (Ornamental and decorative building stones such as Black and Green Granites etc. and their varieties including all dyke rocks; Pink and Red Granites, Syenite etc.; and Pink and Red Granite rocks and their varieties; grey and white granite/grey and white granite rocks and their varieties). Director, Department of Mines and Geology is the '*Controlling Authority*' also for purposes of the said rules for whole of the State of Karnataka.

11.3 TYPES OF CONCESSION

There are 4 types of concessions namely, 'Quarrying lease' 'Quarrying licence' 'Quarrying permits' and 'Quarrying lease' by tender-cum-auction. Quarrying lease is granted in the area not notified for lease by tender-cum-auction separately for (i) Specified minor minerals and (ii) non specified minor minerals. Quarrying licence are granted for quarrying minor mineral in any private land (including patta land). Quarrying lease by tender-cum-auction is granted in respect of notified area for minor minerals. Permit is granted to extract or remove sand not exceeding one thousand tonnes under any one permit valid for a period not exceeding three months.

11.4 PROCEDURE FOR GRANT

11.4.1 QUARRYING LEASE FOR SPECIFIED MINOR MINERALS

No quarrying lease or licence shall be granted to (i) any person other than an Indian Citizen except with the prior approval of the Central Government, (ii) in any forest land provided that lease in such land may be granted by the State Government in favour of any undertaking owned by the Central Government or State Government after obtaining prior approval under the Forest (Conservation) Act, 1980.

Every application for grant of lease to quarry specified minor mineral in the area not notified for grant of lease by tender-cum-auction shall be made to the Director,

Department of Mines and Geology accompanied by a **Security deposit** for a sum calculated at the rate of rupees **five thousand** per acre and an application fee of **rupees two thousand** together with a certificate issued by the Competent Authority for having cleared the arrears if any, in respect of any lease held by him as on the date of application. The selection from amongst the applicants for grant of lease shall be made having regard to the priorities laid down under these rules.

The Director shall submit the applications with his remarks to the Committee appointed to consider the application. The Committee shall consider such applications and make recommendations to the Government having regard to the priorities and guidelines issued by the State Government and the Government having regard to the recommendation may order for grant or renewal of a quarrying lease or reject the application. The Government shall notify the grant in a prescribed form. In case of rejection of application for grant, such rejection together with reason therefore shall be intimated to the applicant. Application for grant or renewal of lease in case of an applicant holding an existing industry shall be disposed of within a period of One hundred and eighty days from the date of receipt of application and in all other cases within a period of four months failing which the applicants shall be informed of the reasons for delay within fifteen days after the expiry of the disposal period.

When a quarrying lease is granted for specified minor mineral, lease deed shall be got executed in an appropriate prescribed form within three months of the order granting or renewing the lease or within such further period as the Competent Authority may allow in this behalf and if no such lease deed is executed within the aforesaid period, the orders granting or renewing the lease shall be deemed to have been revoked. Before execution of a lease deed, the grantee shall pay in advance fifty percent of the total dead rent payable during the first year. The grantee shall also submit a QUARRYING PLAN.

11.4.2 GRANT OF QUARRY LEASES FOR NON-SPECIFIED MINOR MINERALS

Application for grant of quarrying lease to quarry non-specified minor minerals in the area which is not notified for grant of lease by tender-cum-auction shall be made in the prescribed form to the Competent Authority. The application for grant of quarrying lease shall accompany a security deposit for a sum calculated at the rate of rupees **two thousand five hundred** per acre and an application fee of rupees **one thousand** together with a certificate issued by the Competent Authority for having cleared the arrears, if any, in respect of any lease held by the applicant as on the date of making the application and other documents. The application for grant of quarrying lease should contain particulars such as : name and permanent address of the applicant; whether applicant is a Government company/Association or registered Co-operative Society; profession or nature of business of the applicant; minor mineral which the applicant intends to quarry; period for which lease/licence is required; details of the area applied for, etc. Every application shall be disposed of within ninety days from the date of its receipts and if it is not disposed within that period, the applicant will be informed of the reasons for the delay within fifteen days after the expiry of the said period of ninety days. The Competent Authority may reserve or grant any area for quarrying in lands which has not been notified for grant of lease by tender-cum-auction in favour of the State or Central Government undertaking or Government departments provided that applications from them is received before the execution of the lease deed.

11.4.3 GRANT OF QUARRYING PERMIT

The Competent Authority, on application made by any person in prescribed form may grant a quarrying permit to extract or remove ordinary sand in the revenue District of Bangalore, Bangalore Rural, Mandya, Kolar and Tumkur area not exceeding one thousand tonnes under anyone permit on payment of royalty calculated at the rates specified in Schedule-2. The Competent Authority for reasons to be recorded in writing may refuse to grant such permit.

11.4.4 LICENCE FOR QUARRYING MINOR MINERALS IN PRIVATE OR PATTALAND

(i) Quarrying operation in respect of minor minerals shall not be undertaken by any person in any private land including pattaland unless a quarrying licence is granted, but nothing under KMMCR'94 shall apply to quarrying operation by persons in possession of pattaland in ex-Mysore State territory which is now situated in Karnataka and who are full owners of certain sub-soil minor minerals situated in their patta land.

(ii) Quarrying by pattadars in Ex-Madras-State territory

An occupant or tenant or power of Attorney holder or Contractor in actual possession of the pattaland in Ex-Madras State territory now situated in Karnataka State and who intends to commence quarrying in such land shall make an application in the prescribed form together with specified security deposit and application fee to the Competent Authority for grant of quarrying licence. The Competent Authority after obtaining a report of inspection of the applied area in prescribed form and if it sees no valid objection may grant quarrying licence. Provisions of other rules relating to relevant sections under this rule in case of such grant of quarrying licence such as Survey and demarcation of the area granted, Execution of quarrying lease, surrender of lease etc. shall also be applicable.

(iii) Grant of quarrying licence in private Land other than land in Ex-Mysore and Ex-Madras territory

Application for grant of quarry licence to quarry any specified minor mineral on private land other than those referred above shall be made to the Director, State Department of Mines and Geology in a prescribed form. The application should accompany a security deposit calculated at the rate of rupees five thousand per acre and an application fee of rupees two thousand. Other documents that the application should contain are similar to those as required for grant of quarry lease for specified minor minerals and also accompany a letter from the owner or the occupant of the land to the effect that he has no objection for quarrying minor mineral by the applicant. Such application for grant of quarry licence shall be disposed of within a period of four months from the date of receipt of application failing which the applicant shall be informed of the delay within fifteen days after the expiry of the said period.

11.4.5 GRANT OF QUARRYING LEASE BY TENDER-CUM-AUCTION

For grant of quarrying lease in the notified area by tender-cum-auction, the Director shall issue notification containing (i) name of the minor mineral (ii) survey number, extent of the area and boundaries (iii) name of the village, taluk and district (iv) the period of lease (v) the last date for receipt of tender, the time at which and the place in which the auction will be held and (vi) general conditions governing the tender-cum-auction. The notification shall be published in at least two daily news papers (one English and one Kannada) atleast fifteen days before the last date specified in the Notification for receipt of tender. Tender should be submitted in the form specified by the Director. Every tender should accompany (i) an earnest money deposit of an amount equal to one year's dead rent for the area covered under notification (ii) clearance certificate in respect of mining dues (iii) an affidavit stating that the applicant has (a) filed up-to-date Income Tax Returns (b) paid the income tax assessed on him and (c) paid the income tax on the basis of self assessment as provided in the Income Tax Act, 1961. A tender once submitted shall not be withdrawn till the grant of quarry lease is made in respect of such an area.

The Director will hold the auction on the date and at the time and place specified in the notification. The intending bidder shall register themselves by paying a non-refundable registration fee of Rupees five hundred only and an earnest money deposit of an amount equal to one years dead rent for the mineral in area, covered in notification. The person submitting a tender or offering a bid shall give a prior undertaking to fulfil the stipulation that such tender or bid shall not be withdrawn. A bid once offered shall not be withdrawn. The person whose tender or offer or bid is accepted provisionally shall within fifteen days of such acceptance is required to make a deposit of the amount equal to the tender or offer or bid which is provisionally accepted. The earnest money deposit paid, alongwith tender or at the auction shall be adjusted against the amount payable. The Director shall submit to the State Government provisionally accepted tender or offer or bid alongwith the records of the proceedings conducted by him, for Confirmation. The person whose tender or offer or bid is confirmed shall execute a lease deed.

11.5 PERIOD AND AREA

The period should not exceed 20 years for specified minor minerals and it may be renewed for 2 periods, each not exceeding 20 years. It is generally 5 years for non-specified minerals which may be increased to 10 years on request by applicant who holds a mineral based industry. Leases may also be renewed for 2 periods, each period not exceeding 5 years. However, there is a provision to renew the leases for 10 years at a time in favour of applicant having mineral based industry. For quarrying by Pattadars in ex-Madras state territory, period is 20 years for fresh lease and renewal cases, provided that the applicants are having granite cutting and polishing units. Other-wise the period should not exceed 10 years in each case. This is the case with quarry licence in private land other than land in ex-Mysore state and ex-Madras territory.

The period for quarrying permit in respect of ordinary sand shall not exceed 3 months. Similarly the period for quarrying lease by tender-cum-auction will not exceed 10 years.

The total area for one or more quarry leases for specified minor minerals to one person will not exceed -

- (a) 50 acres in case of existing 100% export oriented granite cutting and polishing unit in the state falling under Clause (ii) of Rule 12;
- (b) 40 acres in case of other granite cutting and polishing unit falling under Clause (iii), (v) and (vi) of Rule 12;
- (c) 10 acres in all other cases falling under Clause (iv) and (vii) of Rule 12.

The limitation of maximum area of quarrying lease will not be applicable to State or Central Government undertakings and joint sector project undertaken by the State or Central Government within the state. In case of non-specified minor minerals the total area for one or more quarry leases should not exceed 25 acres except in the case of public sector undertakings and State Government departments. For quarry leases by Pattadars in ex-Madras territory the maximum area to be permitted is at the discretion of the Committee or the competent authority, appointed for this purpose.

11.6 TRANSFER, SURRENDER AND TERMINATION

There are provisions for transfer, surrender and termination of the leases for various category of minerals. For specified and non-specified minor minerals the lessee may transfer the leases with the previous written consent of the competent authority subject to certain conditions. In case of quarry licence in private land other than land in Madras and ex-Mysore territory the licensee may transfer the licences with the previous consent of the competent authority, subject to certain conditions. The lessee/licencee for quarrying in private and other than a land in ex-Mysore and ex-Madras territory may surrender the lease after giving a notice in writing, not less than 3 months to the competent authority. The competent authority may terminate the quarry lease or the licence after an enquiry if the lessee or licensee is found to have committed an offence under MMRD Act, 1957. The competent authority may determine any lease at any time if in his opinion lessee has committed a breach of any of the provisions/conditions of the rules.

11.7 RENTS AND ROYALTIES

Dead Rent : The holder of a quarrying lease is required to pay to the State Government for every year of the lease such yearly dead rent as may be fixed by the State Government in respect of each mineral. The lessee is liable to pay dead rent or royalty in respect of each minor mineral, whichever is higher, but not both. The rates of dead rent as prescribed by the State Government are given below -

RATES OF DEAD RENT

Sl. No.	Name of the minor mineral	Rate Rs. per acre/annum
1.	Ornamental & Decorative Building stones.	15,000
2.	Bentonite	15,000
3.	Fuller's Earth	15,000
4.	Limestone under the title "Shahabad Stone".	6,000
5.	Limeshell	5,000
6.	Limekankar	5,000
7.	Agate & Chalcedony	5,000
8.	Ordinary Building Stones	
	a) Bangalore, Mysore & South Kanara	3,500
	b) Belgaum, Dharwar, Gulberga	3,000
	c) All other districts	2,500
9.	Sandstone used for making household articles.	2,000
10.	Ordinary Sand	
	a) Bangalore & South Kanara district	1,000
	b) All other districts	1,000
11.	Murrum	500
12.	Brick and tile clays.	100
13.	Steatite used for making household articles.	100
14.	All other minor minerals.	1,000

Surface rent --- Not applicable.

Royalty : The holder of a quarry lease is required to pay royalty on the minor minerals despatched from the lease area at the rate specified in the schedule. The rates of royalty are liable to be revised once in every four years. The royalty is payable at such times and in such manner as the Government may prescribe.

In case of quarry permit to remove or extract sand not exceeding one Thousand tonnes under any one permit valid for a period not exceeding three months on payment of royalty calculated at the rates specified in the Schedule-2. The rates of royalty currently in force are given below :

SCHEDULE-2
(See sub rule (1) Rule 36)

ROYALTY

Name of the minor mineral	Area of applicability	Rate per unit volume or quantity Rs.
1. ORNAMENTAL AND DECORATIVE BUILDING STONES		
(A) DYKE ROCKS *1 :	(a) Mysore Dist.	2000/M ³
(i) Black granite	(b) All other Districts Other than (a) above	1500/ M ³
(ii) Other varieties of dykes than Black granites.	(c) All Districts	1000/ M ³
(B) (i) PINK and RED GANITES *2 ILKAL PINK" variety	(i) Hungund & Badami taluk of Bijapur Dist. Kushtagi of Raichur District	2000/ M ³
(ii) Pink & Red granites, Gneisses & their textural & Structural varieties *2 (other than ILKAL PINK variety)	(ii) All districts of the state	1000/ M ³
(C) GREY & WHITE GRANITES & their varieties *3		
(i) Very fine grained grey Granite ("SIRAGREY" variety)	(i) Sira, Madhugiri of Tumkur Dist. Chintamani, Gudibande, Sidlaghatta of Kolar Dist., Hoskote of Bangalore Dist.	1500/ M ³
(ii) Grey & white granites & their textural varieties having shades of grey, black & white colours (other than (i) above) *3	(ii) All areas of the state	600/ M ³
2. Felsites and its varieties suitable for use as ornamental stone.	... Entire State ...	200/M ³
3. Quartzites and sandstones and their varieties suitable for use as ornamental stone.	..... do	500/M ³
4. Marble or crystalline limestone as ornamental stone.	..... do	100/M ³
5. Bentonite	..... do	85/tonne
6. Fuller's Earth	..... do	80/tonne
7. Limestone under the title "Shahabad Stone".	..... do	30/10/M ²
8. Limestone (Non-cement) when used for building construction.	..... do	15/tonne

Name of the minor mineral	Area of applicability	Rate per unit volume or quantity Rs.
9. Ordinary building stones (*4)	... Entire State ...	10/tonne
10. Limeshell	..... do	25/tonne
11. Lime Kankar (Non-cement)	..... do	10/tonne
12. Agate, Chalcedony, Flint	..... do	70/tonne
13. Ordinary sand	a) Bangalore, Mysore and South Kanara Dists.	25/tonne
	b) Belgaum, Dharwar and Gulbarga Dists.	20/tonne
	c) All other Districts	15/tonne
14. Brick earth or tile clay (and bricks and tiles) (Other than clays quarried from tank beds notified by Government for desilting)	... Entire State ...	10/tonne of clay or 30 per 1000 bricks
15. Steatite and sandstone used for making household utensils/articles.	..... do	3/tonne
16. Murrum	..... do	2/tonne
17. All other minor minerals	..... do	25% of sale value pit head
18. Waste rocks generated in ornamental stone quarry *5	..... do	Rs.100/tonne or Rs.300/M ³
18-A Irregular shaped waste rock generated in an ornamental stone quarry which is not suitable for ornamental purpose.	..... do	Rs.10/per tonne
19. Waste rocks generated in Shahabad stone quarries *6	..... do	Rs.10/tonne

*1 to *3 : As defined under clause (m) of Rule 2

*4 : As defined under clause (g) of Rule 2

*5 & *6 : See explanation under Rule 36

11.8 DISPUTE SETTLEMENT PROCEDURE

- (i) Any person aggrieved by an order of the Competent Authority not above the rank of Additional Director should apply within sixty days of the date of communication of such order in a prescribed form to the Controlling Authority for revision of such order.
- (ii) Any person aggrieved by an order of the Competent Authority above the rank of Additional Director should apply within sixty days from the date of Communication of such order in a prescribed form to the Government for revision of such order.

But if the Controlling Authority or the State Government is satisfied that the applicant had sufficient cause for not making application in time, may entertain such applications if it is made within a period of thirty days from the date of expiry of the aforesaid period of sixty days.

- (iii) Any person aggrieved by the order of the Director rejecting any tender or offer or bid for grant of quarrying lease by tender-cum-auction, may within sixty days from the date of such order apply in the appropriate form to the State Government for revision of such order.