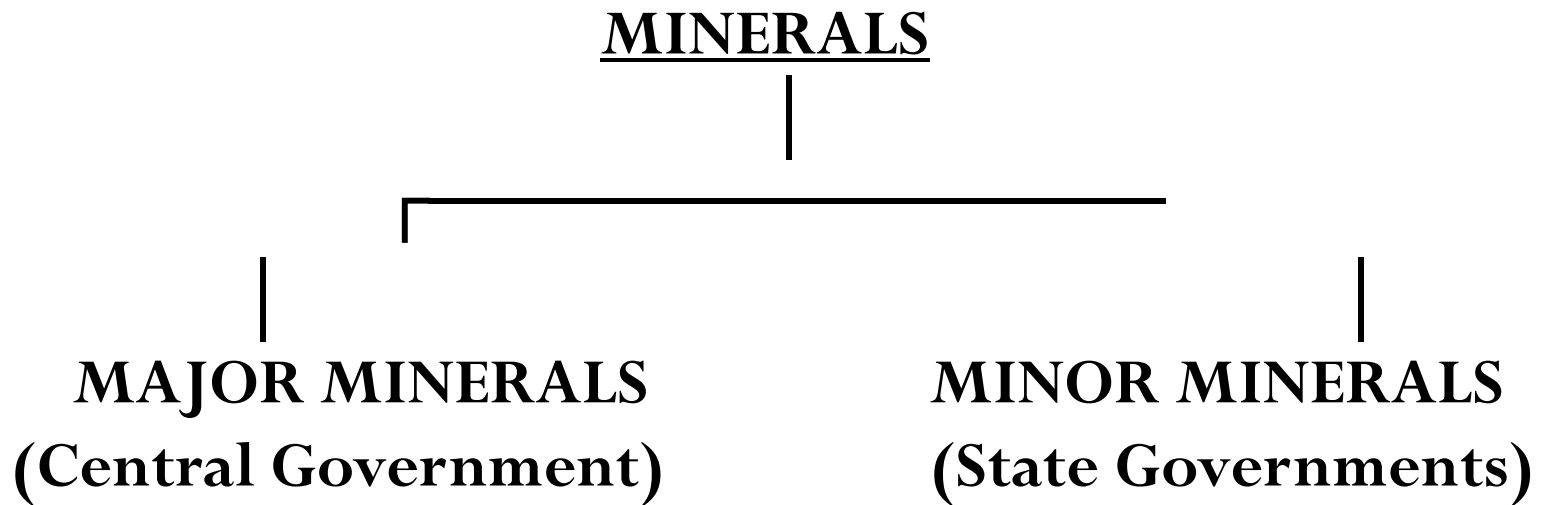


MINES & MINERALS

(REGULATION & DEVELOPMENT) ACT

K.L.N. Rao (Asst. Director)
G.A.(Vigilance & Enforcement) Dept.
Mobile No.9912 9912 36

Classification of Minerals in India (MMDR Act, 1957)



Details:

Category	Major Minerals	Minor Minerals
Governing Authority	Central Government (policy & regulation) + States (implementation)	State Governments
Examples	Coal, Iron ore, Bauxite, Copper, Gold, Limestone	Sand, Gravel, Clay, Building stone, Road metal
Importance	Strategic & industrial use	Construction & local use
Regulation	Governed under central rules (e.g., mining policy, licensing framework)	States make their own rules
Revenue Collection	Royalty shared; rates often fixed by Centre	Revenue goes to State Governments
Control Level	Strong central control	Decentralized state control
Licensing Authority	Granted by State but under central guidelines	Fully controlled and granted by States

LIST OF MAJOR MINERALS

1. Metallic Minerals

□ Ferrous Metals

- Iron ore
- Manganese
- Chromite

Non-Ferrous Metals

- Copper
- Bauxite (Aluminium ore)
- Lead
- Zinc
- Nickel
- Tin

2. Non-Metallic Minerals

- Limestone
- Gypsum
- Mica
- Dolomite
- Graphite
- Phosphate (Rock phosphate)
- Silica / Quartz
- Magnesite
- Kyanite
- Sillimanite
- Barytes

3. Energy (Fuel) Minerals

- Coal
- Lignite
- Petroleum (crude oil)
- Natural gas
- Uranium
- Thorium

4. Other Important/Industrial Minerals

- Diamond
- Asbestos
- Tungsten
- Wollastonite
- Cadmium
- Rare earth elements (group)

5. Precious Metals

- Gold
- Silver
- Platinum (group metals)

LIST OF MINOR MINERALS IN TELANAGA

Building Stone & Road Metal, Granite (Cutting and Polishing), Laterite, Dolomite, Fullers Earth (Bentonite), Sand and Gravel.

- Granite & Building Stone → Almost all districts
- Quartz & feldspar → Common in Southern & Central Telangana
- Sand → River Districts (Godavari & Krishna basins)
- Laterite & Dolomite → Forest / Tribal Belt (Mulugu, Jayashankar)
- Clay, Gravel, Morrum → Widespread

OCCURANCE In the Telangana State,

- ✓ **Major Minerals** Limestone, Manganese, Iron & Coal
- ✓ **Lime Stone** - Nalgonda, Suryapet, Vikarabad and Manchiryal Districts: Dameracharla, Mattampally, Mellacheruvu, Nereducharla, Tandur.
- ✓ **Manganese** - Only in Adilabad District
- ✓ **Iron** - Kammarpally in Nizamabad District
- ✓ **Coal** - Mancherial, Bhupalpally, Khammam, Kothagudem Districts. (managed by Singareni Coal Collieries Ltd)
- ✓ **Quartz & Feldspar**----- Mahabubnagar, Wanaparthy, Nagarkurnool, Nalgonda (Devarakonda)

Minor Minerals – Stone & Metal, Granite, Limestone Slabs

- ❖ **Granite:** Black Granite:----- Warangal, Khammam, Part Nalgonda (Tiger)
- ❖ **Colour Granite:**-----Nizamabad (Indian Aurora), Karimnagar (Tan Brown).... Mahabubnagar, Nalgonda (Lucrative Colour Granites)
- ❖ **Limestone Slabs**----- Dameracharla (Nalgonda), Tandur (Vikarabad)
- ❖ **Fuller's Earth**----Tandur

The Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957) is the primary legislation governing the mining sector in India. It has been amended multiple times to improve transparency, efficiency, and sustainability in mineral resource management.

1. Ownership of Minerals

- **Major minerals → regulated by the Central Government**
- **Minor minerals → regulated by State Governments (decide by the Central Government)**
- **Ownership of minerals generally vested in the State.**
- ◊ **2. Regulation by Central Government**
- **The Central Government had the power to:**
 - **Frame rules for regulating mines and mineral development**
 - **Declare certain minerals as important for national interest**

3. Royalty, Seigniorage Fee and Dead Rent

- **Mining lease holders had to pay:**
 - **Royalty → based on quantity/value of minerals extracted**
 - **Seigniorage Fee on minor minerals**
 - **Dead rent → minimum fixed payment regardless of production**

4. AMENDMENTS

2015 Amendment (Major Reform)

The **Mines and Minerals (Development and Regulation) Amendment Act, 2015** introduced significant structural changes:

Key Features:

- **Auction system introduced**

Mining leases and prospecting licenses are granted through auctions instead of discretionary allocation.

- **End-use restrictions removed**

Companies no longer restricted to using minerals only for specific industries.

- **District Mineral Foundation (DMF)**

- Established in mining-affected districts
- Works for welfare of affected communities

- **National Mineral Exploration Trust (NMET)**

- Funds exploration activities across India

- **Lease Periods Increased**

- Mining leases extended to **50 years** (Earlier 20 years and further renewals)

- **Stricter penalties**

- Increased fines for illegal mining (Rs.5,00,000/- and/or Two years imprisonment)

Aspect	Before 2015	After 2015 Reforms
Allocation of Mines	First-come, first-served	☑ Auction-based allocation (transparent & competitive)
Transparency	Low, discretionary system	☑ High transparency through auctions
Corruption Scope	High due to discretion	☑ Reduced significantly
Types of Licenses	RP, PL, ML separately	☑ Composite licenses (PL + ML combined)
Lease Period	20–30 years (renewable)	☑ Fixed 50 years, no frequent renewals
End-Use Restrictions	Captive mining (restricted use)	☑ Removed → free sale in market
Private Sector Role	Limited participation	☑ Increased participation, especially post-2020
District Welfare	✗ No structured system	☑ District Mineral Foundation (DMF) for local development
Exploration Framework	Weak and unorganized	☑ National Mineral Exploration Trust (NMET)
Transfer of Licenses	Difficult	☑ Easy transfer with clearances
Environmental Compliance	Basic and weak	☑ Stricter norms + sustainability focus
Illegal Mining Control	Weak enforcement	☑ Stronger penalties & monitoring
Revenue to Government	Limited, fixed royalties	☑ Higher revenue via auctions + premiums
Ease of Doing Business	Complex procedures	☑ Simplified and investor-friendly
Production Levels	Lower output	☑ Increased mineral production
Surrender of Lease	Not flexible	☑ Allowed (post-2021 reform)
Pricing Mechanism	Not standardized	☑ National Mineral Index introduced

◇ Key Transformation in Simple Terms (After 2015):

- Shift to **market-driven system (auctions)**
- Focus on:
 - Transparency
 - Investment
 - Sustainability
 - Community welfare

The post-2015 reforms transformed the MMDR framework from a **discretionary, state-controlled system** into a **transparent, auction-based, and investor-friendly regime with stronger social and environmental safeguards.**

Simple Summary

- **1957 Act** → Framework for regulating mining
- **2015** → Transparency + auctions + welfare bodies
- **2020** → Ease of business + private participation
- **2021** → Higher production + flexibility

ROLE OF REVENUE DIVISIONAL OFFICER IN MINERAL CONCESSION APPLICATIONS. (As per G.O.Ms. No. 4, Revenue (Assignment-I) Department, Dated 19.01.2015)

Sl. No.	Classification of Lands	Extent (in Hectors)	Competent Authority	Mandatory time frame
1	Govt. Land	Upto 15.00 HA	Tahsildar	30 days from the date receipt of the letter from AD/DD, Mines & Geology and approval is deemed to have been sanctioned if no action is taken in 30 days.
2	Govt. Land	Upto 15.00 HA to 30.00	RDO/Sub Collector	
3	Govt. Land	Above 30.00 Ha	District Collector	
4	Patta Land	No Limit	Tahsildar	

The Competent Revenue Authority shall certify the following while issuing 'No Objection Certificate':

1. Extent of land
2. Classification of land
3. Proximity to Forest (50 Mts), Tank, lake or Irrigation Source (30 Mts)
4. Proximity to habitation (200 Mts)
5. Whether mining will affect habitation
6. Whether mining will affect agriculture in neighbouring lands.

TYPE OF VIOLATIONS IN QUARRIES

- Excavation of Mineral in the leased area more than the permitted quantity.
- Excavation of Mineral other than the leased area by encroachment.
- Non-erection of permanent boundary pillars around the quarry lease.
- Non-maintenance of Production & Dispatch Registers.
- Lapses in obtaining dispatch permit continuously.

STANDARD OPERATION PROCEEDINGS IN INSPECTION OF QUARRIES

- Information / copies of documents regarding granting of Quarry/Mining Lease, work orders and executed sketch to be obtained from the concerned Asst. Director of Mines and Geology.
- Field inspection/surveying of the Quarry Lease to be conducted after securing the technical officers from Mines and Geology Department concerned and Surveyor of office of the Tahsildar in the presence of the owner of the lease/authorized representative.
- Ascertain whether the lease holder carrying out the quarrying/mining operations within the leased area or not as per the executed sketch/DGPS Maps and any violations committed by the lease holder.

- ❖ Photographs of boundary pillars and quarried pits shall be taken during inspection.
- ❖ If any encroachment into the adjacent land beyond the leased area noticed, the measurements of the worked pit/s to be taken under cover of panchanama.
- ❖ Inspection and survey report together with sketch showing the location of quarry lease area along with Geo Co-Ordinates and worked pits within the lease and outside the lease to be obtained from the Mines & Geology Staff.
- ❖ under Section 15(1-A)(g) of Mines & Minerals (Development & Regulation) Act, 1957, the State Government formulate the Minor Mineral Concession Rules. The Government of Telangana adopted the Minor Mineral Concession Rules, 1966.

PENAL PROVISIONS AS PER TGMMC RULES-1966

- **Rule 26 (1)** of TGMMC Rules,1966:- “ If any person carries on quarrying operations or transports minor minerals in contravention of these rules, shall be liable to pay as penalty, such enhanced Seigniorage fee together with assessments as may be imposed by an officer nominated by the DM&G.
- **Rule 26 (2)** of TGMMC Rules,1966:- Whenever any person raises or transports minor minerals without any lawful authority, such minerals may be seized by an officer nominated by DM&G in this behalf in addition to the imposition of the penalty under sub-rule (1)

Provided that in no case, the penalty shall be exceed ten times the normal Seigniorage Fee and the lease or permit already granted may, at the discretion of the Deputy Director be liable to be terminated or cancelled.

- **Rule 26 (3) (ii)** of TGMMC Rules,1966:- If no documentary proof is produced in token of having paid the mineral revenue due to the Government by any person who used or consumed or in possession of any mineral including the processed minerals, he shall notwithstanding anything contained in sub rule (1) be liable to pay five times of the normal Seigniorage Fee as penalty in addition to normal Seigniorage fee leviable under the rules.
- **Rule 34 (1)** of TGMMC Rules,1966: No minor mineral shall be dispatched from any of the leased areas without a valid permit issued by the AD Concerned or an officer authorised by him in this behalf, Contravention of this rule shall result in forfeiture of Security Deposit and levy of Normal Seigniorage fee along with five times penalty by the AD or officer authorised by him.

ENVIRONMENT IMPACT FEE:

- Earlier the Vigilance & Enforcement Department / Vigilance Wings of the Departments used to inspect the buildings/Apartments to ensure that the Seigniorage Fee covered or not on the minor mineral such as Stone & Metal, Sand and Bricks consumed in the construction irrespective of area of the building.
- Components: Cellar for Gravel , Stone & Metal(0.0339/Sft). Sand (0.0312/Sft) and Bricks 1,00,000 per Kiln

NEW GO on EIF

- Inspect the recently completed and on-going civil constructions i.e. Residential Apartments/Commercial Complexes which have been permitted after 17.06.2015 to check whether the Building Permit Authorities have collected Environment Impact Fee in advance as per G.O.Ms.No. 34, Industries and Commerce (Mines. I) Department, dt.17.06.2015 and G.O.Ms.No. 8, Industries and Commerce (Mines. I) Department, dt.24.02.2016. If not paid, the details of builders and collectable Environment Impact Fee shall refer to the concerned Urban local bodies.
- Rate is enhanced from Rs. 3 to Rs.8 (As per G.O.Ms. No. 17, Dt:23.07.2025)

MINERAL BASED INDUSTRIES

- **Major Minerals:** Cement Industries (Iron Factories)
- **Minor Minerals:**
 - 1) Stone Crushing Units
 - 2) Ready Mix Concretes(RMC)
 - 3) Quartz & Feldspar Pulverizing Units
 - 4) Granite Polishing Units.

CASE STUDY on STONE CRUSHING INDUSTRY:

- The RV&EO Hyderabad Rural Unit has taken up an enquiry on petition filed by Sri Malreddy Ranga Reddy regarding evasion of Seigniorage Fee, DMFT, SMET and IT by the certain quarrying industries existing in Mining Zone at Bandaraviryala & Chinnaraviryala Villages of Abdullapurmet Mandal, Ranga Reddy District.
- The Petitioners theory i.e. Stone Crushing Units are producing more quantity of rock sand / stone aggregates than the actual despatch permits sanctioned to the quarry lease holders thereby causing revenue loss to the Government. To support this, petitioner stated that Rs. 25/- is incurred for production of 1 MT Rock Sand / Stone aggregates.

SELECTION OF CRUSHERS

- M/s. Sri Lakhmi Narasimha Metal Industries, Bandaraviryala Village, Abdullapurmet Mandal, Ranga Reddy District. (450KV)
- M/s. Rock Crushing India Pvt Ltd, Chinnaraviryala Village, Abdullapurmet Mandal, Ranga Reddy District.(490 KV)
- M/s. GMR Stone Crusher, Pillayipally Village, Pochampally Mandal, Yadadri-Bhongir District.(990KV)

M/s. SLN Metal Industry

Test Trial No.	Total Weight of Rock Boulders in MT	Number of Units Consumed	Rate fixed towards Electrical charges in Rs.	Total Amount in Rs.(3*4)
1	2	3	4	5
I	105.220	356	6.65	2367.40
II	95.230	332	6.65	2207.80
III	95.190	312	6.65	2074.80
Avg	98.54	333.33	6.65	2216.64

M/s Rock Crushing India Pvt. Ltd.,

Test Trial No.	Total Weight of Rock Boulders in MT	Number of Units Consumed	Rate fixed towards Electrical charges in Rs.	Total Amount in Rs. (3 X 4)
1	2	3	4	5
I	63.96	284	6.65	1888.6
II	73.02	348	6.65	2314.2
Avg	68.49	316	6.65	2054.0

M/s GMR Stone Crusher,

Test Trial No.	Total Weight of Rock Boulders in MT	Number of Units Consumed	Rate fixed towards Electrical charges in Rs.	Total Amount in Rs. (3 X 4)
1	2	3	4	5
I	81.94	444	6.65	2952.6
II	87.99	480	6.65	3192.0
Avg	84.97	462	6.65	3072.3

AVERAGE ELECTRICITY CHARGE PER TON

Test Trial No.	Name of the Stone Crushers	Capacity (KVA)	Total Weight of Rock Boulders in MT	Number of Units Consumed	No. of units consumed per MT	Rate fixed towards Electrical charges in Rs.	Electricity charges arrived Per MT production of Rock Sand/Stone Aggregates in Rs.
1	2	3	4	5	6	7	8
1	M/s. SLNMI	450	98.54	333.33	3.38	6.65	22.47/-
2	M/s. Rock Crushing India Pvt. Ltd.,	490	68.49	316.00	4.61	6.65	30.68/-
3	M/s. GMR	995	84.97	462.00	5.43	6.65	36.15/-

FIXATION OF ELECTRICITY CHARGES

- **Category A- Capacity up to 450 KVA - Rs.22.47/- is considered.**
- **Category B-Capacity above 450 KVA & up to 900 KVA- Rs.30.68/- is considered.**
- **Category C- Capacity above 900 KVA - Rs.36.15/- is considered.**

THE NEW CRUSHER POLICY

As per G.O.Ms. No. 26, Dated 01.11.2025

- **Mandatory Registration & Licensing**
- All stone crusher units must:
 - Obtain **valid license/registration**
 - Comply with updated rules before operation
- Existing units must **regularize under new rules**
- **Power Factor Formula:**
 - 4.00 KVAH Units for crushing of One Metric Tonne of raw Material.

SAND POLICY IN TELANGANA:

The Government of Telangana pronounced a new sand policy vide G.O.Ms. No.38, Industries & Commerce (Mines.1) Department, Dated 12.12.2014. As per the policy, the Government authorized M/s. Telangana State Mineral Development Corporation Ltd., (TSMDC) for conducting sand excavations in the State viz.,

- 1.Specified sand bearing areas (SBA),
- 2.De-silting of Reservoirs
- 3.De-casting of Patta Lands.

i) The District Level Sand Committee of the District will direct the line departments viz., Mines & Geology, Ground Water, Irrigation and Revenue Department to identify the Specified Sand Bearing areas in IV and V order river streams duly conducting joint inspection for feasibility. After approval in the District Level Sand Committee, the sand bearing areas will be handed over to M/s. TGMDC Ltd., for obtaining Environmental Clearance, Consent for Establishment and Consent for Operations. The mode of excavation in the Specified sand bearing areas is manual only. Machinery may be used only for making ramps and paths near the reaches. Maximum number of specified sand bearing areas are falling in Godavari River located in Mulug and Bhadradi Kothagudem Districts which comes under PESA Act. Hence, M/s. TGMDC Ltd., will select the local Tribal Society as a raising contractor for excavation of sand in the sand bearing area and stock yard operations.

ii) In respect of de-silting of sand in the Reservoirs/Dams, the District Level Sand Committee will hand over the proposed de-silting area to M/s. TSMDC Ltd., after due joint inspection by the Departments. M/s. TSMDC Ltd., will appoint a raising contractor through the bidding process for excavation of sand in the de-silting area and stock yard operations. The excavation of sand will be done by mechanical mode.

iii) Regarding De-casting of sand from the Patta lands, on receipt of application from the Pattadar, a joint inspection will be conducted by the concerned departments and after approval in the District Level Sand Committee, the de-casting area will be handed over to M/s. TSMDC Ltd., The pattadar himself has to de-cast sand either manually or mechanical from the patta land and to make fit for cultivation. The de-casted sand will be sold by M/s. TSMDC Ltd through online.

In all the above three categories, M/s. TGMDC Ltd., has to pay prescribed amounts to the Tribal Societies, Raising Contractors and Pattadar as per rules in vogue.

M/s. TGMDC Ltd., has to establish stock yards nearer to the Specified sand bearing areas and de-silting areas after taking lease of land from the land owners and obtaining Mineral Dealer License (MDL) from Deputy Director of Mines & Geology concerned. M/s. TGMDC Ltd., deploy the man power such as Sand Reach Assistants (SRA) and Security Guards (SG) in stock yards on out sourcing basis for monitoring the sand operations like excavation of sand from the source, loading sand into vehicles, issuing way-bills and maintenance of production and dispatch registers. These out sourcing staff will be supervised by the regular staff of M/s. TGMDC Ltd., such as Project Officer and General Managers.

After stacking sand in the stock yards, the online sales through web portal operating by M/s. TGMDC Ltd., (Sand Sale Management & Monitoring System) will be commenced duly collecting the sale price through online during booking of sand. Sale of sand from these stockyards will be controlled by electronic surveillance (CCTVs) and electronic documentation linked to a central documentation monitoring facility. The way-bills for transportation of sand will have the security seal of the TGMDC and will be stamped with date, time and duration of transit period to the destination.

Telangana State Sand Mining Rules-2015

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Telangana State Sand Mining Rules-2015 were formulated vide G.O.Ms. No. 3, Industries & Commerce (Mines.1) Department, Dated 08.01.2015 and also amended these Rules from time to time. Accordingly, M/s. TSMDC has started sand excavations in the state by getting allotment through District Level Sand Committee and selling the sand to the customers by online booking through the web portal.

In this connection, some of the Telangana State Sand Mining Rules-2015 are as follows:

- M/s. Telangana State Mineral Development Corporation Ltd., shall only operate sand extraction and sales from III and above Orders streams in the State.

Sand extraction in I ,II and III order (notified over-exploited areas) streams:

- Sand extraction shall not be permitted in notified over-exploited areas except for local use in villages or towns bordering the Streams for bona-fide purposes other than commercial operations/public trading/stocking etc. The Sand extraction:-
- Shall be as per Rule 23-(1) (a) of Water Land and Tree Rules, 2004 or any suitable subsequent rules/amendments to be issued by Government from time to time.
- Shall be for local use:
 - Free of cost:
 - For weaker section housing schemes on a certificate issued by the District Collector or any authorized officer;
 - For own use basing on the actual requirement to be certified by Panchayath Secretary concerned and
 - For local use of sand in Government works on payment of seigniorage fee.
- The Panchayath Secretary of concerned Gram Panchayath shall issue way bills as prescribed by the Mandal Authority under WALTA, 2002 or any suitable subsequent rules/amendments to be issued by Government from time to time for the purposes mentioned under sub-rule (2) within the jurisdiction.
- Transportation of sand shall be by means of bullock carts/Tractors only within the jurisdiction.
- The District shall be treated as a unit for free movement of sand within the jurisdiction.

ENFORCEMENT MECHANISM

- The District Collector shall put in place proper administrative mechanism for enforcement of extraction and transportation of sand in I, II and III order (notified over exploited areas) Streams comprising of:
 - Revenue Divisional Officer concerned.
 - Tahsildar concerned
 - Representative of Deputy Director, Ground Water Department.
 - Executive Engineer (concerned), RWS/Irrigation Dept.
 - Sub-Divisional Police Officer.
 - Motor Vehicle Inspector (concerned) from Transport Dept.

•As per Rule 13 of TSSMR-2015,

- 1) Any vehicle transporting sand along with transit pass issued by the Asst. Director of Mines & Geology concerned to Telangana State Mineral Development Corporation OR transit form issued to the pattadar, if found, carrying sand in excess of the quantity specified in the transit pass / transit form OR in excess of quantity permitted by the Transport Dept., such excess quantity shall be imposed a fine @ Rs.2000/- per MT.
- 2) Any vehicle/machinery, if found, involved in illegal extraction and transportation of sand in contravention of these rules shall be levied penalty for such each vehicle/machinery as detailed below.

Vehicle Type	1 st time	2 nd time
Tractor	Rs.5,000/-	Rs. 15,000/-
Lorry (Below 10 Tons)	Rs.25,000/-	Rs. 50,000/-
Lorry (Above 10 Tons)	Rs.50,000/-	Rs. 1,00,000/-
Machinery	Rs.50,000/-	Rs. 1,00,000/-

CONFISCATION OF VEHICLE

- The vehicle /machinery found involved more than two times, such vehicle/Machinery alongwith sand shall be seized / confiscated by the following officers in the State authorized under these rules:
 - District Collector (concerned)
 - Joint Collector (concerned)
 - Superintendent of Police (concerned)
 - Additional Superintendent of Police/OSD (concerned)
 - Sub-Collector/Revenue Divisional Officer (concerned).
 - Tahsildar (concerned) Mandal.
 - Sub-Divisional Police Officer (concerned).
 - Station House Officer (concerned).
 - District/Divisional Panchayat Officer
 - Deputy Director of Mines & Geology (concerned).
 - Asst. Director of Mines & Geology (concerned)
 - Any other officer nominated by the District Collector (concerned).

Disposal of seized sand:

- The Tahsildar (or) the officers nominated by Tahsildar at Mandal Level; Sub-Collector/Revenue Divisional Officer (or) the officers nominated by the Sub-Collector/Revenue Divisional Officer at Divisional Level; the Joint Collector/the District Collector (or) the Officers nominated by the Joint Collector/the District Collector at District Level shall seize illegal sand stocks. Such seized sand shall be kept under safe custody of concerned Tahsildar and the same shall be disposed through Telangana State Mineral Development Corporation.

A NOTE ON ALERT REPORT NO. 91 (C.No. 255/V&E/NR.1/2022),Dt.26.07.2023:

The Vigilance Commissioner, Telangana State has forwarded the copy of adverse News published in Vaartha Telugu Daily News Paper on 23.12.2022 (Warangal) under the caption “Ista Rajyam Ituka Mafia” about Manufacturing bricks (soil) kiln unit in Sy.No.521 to an extent of Ac. 10.00 gts situated at Bollikunta Village, Khila Warangal (M), Warangal District without obtaining Mining, Labour and Trade license certificates and requested to conduct enquiry and to submit detailed report.

Accordingly, an enquiry was ordered to the RV&EO, Warangal to conduct the enquiry and submit report. The RV&EO, Warangal vide Alert No. 01/RVEO/WGL/NR.1/2023, Dt:12.04.2023 submitted report.

FINDINGS OF V&E DEPARTMENT:

1. It is noticed that Sri Donthi Krishana Reddy has given his land for manufacture of bricks kiln unit for commercial bricks industry purpose to Sri Bandi Sridhar M/s.VSS Bricks without conversion of NALA in Sy.No.521/A/B over an extent Ac.3.02Gts(utilization of bricks kiln unit as per report of the Tahsildar) of Bollikunta (V), Khila Warangal Mandal.
2. The land owner has to pay conversion charges along with penalty as per Non Agricultural Land Assessment (NALA) Act, 1963 and introduced a new Act, which is called the Andhra Pradesh Agricultural Land (Conversion for Non Agricultural purposes) Act, 2006.
3. The evaded Tax is calculated based on the new market values furnished by the concerned Tahsildar and Payable NALA Tax is calculated @ 3% of land value with 50% penalty which is arrived to Rs. **82,350/-**.
4. The Brick Kiln owner has obtained Kiln Registration Certificate from Mines & Geology Department, Trade License from GWMC, Warangal and permission from Labour Department.

RECOMMENDATION OF V&E:

- I. The Principal Secretary to Government, Mines & Geology Department, T.S, Hyderabad is requested to issue necessary instructions to issue necessary instructions to the Director of Mines & Geology in turn to issue instructions to all the Asst. Directors of Mines & Geology in the state to issue Brick Kiln Certificates only on production of NALA Conversion Proceedings pertaining to the land where the Brick Kiln Units are being established.
- II. The Principal Secretary to Government, Revenue Department, T.S, Hyderabad is requested to issue necessary instructions to the concerned to realize the evaded conversion tax of Rs. 82,350/-from the concerned subject to verification of classification of the lands.

ACTION TAKEN BY THE GOVERNMENT:

The Government vide Memo. No. 2762/M.I(2)/2023, Dated 04.08.2023 requested the Director of Mines & Geology, Hyderabad to instruct all the Asst. Directors of Mines & Geology in the State to issue Brick Kiln Certificates only on production of NALA Conversion Proceedings pertaining to the land where the Brick Kiln Units are being established.

The Director of Mines & Geology, Hyderabad vide Circular Memo No. 2135471/Vg/2023, Dated 26.08.2023 directed all the Asst, Directors of Mines & Geology in the state to issue Brick Kiln Certificates as TMMC Rules, 1966 only on production of NALA Conversion Proceedings against the land where the Brick Kiln Unit is being established.

The Vigilance Commissioner, Telangana, Hyderabad vide Lr. No. 4228/Spl.C.B2/2023-2, Dated 23.01.2024 informed the Government that the Commission agreed the recommendations of the Director General, General Administration (Vigilance & Enforcement) Department and advised the above recommendation.

REQUEST OF THE DIRECTOR OF MINES & GEOLOGY TO THE GOVERNMENT:

The Director of Mines & Geology, Hyderabad vide Lr. No. 2135471/Vg/2023, Dated 04.06.2024 requested the Secretary to the Government, (Mines & Geology), Hyderabad to accord permission for registration of Brick Kiln Units without insisting NALA certificate as the ADM&G, Peddapally and others have reported that in light of making mandatory the NALA certificates, the registration of Brick Kilns has been stopped due to for want of NALA certificates. Further stated that annually more than 1000 Brick Kilns are registered in the State with mineral revenue collection to tune of Rs. 1 to 2 Crores.

REMARKS ON THE ABOVE POINT:

1. The Farmers are entering into the agreement with the manufacturers of bricks for leasing out their agricultural lands for establishment of Brick Kiln Units on rental basis.
2. The manufacturing of bricks comes under commercial activity.
3. The manufacturers of Bricks are registering their Brick Kiln Units with the Asst. Directors of Mines & Geology concerned by paying Seigniorage Fee, permit fee, DMFT, SMET and IT which is coming to Rs. 16,692/- per 1 Lakh Bricks per one kiln.
4. Besides the lease amount receiving from the agreement holders, the farmers are claiming the Raithu Bandu /Raithu Bharosa amount from the Government twice in a year though they are not performing any agriculture activity in their leased out lands.
5. When the land is being utilizing for a) industrial purposes, b) Commercial purpose and c) any other Non-Agricultural purposes including residential purposes, the land must be converted into Non –Agriculture by Non Agriculture Lands Assessment (NALA) by paying 3% of Government prescribed rate for the land.

6. If the land which is used for establishment of Brick Kiln Units converted into Non-Agriculture land, the NALA conversion fee will be generated to the Government and the Raithu Bandhu amount will not be credited into the account of the Farmers as the extent of the converted land will be removed from the Dharani Portal. Hence, the misuse of Government revenue in form of Raithu Bandhu amount will be stopped.
7. But the Farmers are hanging back to convert the agriculture land to Non agriculture keeping in view of utilization of Raithu Bandhu amount.
8. As mentioned by the Director of Mines & Geology that Rs. 1 to 2 Crores of income to the Government by registration of Brick Kiln units, in addition the NALA conversion fee also will be augmented to the Government ex-chequer.
9. The manufactures of Bricks are obtaining permission for One lakh per One kiln by paying requisite fee but in general establishing more Brick kiln units than they paid.
10. Earlier, the V&E Department vide Vigilance Report No. 27 (C. No. 1376/V&E/D1/2022 & 258/V&E/D1/2023), Dated 04.05.2023 also recommended to ensure NALA Conversion of the land before issuing permission for mining, brick kiln units, Crusher units etc.,
11. Therefore, it is recommended by the V&E Department that the production of NALA conversion certificate is mandatory before registering the Brick Kiln Units to avoid misuse of Raithu Bandhu amount. However, the Government is the final authority to take decision in the matter.

The Vigilance & Enforcement Department conducted special drive on sand transportation in the State from 28.01.2024 to 01.02.2024. As per the special drive, the following vehicles transporting sand along with other minerals have been checked and noticed some of the vehicles carrying over load of sand and some are without valid documents. The details of penalties collected as per Mines and MVI Act are as follows:

Sl. No.	Name of the Unit	No.of vehicles seized	Type of Mineral	Amount collected (in Lakhs)
1	Warangal	40	Sand	Rs.9.98
2	Karimnagar	24	Sand	Rs. 13.03
3	Nalgonda	12	Sand, Bricks, Granite etc.	Rs. 6.79
4	RC puram	22	Sand, Stone & Metal	Rs.7.07
5	Hyderabad Rural	38	Sand, Stone & Metal, Gravel	Rs.9.52
6	Hyderabad City-II	16	Sand, & Bricks	Rs.4.91
		152		Rs.51.32

CONDUCT OF SURPRISE ROUTE CHECKS ON TRANSPORTATION OF SAND:

Earlier the Vigilance & Enforcement Department conducted special drive on sand transportation in the State from 28.01.2024 to 01.02.2024.

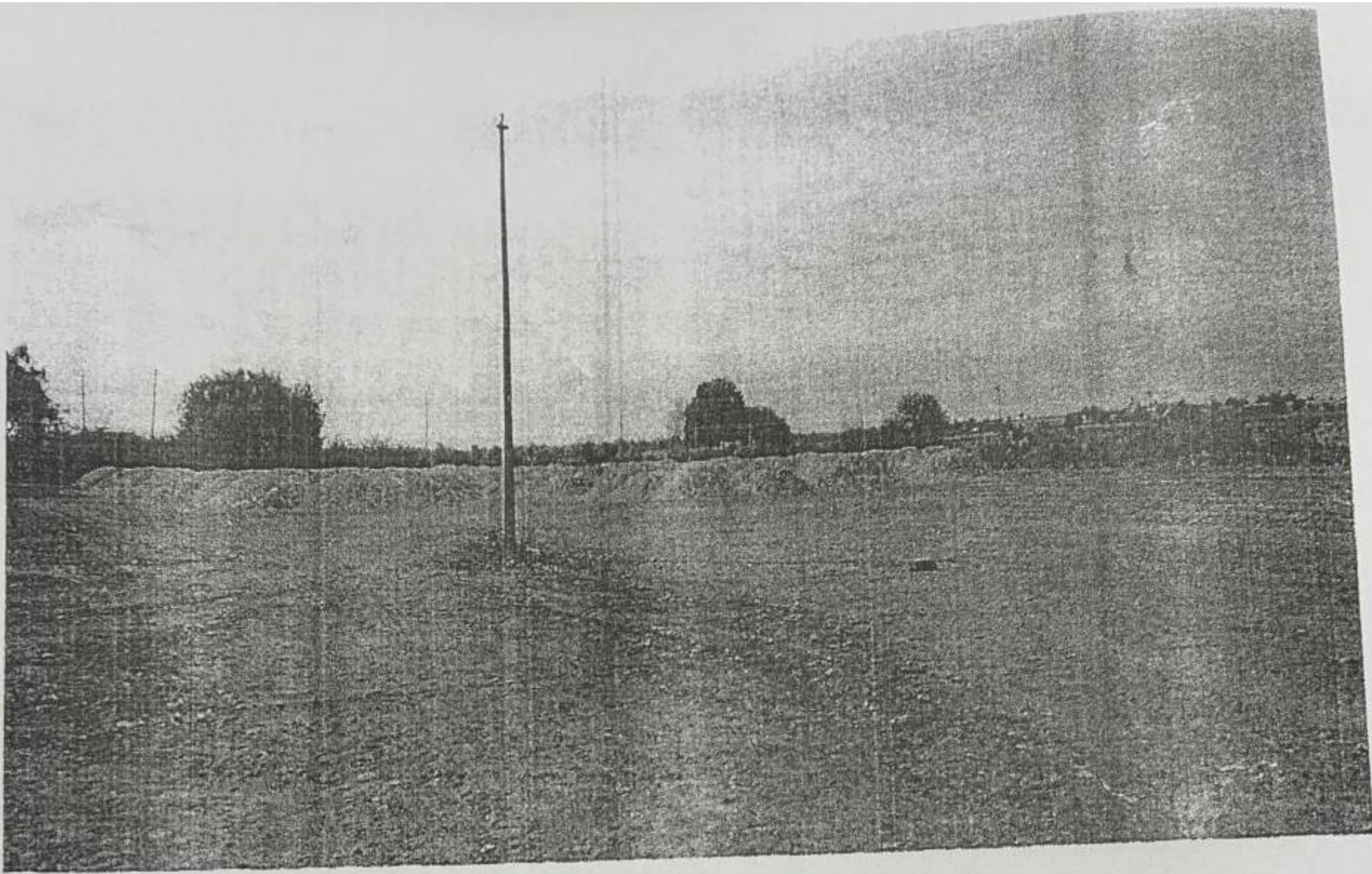
Another surprise route check was conducted by the officials of Vigilance & Enforcement Department on 06.03.2024 & 07.03.2024 along with Mines & Geology, Transport and Revenue Department staff to detect leakage of revenue on illegal transportation and over loading of sand in the State. During the surprise checks, a total of 330 vehicles were checked and found 26 vehicles carrying overload of sand and 3 vehicles found transporting sand without valid permits. The details are as follows:

Sl. No.	Name of the Unit	No.of vehicles Checked	No. of vehicles detained	Over load in MT	Amount collected (in Lakhs)	Remarks
1	Warangal	54	8	29.00	2.30	
2	Karimnagar	137	8	27.29	3.29	
3	RC Puram	54	3	28.86	1.61	
4	Hyd.Rural	59	2	7.66	0.71	
5	Hyd.City-II	25	7	45.26	3.11	2 tractors without permit
6	Nalgonda	1	1	-	-	1 Tipper without permit
	Total	330	29		Rs.10.82	

COMPARISION IN COLLECTION OF PENALTY DURING THE ROUTE CHECKS:

Date of Route Check	No. of Vehicles checked	No. Of Vehicles detained	Amount collected (in Lakhs)
28.01.2024 to 01.02.2024	292	152	Rs.51.32
06.03.2024 & 07.03.2024	330	29	Rs.10.76





Chickering
03/6/21

Thank You