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Punjab State Sand and Gravel Mining Policy, 2018

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DEPARTMENT OF MINES AND GEOLOGY

NOTIFICATION

The 26th October, 2018

PUNJAB STATE SAND AND GRAVEL MINING POLICY, 2018

No. GLG/PB/G-1/1085/Policy2018/325.- With objectives stated below Punjab State Sand and Gravel Mining Policy, 2018 is hereby notified under Punjab Minor Mineral Rules, 2013 framed under Section 15 and Section 23-C of the Mines and Mineral (Development and Regulation) Act, 1957:

1. Allotment of mining rights of stretches of rivers /contiguous blocks of districts to benefit from economies of scales and bring professionalism in this line of trade.
2. Better monitoring by assigning all hitherto uncovered areas, thus creating interest of contractors to check illegal mining in their areas.
3. Minimize motivation for illegal mining by allocating quantities for mining that are commensurate with demand estimated from consumption of cement in the State.
4. e-auction for the sake of transparency in process and confidentiality among participants.
1. Annexure I gives details of estimated available sand and gravel in the proposed blocks and quantities to be allowed for quarrying. The quantities allowed to be quarried have been linked to consumption which has in turn been estimated from consumption of cement in the state taken from Department of Excise and Taxation.
2. Districts with too little a potential have been clubbed with adjoining districts to form blocks so that there isn't too huge a variation in size of business which gives higher incentive for illegal mining to smaller players or their being elbowed out by bigger players.
3. **Auction of Mining Rights** - Mining rights of concession quantity of Sand and gravel in Mining Blocks identified by the process explained above shall be put to bidding through e-auction.
4. **Eligibility and Bid Capacity** - Registered companies, partnerships, societies including co-operative societies, sole proprietorships, individuals and consortia of upto three such entities shall be eligible subject to fulfillment of the following eligibility criteria:
 - i. Average annual turn-over of the bidder during the last three financial years ending 31st march

must not be less than 50% of the reserve price of the Mining Block he bids for. In the case of Consortium, the combined technical and financial capacity of all the members shall be considered for eligibility.

- ii. The bidder shall provide an undertaking to ensure the presence of Site Manager(s), a JE level officer (Diploma in Civil/Mechanical/ Electrical Branches preferably) and Software professional(s) at all mines.
- iii. The bidder should either own or provide an undertaking that they will obtain or hire the requisite machinery for the Mining Block he plans to bid for as given below:

Machinery Required	Annual extractable material			
	Upto 10	Upto 20	Upto 30	Upto 40
	lac MT	lac MT	lac MT	lac MT
1. No of chain mounted excavators with 0.9 cum capacity*	10	20	30	40
2. No of tractor mounted Sprinklers	5	10	15	20

* Number of excavators shall increase or decrease depending upon the bucket capacity of machine.

5. **Annual Concession Quantity** - The quantity of sand and gravel, to be called Annual Concession Quantity, that the concessionaire shall be allowed to mine per annum from a block as per the **Annexure I**. The estimated available quantity in each block is however indicative and it is responsibility of the bidder to make his own assessment of it before bidding.
6. **Cap on sale price:**
 1. Both sand and gravel shall not be sold by the concessionaire at the mining site at more than Rs.9 per cubic feet which includes cost of loading on the vehicle.
 2. Maximum rates linked to distance that can be charged per cubic feet for transportation of sand and gravel will be notified.
 3. Maximum rate of Sand and Gravel chargeable from the end customer will in no case exceed the sum of above said two rates.
 4. The concessionaire will dispatch sand and gravel through only those transporters who agree to transport it at so notified or less rates.
 5. Violation of above points will result in cancellation of the agreement and forfeiture of the security amount.
7. **Reserve Price** of the blocks is in Annexure I.
8. **Annual Concession Value** - The concession shall be awarded at a lump sum price called annual concession value quoted by him, which will be increased by 7% for each subsequent year, payable on a quarterly basis in advance for each quarter irrespective of the quantity quarried by the concessionaire. Subject to

environmental regulations, it shall not exceed 35% in April to June, 15% in July to Sept, 35% in Oct to Dec and 30% in Jan to March.

9. **Security Deposit and start of Mining Operations** - So as to discourage frivolous/ irresponsible bids, security deposit in cash or as bank guarantee will be 25% of annual concession value in case the bid is upto 150% of the reserve price and 50% in case bid is above it. The security amount will be adjusted in last installment(s) provided there are no other dues to be recovered.
10. **Award of Concession and Signing of Agreement** - The successful bidder shall be awarded the concession to mine sand and gravel for a period of 3 years. The successful bidder shall execute and register the concession agreement within 15 days from date of issuance of provisional acceptance as per Form-L1 under rule 42G of Punjab Minor Mineral Rules, 2013 which may be suitably amended from time to time and give requisite security deposit as prescribed in para above. The agreement may be extended by upto 6 months on same terms in case the next tender gets delayed due to unforeseen factors.
11. **Start of concession period** : Concessionaire will be allowed to mine after signing of the contract agreement, obtaining all required clearances, installation of electronic weigh bridge and deposit of the security amount and first quarterly advance installment. The 3 year period shall be counted from completion of all formalities including taking environmental clearance or 4 months from award of contract, whichever is earlier.
12. **Identification of Mines and Clearances** - The concessionaire shall be responsible to identify mines in the block allotted to him, obtain consent of the land owner(s), arrange for all infrastructural requirements like a right of way etc. and obtain all clearances before starting the mining operations. When the mining is to be carried out in the river bed, the concessionaire shall intimate it 7 days in advance to the Chief Engineer, Drainage and carry out the operation such that it doesn't affect the flow of river or damage embankments. The concessionaire shall ensure that the sand excavation is carried out strictly in accordance with advice of the Chief Engineer, Drainage in this regard. List of the mines identified by the government, if any may be provided to the concessionaire, who shall proceed to make them operational in the most expeditious manner.
13. **Time lines for sanction of Environment Clearances** – The concerned authorities shall provide the environment and other clearances in a time bound manner. In order to facilitate the statutory Environmental and other clearances, Divisional Mining Officer and Executive Engineer at the Headquarter level shall act as Nodal authority. Following are the timelines, as per EIA notifications dated 14.09.2006 and 15.01.2016 issued by the Ministry of Environment & Forests and Climate Change, Government of India:-

Sr. No.	Process	Time required for Category A and B mines, as prescribed by MoEF & CC Notification	Mines upto 5 Hectare
i)	Information in form 'I', Pre-Feasibility Report and Mining plan	1.5 month	1.5 months
ii)	Approval of TORs	2 months (1.5+2= 3.5 months)	NA
iii)	Study of TORs	3 months (3+3.5= 6.5 months)	NA
iv)	Public Hearing	1.5 months (6.5+1.5= 8 months)	NA

v)	Preparation of EIA/EMP	1 month (8+1= 9 months)	1 month
vi)	Recommendations by EAC/ SEAC for grant or refusal of EC	2 Months (9+2= 11 months)	15 days
	Final decision to grant or reject EC	1.5 months (11+1.5= say 12 months)	15 days
	Total	12 months	3.5 months

However it shall be the responsibility of the concessionaire to follow up and obtain the clearances in time.

14. Allocation of additional Quantity

In case government feels the need to increase supply in the state beyond the concession quantity it will extend offer to all concessionaires in the state, to increase the balance concession quantity of that year by upto 50% on payment of proportionate additional concession amount. Those interested may avail it. Where the existing concessionaire is not interested in it government may invite fresh bids for that block for the additional quantity.

15. The concessionaire shall be responsible to ensure that at least 40% of the annual concession quantity is excavated in first year and 60% in each subsequent year. In case of failure to do so penalty equal to 20% of concession value of the shortfall will be payable by the concessionaire at the end of respective year before further mining is allowed.
16. **Surrender of Concession** - The Government may accept the concessionaire's request for surrender of a concession subject to the condition that 75% of the security deposit shall be forfeited.
17. **Punjab Sand Portal** - The Department is in the process of implementing an Online Punjab Sand Portal and sale of sand to all consumers, small, medium or large, will be through online and Offline mode. All transactions/payments will be captured through an online real time monitoring system. Sale of sand will be controlled by electronic documentation linked to a central documentation monitoring facility and upload daily progress report on the portal. The concessionaire of each block shall have to notify rate of sand on this portal. The summary of online order, quantity of available sand at mine shall be available on portal. Punjab Sand Portal shall be a facility available to consumer and act as an MIS for the department and concessionaire. The Online and Offline mode shall be allowed for sale of sand from the mines/sand yard. A mobile app shall also be launched for booking of orders by consumers. Online orders could be booked from Divisional Mining Office or Sub-Divisional Mining Office.
18. **Registration of Vehicles on Punjab Sand Portal** - All vehicles which shall be used for transportation of sand, will be registered on the sand portal when the Punjab Sand Portal is operationalised. These vehicles shall have Hologram, GPS Tracking and other marking facilities. The consumers shall be able to hire vehicles online, on payment of freight charges at the rates fixed according to length of the transportation. The list of all the registered vehicles along with their contact details shall be displayed for the customers to place orders for transportation.
19. **Installation of Weigh-bridges** - Each mine shall have an electronic weigh-bridge, integrated with central server. Any vehicle found carrying sand without proper weighment slip shall be liable to be seized under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 or the rules made there under.
20. **Weighment Slips to be Mandatory** - The weighment slips for transportation of sand will have the security features like bar codes, QR codes and will be stamped with date and time along with all other

information. The vehicles will be tracked by way of GPS/RFID tags. All vehicles carrying sand shall mandatorily carry the weighment slips for transportation of sand.

21. **Geo-tagging of mines** - Geo-tagging of the mine area will be carried out while conducting physical inspection as the boundary of the mine will be checked using the coordinates recorded in GPS device, and the monitoring team can check whether any mining activity is going on outside the permitted area or not.
22. **Currently auctioned mines to continue operations** - The mines which are currently auctioned shall continue to operate till the completion of their tenure and shall be excluded from the mining rights to be auctioned under this policy.
23. **Government's Right to undertake De-silting** - The Government reserves the right to take up de-siltation projects, in such allocated mining blocks, to maintain the river flow, safeguard the embankments and habitations along the rivers on account of geo-technical and hydrological considerations.
24. **Amendment in Rules** - Necessary amendment to the Punjab Minor Mineral Rules, 2018 shall be made separately in accordance with the Punjab State Sand and Gravel Policy, 2018.
25. The Government may from time to time review this policy and issue fresh guidelines or amendments as it may deem fit.
26. The policy shall come into force with immediate effect.
27. The Director of Mines and Geology, Punjab shall take immediate necessary action for the implementation of the policy and make necessary arrangements for its wide publicity.

Sd/-

SARVJIT SINGH, IAS,

Principal Secretary to Government of Punjab,
Department of Mines and Geology

Annexure-I

Sand and Gravel Mining Geographical Blocks

All quantities in lac MT

Block	District	Tehsil	Assessed Quantity			Concession Quantity for 3 years			RESERVE PRICE (Cr) Rs.86/mt
			Sand	Gravel	Total	Sand	Gravel	Total	
1	Ropar	Nangal	81	1085	1166	5	25	30	25.4
		Anandpur Sahib	21	21	42	5	25	30	25.4
		Ropar	68	249	317	5	25	30	25.4
	Block1	Total	169	1355	1524	15	75	90	76.1
2	SBS Nagar	Balachaur	233	0	233	12	0	12	10.3
	SBS Nagar	SBS Nagar	214	0	214	11	0	11	9.0
	SBS Nagar	Total	449	0	449	23	0	23	19.4
	Jalandhar	Phillour	233	0	233	11	0	11	9.0
	Jalandhar	Shahkot	0	0	0	0	0	0	0
	Jalandhar	Total	233	0	505	11	0	11	9.0
	Ludhiana	Ludhiana West	83	0	83	6	0	6	5.2
	Ludhiana	Jagraon	199	0	199	9	0	9	7.7
	Ludhiana	Total	282	0	282	15	0	15	12.9
	Mansa, Sangrur, Barnala								
	Block2	Total	964	0	964	48	0	48	41.3
3	Moga	Moga	418	0	418	24	0	24	20.6
	Moga	Total	418	0	418	24	0	24	20.6
	Ferozpur	Zira	112	0	112	8	0	8	6.5
	Ferozpur	Ferozpur	0	0	0	0	0	0	0.0
	Ferozpur	Total	112	0	112	8	0	8	6.5
	(includes Muktsar, Fazilka, Bathinda, Faridkot)								
	Block 3	Total	530	0	530	32	0	32	27.1

4	Hoshiarpur	Mukerian	204	1081	1285	5	50	55	46.9
	Hoshiarpur	Dasua	282	0	282	8	0	8	6.5
	Hoshiarpur	Total	486	1081	1567	12	50	62	53.3
	Gurdaspur	Dina Nagar	53	0	53	0	0	0	0.0
	Gurdaspur	Dera Baba Nanak	46	0	46	3	0	3	2.6
	Gurdaspur	Total	99	0	99	3	0	3	2.6
	Block 4	Total	586	1081	1666	15	50	65	55.9
5	Kapurthala	Kapurthala	272	0	272	6	0	6	5.2
	Kapurthala	Bhulath	146	0	146	6	0	6	5.2
	Kapurthala	Sultanpur Lodhi	253	0	253	6	0	6	5.2
	Kapurthala	Total	671	0	671	18	0	18	15.5
	Tarantaran	Taran Taran	68	0	68	0	0	0	0.0
	Tarantaran	Total	68	0	68	0	0	0	0.0
	Amritsar	Ajnala	92	0	92	5	0	5	3.9
	Amritsar	Total	92	0	92	9	0	9	7.4
	Block 5	Total	831	0	831	27	0	27	22.9
6	Pathankot	Pathankot	39	498	537	9	75	84	72.2
	Block 6	Total	39	498	537	9	75	84	72.2
7	Mohali	Dera Basi	0	302	302	3	38	41	34.8
	Mohali	Kharar	0	170	170	3	13	16	13.3
	Patiala, Fatehgarh Sahib								
	Block 7	Total	0	472	472	6	50	56	48.2
	STATE	TOTAL	3119	3406	6525	150	250	400	344