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GOVERNMENT OF PUNJAB

MINES AND GEOLOGY

NOTIFICATION

The 10th November, 2021

PUNJAB STATE SAND and GRAVEL MINING POLICY, 2021

No. PB/Mining Policy/2021/5566.-With the objective to bring down the price of sand and gravel in the State of Punjab, the Punjab State Sand and Gravel Mining Policy, 2021 is hereby notified under Punjab Minor Mineral Rules, 2013 framed under section 15 and section 23C of Mines and Minerals (Development and Regulation) Act, 1957, as under:-

- (1) This policy may be called the Punjab State Sand and Gravel Mining Policy, 2021.
(2) This policy shall come into force with immediate effect.
- As the Government intends to bring down the price of sand and gravel to give relief to end consumer, it is proposed to be achieved as per table below, which shall be publicized in media and displaced at all mining sites.

Comparison table

Serial Number	Description	Present rate per cubic feet (in Rupees)	Proposed rate per cubic feet (in Rupees)
1	Royalty	2.40	0.73
2	District Mineral Foundation Fund	0.80	0.20
3	Environment Management Fund	0.24	0.07
4	Land Owner compensation	2.40	2.00
5	Excavation Expenses	1.00	1.00
6	Information Technology and Weigh Bridge	0.10	0.10
7	Contractor Margin	2.05	1.40

8	Add Cushion for bidding		
9	Maximum Recommended sale price including loading at pit head	9.00	5.50

NOTES:-

- 2.1. Royalty rate of sand and gravel may be decreased from Rupees 60 per tonn to Rupees 18.25 per tonn (i.e. from Rupees 2.40 per cubic feet to Rupees 0.73 per cubic feet).
- 2.2. The District Mineral Foundation Fund, as per the Punjab District Mineral Foundation Rules, 2018, is equal to one-third of the Royalty. According to this proposal, The District Mineral Foundation Fund for sand and gravel shall be decreased from 20 per tonn to Rupees 5.00 per tonn (i.e. from Rupees 0.80 per cubic feet to Rupees 0.20 per cubic feet) and shall remain one third of Royalty for other minor minerals.
- 2.3. The Environment Management Fund, as per rule 70 of the Punjab Minor Mineral Rules, 2013, is equal to ten percent of the royalty. Accordingly, the Environment Management Fund shall be decreased from Rupees 6 per tonn to Rupees 1.75 per tonn (i.e. from Rupees 0.24 per cubic feet to Rupees 0.07 per cubic feet).
- 2.4. The land owner compensation, as per rule 34 (6) of the Punjab Minor Minerals Rules, 2013, shall be decreased from Rs 60/tonn to Rs 50/tonn so as to provide sand and gravel to the general public at affordable prices. Presently, as per the provisions of agreement and e-auction notification, the landowner compensation is to be paid through cheque only, although it has been seen that most of the landowners prefer their compensation through cash only. This practice leads to the difficulty in cross verification of the compensation paid by the contractor. The contractor may be allowed to pay landowner compensation through cash (in accordance with Income Tax Act) in addition to cheque and the contractors shall submit the receipts of payment made in the office concerned District Mining Officers.
- 2.5. To make the sand and gravel available at affordable rates to the public at large, the profit margin along with bidding cushion of contractor may be decreased from Rupees 51.25 per tonn to Rupees 35.00 per tonn (i.e. from Rupees 2.05 per cubic feet to Rupees 1.40 per cubic feet).
3. Under this policy, the price of sand and gravel is being controlled to safeguard the interest of the consumer in the State of Punjab and accordingly the sand and gravel at controlled rates shall be available only for the domestic use within the State. Further, to ensure that the interest of local contractors/crushers is protected, the source of material entering the State from the neighboring States shall be verified by the department from the concerned State.
4. All big consumers i.e. contractors or firms consuming more than 2,50,000 cubic feet sand, gravel, river bed material and ordinary earth in total in a project such as in Roads, Irrigation Works, Dams and Buildings of any type will be required to keep record of and check authenticity of way slips from official web-site of the department. They will file a return online annually with the Mining department indicating the consumption along with log of way slips failing which they shall be liable to pay the Government dues alongwith 50% of it as penalty.
5. In the light of Enforcement & Monitoring Guidelines for Sand Mining, 2020 issued by the Ministry of Environment, Forest & Climate Change, mining at riverbed mines shall be encouraged where there is possibility of replenishment of material.
6. The existing agreements signed with the contractors of mining blocks under the mining policy of 2018 will continue but necessary amendment in the agreement shall be carried out with respect to the revised selling rates as specified in this policy.

7. The concessionaires shall be responsible for installation of weighbridge at sites, their operation, integration with the department web portal and installation of CCTV cameras at sites.
8. It shall be the responsibility of the contractor for maintenance of roads connecting mining sites and to ensure that traffic is not interrupted in the vicinity of mine due to the movement/breakdown of vehicles carrying sand and gravel.
9. Due publicity shall be done for the information of public at large through mass media, notice boards at pit head of the mine sites to ensure that no one charges any amount more than the revised rates. In case any State Government official is found to create hindrance in the mining operations without any valid reason or justification, then the disciplinary proceedings shall be carried out as per rules. In case any contractor charges more than the fixed selling prices, his agreement shall be cancelled and due penalty shall be imposed.
10. Dedicated toll free number shall be made available to the consumers to register their complaint, when they are charged more than the fixed selling price of sand and gravel.
11. The consumers can purchase the sand and gravel online through the departmental web-portal i.e. www.minesandgeology.punjab.gov.in/index.
12. The royalty rate of ordinary clay and ordinary earth may be decreased from Rs. 10 per tonne to Rs. 0.0 per tonne in public interest.
13. The land owner or possessor can dispose of ordinary earth extracted/removed during the leveling of their agriculture fields and further, removal of any minor mineral by the land owner/panchayat is allowed for meeting their land-filling requirements and for their *bona-fide* requirements including religious and development activities. These activities do not require any rent, royalty or permit fee and no permit is required. These activities shall not be hindered by the officials and contractors without any valid reason and disciplinary action shall be initiated if any official or contractor is found guilty.

Sd/-

RAHUL BHANDARI,

Secretary to Government of Punjab,
Mines and Geology.