

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

MINES & MINERALS – Review of Sand Mining Policy in the State – New Sand Policy-2016 – Orders – Issued.

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INDUSTRIES AND COMMERCE (MINES-II) DEPARTMENT

G.O.MS.No. 19

Dated: 15-01-2016.

Read the following:

- 1) G.O.Ms.No.94, Industries & Commerce (M-IV) Department, dated 28.08.2014.
- 2) G.O.Ms.No.95, Industries & Commerce (M-IV) Department, dated 28.08.2014.
- 3) G.O.Ms.No.97, Industries & Commerce (M-IV) Department, dated 07.10.2014.
- 4) G.O.Rt.No.310, Industries & Commerce (M-IV) Department, dated 07.10.2014.
- 5) G.O.Ms.No.99, Industries & Commerce (M-IV) Department, dated 21.10.2014.
- 6) G.O.Ms.No.101, Industries & Commerce (M-IV) Department, dt:06.11.2014.
- 7) G.O.Ms.No.205, Industries & Commerce (M-IV) Department, dated 12.12.2014.
- 8) G.O.Ms.No.207, Industries & Commerce (M-IV) Department, dated 17.12.2014.
- 9) G.O.Ms.No.154, GA (AR&T.I) Dept. Dated: 2.12.2015.

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**ORDER:-**

1. In the G.Os 1<sup>st</sup> and 2<sup>nd</sup> read above, Govt., have introduced the system of Quarrying of sand by Women Self Help Groups through Andhra Pradesh Mineral Development Corporation.
2. In the G.O. 8<sup>th</sup> read above, orders were issued that the District Collector and Chairmen of DLSC will allot sand reaches to the SHG Village Organizations of respective Grama Panchyat of District concerned including ITDA areas in consultation with the Chief Executive Officer, SERP, as the case may be for undertaking sand quarrying depending on the potential of each sand reach.
3. In the G.O. 9<sup>th</sup> read above, the subject matter "Sand" was transferred from the SERP to Mines Dept.
4. It is noticed that the existing sand policy has met many of its objectives including generating wages for over 4,023 DWCRAs SHG members, enhancing transparency in transaction through online booking and in plugging leakages. The policy was reviewed on completion of one year and found the necessity to improve on certain issues.

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5. The Government reviewed the existing sand policy and constituted a Cabinet Sub-Committee under the Chairmanship of Minister for Finance with Hon'ble Minister for Irrigation, the Hon'ble Minister for Labour and the Hon'ble Minister for Mines and Geology to finalise the modalities of new Sand Policy 2016.

6. As per the recommendations of the Cabinet Sub-Committee, Government after careful consideration hereby introduces the New Sand Policy-2016..The New Sand Policy-2016 is as follows:-

## **NEW SAND POLICY 2016**

### **Preamble**

A welfare state is under an obligation under the Constitution of India, to ensure the material resources of the community are well distributed so as to subserve the common good. With this aim of meeting the objectives enshrined under Articles 14 and 39 of the Constitution, the Government of Andhra Pradesh, in exercise of its sovereign powers, is introducing a new Sand policy in 2016 to ensure the availability of Sand at affordable prices. The necessity for such a Policy arose as the market is showing clear signs of spiraling prices of sand. Such rampant escalation of sand prices is necessitating immediate state intervention to bring about a semblance of reasonableness in the cost at which sand is made available in the open market.

It is the bounden obligation of the state government to ensure that Sand, which is an essential ingredient of construction, which in turn has a cascading effect on irrigation works, infrastructure projects, capital building, etc., is available at reasonable price in the open market. These sectors are extremely crucial as the new state of Andhra Pradesh steadily builds its future and lot of public investment will be made in these sectors. In addition, State Government is implementing social infrastructure initiatives such as weaker section housing programs, laying of village roads, Swachh Bharat activities viz., construction of toilets in schools and other habitats, roadside sewerage lines, connectivity roads etc., For achieving these objectives, it is imperative that prices of all construction materials are under check and Sand Policy is one such intervention undertaken by the State Government to effectively regulate the open market sand price,

Sand is a basic input for the construction sector, which employs a large number of people, directly and indirectly. The construction industry is a major contributor to State's economy with 8% contribution to the Gross State Domestic Product. Due to the various initiatives of Government for building up of social and physical infrastructure, there is lot of demand for sand in the market, resulting in steep rise in sand prices in the State. Unless the open market prices of sand are kept under reasonable check, there is likelihood of adverse socio-economic consequences of unemployment, loss of wages and impact on investment climate and industrialization process in the State. Therefore, it became necessary, in the greater public interest, to take measures to make adequate sand available at a fair market price to maintain the pace of infrastructural growth and avoid adverse socio economic consequences.

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The main Objective of the Sand Policy is to regulate the unfair pricing of the sand which is being determined by the open market forces. The Government of Andhra Pradesh is of the view that since sand is a finite natural resource, its pricing and supply cannot be determined by the market forces. Sand is not like any other commodity which can be supplied to any extent, whose price can be determined on the free market economy principle.

Such compelling circumstances have prevailed upon the state government to inject interventionist and remedial measures to ensure sand is available at affordable prices in public interest. The measures aim at:

- i. Regulation of Sand Prices by fixing an upper limit of sand price;
- ii. Initiate e-tender cum e-auction for feasible sand bearing areas;
- iii. Promotion of manufactured sand as an alternative to natural sand; and
- iv. Innovation in construction technologies that consume less sand viz., Autoclaved Aerated Concrete (AAC), pre-fabricated structures made of fly ash or recycled construction waste.

**(a) Objects of New Sand Policy 2016:**

Auction as a method of disposing State's natural resources is introduced under the MMDR Act 2015. Under Section 15 (1) & (1A) (d) MMDR Act 1957 as amended, State Government is vested with powers to make rules for "the terms on which, and the conditions subject to which and the authority by which quarry leases, mining leases or other mineral concessions may be granted or renewed". Accordingly, various options were evaluated and it is proposed that sand reaches will be allotted through a transparent mechanism of e-tender cum e-auction process with an upper price limit of sand at **Rs 550** per cubic meter of sand and those bidders who are interested to sell sand equivalent to or below the prescribed upper limit, are encouraged to enter into the auction process.

The policy seeks to ensure availability of sand at affordable price throughout the year to consumers, implement a transparent system of allocation of sand reaches by electronic tender-cum-auction system, Disposal of sand with issuance of permits through the e-permit system to avoid illegal transportation of sand and promote development of Manufactured Sand as an alternative to River Sand, given the increasing demand of sand for domestic consumption as well as the scarcity of river sand.

It is pertinent to note Revenue Maximization is not the avowed objective of the proposed new sand policy being adopted by State of A.P. The new Sand Policy attempts to balance the advantages of auction by ensuring transparency on one hand, and by fixing a cap on the final sale price to be paid excluding transportation, prices are sought to be regulated in the special circumstances faced by the new state in its need to build massive physical & Social infrastructure.

To achieve the above stated objectives, the State Government is exploring the present alternate price discovery system. The State is exercising its power as owner of the minor mineral. The alternate price discovery system contemplated under the

new policy has no unreasonable restriction on the freedom of trade and the dominant position of the market determined price is sought to be regulated for balanced distribution of mineral resources in public interest. Prudent utilization and equitable distribution of minor minerals are vital aspects of mineral development of the State of Andhra Pradesh.

The policy seeks to ensure:-

- i. Availability of sand at affordable price throughout the year to consumers in public interest
- ii. Implement a transparent system of allocation of sand reaches by electronic tender-cum-auction system
- iii. Disposal of sand with issuance of permits through the e-permit system to avoid illegal transportation of sand
- iv. Promote development of Manufactured Sand as an alternative to River Sand, given the increasing demand of sand for domestic consumption as well as the scarcity of river sand.

**c) Salient features of the proposed Sand policy:**

**(1).Identification of sand bearing areas:**

- i. Identification of sand bearing areas in III, IV & V and above order Streams shall be done by a **District Level Sand Committee** (DLSC).  
Provided that the Government reserves the right to allot any of the specified sand bearing area on nomination basis for consumption of sand in Government works such as Major Irrigation Projects, Capital Region Development and such other Public purposes on payment of the Seigniorage Fee, and contribution fund to District Mineral Foundation (DMF) and Mineral Exploration, Research and Innovation Trust (MERIT) at applicable rates.
- ii. No in-stream mining of sand will be allowed.
- iii. The **District Level Sand Committee** shall consist of the following members:
  - (i) Joint Collector – Chairman.
  - (ii) Chief Executive Officer, Zilla Parishad – Vice Chairman.
  - (iii) Project Officer, ITDA.
  - (iv) Project Director, District Water Management Agency (DWMA).
  - (v) Executive Engineer, Irrigation Department
  - (vi) Executive Engineer, Rural Water Supply concerned
  - (vii) District Panchayat Officer.
  - (viii) Deputy Director, Ground Water Department.
  - (ix) Revenue Divisional Officer concerned
  - (x) Assistant Director of Mines and Geology – Member – Convener

**(2).Parameters for identification of sand bearing areas feasible for sand mining:**

- i. Mining and transportation of sand shall be prohibited in notified overexploited ground water micro basins.
- ii. For other areas, the following conditions shall apply for mining sand
  - a) (i) Sand extraction up to III order Streams will be permitted in notified areas. However, sand extraction by mechanical means is banned. Also transportation of sand from these notified areas out of the local jurisdiction i.e. Mandal is banned.

- (ii) In IV order streams, sand extraction shall be restricted to specified sand bearing areas.
  - (iii) In V order and above streams like Godavari, Krishna, Penna etc., sand mining will be permitted without affecting the existing sources for Irrigation, drinking water or industries
- b) The allottees shall not carryout quarrying within 500 Metres of any existing structure such as bridges, dams, weirs or any other cross drainage structures. The local officials of the respective departments shall protect their structures and to establish and maintain a signboard at periphery of 500 mts distance indicating that no sand mining is allowed.
  - c) Vehicles carrying sand shall not ply over the flood banks except at cross points or bridges or on a metal road.
  - d) Sand quarrying shall not be permitted in streams within 15 Metres or 1/5 of the width of the stream bed from the bank whichever is more.
  - e) Sand mining shall not be permitted in streams where the thickness of sand deposition is less than 2.00 Metres.
  - f) The depth of sand extraction shall be restricted to one metre in streams where the sand layer thickness is more than 3.00 Metres and less than 8.00 Metres.
  - g) In streams / rivers where the thickness of sand is quite good (more than 8.00 Metres), the depth of extraction may be permitted upto 2.0metres.
  - h) Sand quarrying shall not be allowed to affect the water table.
  - i) The quantity of sand deposited annually in every stream or river shall be monitored by Irrigation & Ground Water Departments duly establishing observation stations along the stream course, in coordination with Mines & Geology Department.

**(3). Role of District Level Sand Committee (DLSC):**

- i. The officials of DLSC shall take up joint inspection to fix the boundaries with geo- coordinates of the identified Sand bearing area and assess the sand in terms of quantity including the designated ramps as cleared by the River Conservator.
- ii. The reaches shall be demarcated such that the quantity in a reach may be preferably of 1 lakh cubic metres of sand so that more reaches can be opened.
- iii. The period of lease for sand reach shall be one year. In no case, extension shall be granted beyond one year from the date of execution of lease deed.
- iv. "Value of reserves" for the sand reach will be equivalent to an amount equal to the product of
  - Estimated quantity of sand reserves to be extracted over the tenure, for which, the sand reach is being auctioned, expressed in Cu. M. and
  - Upper limit of sand sale price as prescribed the State Government, i.e. Rs 550 per cu. mt.
- v. "Minimum Bid Amount" is the minimum value which is a portion of the sale price per cubic metre fixed by the DLSC, above which electronic auction of the particular sand reach takes place.

- vi. "Consideration amount" means an amount equivalent to the highest value discovered through e-tender cum auction per cubic metre, offered by the successful bidder multiplied by the estimated quantity of sand reserves for the sand reach.
- vii. DLSC shall issue a Notice Inviting Tender (NIT) for forward auction of the identified sand reaches. Auction shall be conducted only through an online electronic tender-cum-auction platform. DLSC shall utilize the online electronic auction platform prescribed by the DM&G.
- viii. Only those bidders who agree to sell sand at a price not more than maximum sale price of sand, i.e. **Rs 550** per cu mt as specified by the Government shall participate in the auction process.
- ix. Eligibility criteria for bidders:
  - Networth of the bidder shall be at least 5% of the value of the sand reserves. The networth will include bank deposits, national saving certificates, post office deposits, valuation certificate of the assets issued by a Chartered Accountant.
  - Copies of IT returns for last two years alongwith copy of PAN card and Aadhar card
  - A notarized affidavit on Rs 100 NJS paper declaring the leases for major and minor minerals held by the bidder in the state of AP and no mineral revenue dues to the Government of AP
  - A notarized affidavit on Rs 100 NJS paper declaring that no criminal cases are pending or filed against the bidder.
- x. EMD shall be 1.0% of the value of the estimated sand reserves but not less than Rs 1.00 lakh and to be deposited in the account as prescribed in the tender document.
- xi. The amount of Tender fees and its payment, EMD, model tender document and timelines for auction process will be issued in the NIT.
- xii. The bidders shall pay, as per the bidding parameter, to the State Government, a portion of the sale price per cubic metre above the "minimum bid amount" with a minimum incremental value as specified in the tender document on each revision.
- xiii. No bidder shall apply for or hold more than 2 sand reaches in the state of Andhra Pradesh.
- xiv. A person or Company who are willing to excavate and sell the sand at equivalent or less than the upper limit of sale price, as prescribed by State Govt. may participate in e-tender-cum-auction of the reach.
- xv. Leases granted for sand by e-tender cum auction are not transferrable.
- xvi. After auction of sand reaches, DLSC will fix transportation cost duly considering distance bands suitable to the district geography (e.g. up to 50 Km, 50 to 100, 100 to 150 Km and so on) mutually agreeable to DLSC and Lessees in consultation with RTO/DTC of Transport Dept.
- xvii. The successful bidder shall submit a copy of VAT Registration Certificate before start of sale of sand.

**(4). Auction process:**

- i. The bidders shall be provided a maximum of 3 weeks from issue of NIT, to study the tender document and associated reports pertaining to the sand reach and the bidding process shall commence on expiry of such period.
- ii. The auction shall be an ascending forward online electronic auction and shall comprise of the following phases, namely
  - a) First phase commencing from issue of NIT:-
    - the bidders shall submit a technical bid comprising amongst others, documentary evidence to confirm eligibility to participate in the auction,
    - EMD and such other documents and payments as may be specified in the tender document
    - only those bidders who are found to be eligible in accordance with the terms and conditions of eligibility as specified in tender document referred to as “technically qualified bidders”, shall be considered for participating in auction;
  - b) Provided that where the total number of technically qualified bidders is less than three in the first attempt, the auction shall be cancelled.
  - c) Provided further that the DLSC may, decide not to annul the auction process if even in the second attempt, the total number of technically qualified bidders continues to be less than three.
  - d) The second phase comprises of:
    - the technically qualified bidders may submit their final price offer which shall be a portion of the sale price per cubic metre of sand, which is greater than the “minimum bid amount”:
    - Provided that the final consideration amount may be revised till the conclusion of the e tender cum auction as per the technical specifications of the auction platform;
    - Bidders may quote their bid value on e-tender or e-auction or both. However, bid value on e-tender can be quoted only once, whereas during the e-auction, bidders get a chance to quote a value higher than the prevailing highest value at the given time.
    - The qualified bidder who submits the highest consideration amount shall be declared as the “Successful Bidder” on conclusion of the auction.
    - When the qualified bidders do not participate in the second phase of e-tender or auction, their EMD shall be forfeited and they shall be disqualified from the tender process.
    - The EMD of unsuccessful bidders will be returned within a fortnight of conclusion of the auction.
- iii. Submission of technical bid alongwith tender fees and EMD implies that bidder accepts the terms and conditions of the tender and agrees to abide by the same in case of being declared as successful bidder, including agreeing to sale the sand at not more than the upper limit of sand sale price as fixed by the state government.

**(5). Grant of quarry lease:**

- i. The Successful Bidder shall pay the first instalment being twenty five per cent (25%) of the consideration amount within immediate next working day of being declared as the successful bidder. The second and final Instalment, being seventy five per cent (75%) of the consideration amount shall be paid within 45 (forty five) days from the date of auction or before execution of lease whichever is earlier.
- ii. Upon receipt of the first installment of the consideration amount, the Asst. Director of Mines and Geology shall issue a letter of intent (LoI) to the Successful Bidder, within two working days.
- iii. The successful bidder shall also pay an amount equivalent to 2% of the value of sand reserves towards Security deposit in the form of Bank Guarantee issued by any Nationalized Bank.
- iv. Upon payment of second installment of consideration amount, Security Deposit and submission of all approvals, consents, no objections and the like by the bidder, the DLSC shall submit proposals to the District Collector within 3 working days from the date of receipt of such requisition from the successful bidder.
- v. The District Collector shall grant a quarry lease to the successful bidder within seven days of submission of proposals.
- vi. After issuance of grant order, the successful bidder shall become a "grantee".
- vii. On issuance of the grant order and payment of Seigniorage Fee, contribution fund to DMF and MERIT at applicable rates, for the total estimated quantity of sand by the successful bidder, the Asst. Director of Mines and Geology shall execute the lease deed within 3 working days.
- viii. If there is any default in payment of consideration amount by the bidder so far, the ADM&G, shall forfeit the amounts paid by the successful bidder and the reach will be put for auction again.
- ix. All clearances shall be obtained no later than 45 Days from date of Bid confirmation. Failure to obtain all clearances shall result in cancellation of Bid and forfeiture of all amount and securities paid so far.

**(6). Other responsibilities of DM&G and DLSC:**

- i. The DM&G shall be responsible for issuing operational guidelines related to environmentally sustainable sand mining.
- ii. The DLSC shall monitor of operations / sale as per operational guidelines, monitor transportation of sand act on complaints related to mining of sand etc.

**(7). Mining Activity:**

Sand mining activity shall be done manually.

**(8). State Level Committee:**

The State Level Committee shall consist the following officers:

- i. Chief Secretary – Chairman
- ii. Spl. Chief Secretary, Rural Development Dept.
- iii. Principal Secretary, Irrigation & CAD Dept.
- iv. Secretary (Mines), Industries & Commerce Dept.
- v. Director General of Police, AP



- vi. Commissioner, Rural Development
- vii. Commissioner, Transport Development
- viii. Director, Ground Water Dept.
- ix. Engineer-in-Chief (Major Irrigation), I & CAD
- x. Engineer-in-Chief (Medium Irrigation), I & CAD
- xi. Engineer-in-Chief (Minor Irrigation), I & CAD
- xii. Engineer-in-Chief, Roads & Building Department
- xiii. Engineer-in-Chief, RWS Department
- xiv. Director of Mines & Geology – Member Convener

The above committee shall meet once in a quarter to review the performance and issue guidelines for proper implementation of the rules.

**(9). Regulation of Sand extraction in III, IV & V order and above Streams/Rivers:**

- A. Sand extraction upto III order Streams will be permitted in notified areas following the Rules given below:
  - a. The sand extraction shall be for local use, giving preference to respective Gram Panchayat works:
    - i. On payment of Seigniorage Fee, contribution fund to DMF and MERIT at applicable rates:
      - a) for weaker section housing schemes, Swachh Bharat related activities on a certificate issued by any officer nominated by the District Collector to the concerned department head of the district;
      - b) for self-consumption by the local habitants basing on the actual requirement
    - ii. for local use of sand in Government works on payment of Seigniorage fees.
  - b. If there are any complaints of indiscriminate mining at one place, same shall be dealt under item 'Offence' by the Tahsildar concerned and the Mandal Development officer concerned, or any other officer authorized in this behalf by the DLSC.
  - c. Transportation of sand shall be by means of bullock carts only.
  - d. The Mandal shall be treated as a unit for free movement of sand within the jurisdiction.
  - e. The DLSC reserves the right to allot the feasible sand bearing areas through e-tender cum auction if thickness of sand is more than 3 mts and sand deposit is more than 20,000 cubic mts.
- B. The transportation of sand extracted from IV order and above Streams/ Rivers shall be permitted to all places in the State.

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**(10). Disposal of Stream/River sand in identified sand bearing areas located partially / fully in scheduled areas:**

Identified sand bearing areas located partially / fully in Scheduled Areas will be allotted to tribals or the local Tribal Co-operative Societies registered under AP Cooperative Societies Act of the respective Integrated Tribal Development Agency (ITDA), besides following the provisions of Andhra Pradesh Panchayat Extension to Scheduled Areas (PESA) Rules, 2011.

Government reserves right to allot the sand bearing areas, located in scheduled areas on nominations basis to Public Sector Undertaking of State or Central Government.

**(11). Procedure for the sand sourced from Reservoirs / Tank Beds:**

- i. a) The de-siltation of Major, Medium & Minor Reservoirs and Tanks as defined by the I&CAD Dept., shall be taken up to enhance the storage capacity of the reservoirs and augment Ground Water recharge in Command Areas besides recovering sand for construction industry use.
- b) The following authorities shall identify the de-siltation of reservoirs and intimate to the District Level Sand Committee:-
  - Major, Medium, Reservoirs – Chief Engineer.
  - Minor Reservoirs and Tanks – Superintendent Engineer, Irrigation Department of the District.
- c) Irrigation and C.A.D. Department at the State Level shall identify and notify all major and medium reservoirs meant for de-siltation purpose and issue a notification through an appropriate order/memo.
- d) Similarly, the CE/SE/EE Irrigation at the District Level shall identify and notify all minor reservoirs and tanks meant for de-siltation purpose and inform to the concerned DLSC.
- e) The DLSC shall allot the identified Reservoirs for desiltation purpose to the successful bidder emerged through electronic tender cum auction process as per the procedure prescribed at item nos. 3 and 4.
- f) The period of de-siltation shall be as specified by the I& CAD Department. No EC, CFE & CFO is required for de-siltation process.
- g) The operational guidelines for de-siltation of irrigation projects shall be issued by the I& CAD Department.
- ii. Sand sourced during the de-silting process shall be subject to APMMC Rules, 1966 and to be dispatched by obtaining way bills through e-permit system issued by the Member-Convener on payment of Seigniorage fee, contribution fund to District Mineral Foundation (DMF), contribution fund to MERIT, IT and other applicable taxes in advance, in addition to the consideration amount.
- iii. Sand sourced from de-silting operations also need a Mineral Dealer License from Deputy Director of Mines and Geology concerned as per A.P. Mineral Dealer Rules, 2000.
- iv. Regulation of sand quarrying in Reservoirs shall be by the authorities of Irrigation Department.

**(12). De-casting sand from Patta lands:**

- i. In case of the sand casted patta lands abutting the river banks, the DLSC shall issue a notification inviting requisitions from the respective pattadars or registered consent holders. Those pattadars/ registered consent holders

- wishing to decast sand from their lands may, within 15 days of the notification, state their intention of doing so, duly providing details of land in prescribed proforma.
- ii. The DLSC shall take action to confirm the veracity of the information provided through the concerned Tahsildar within one week. (including estimation of the sand deposited, confirmation of the pattadar, classification of the land and geo-coordinates of the land)
  - iii. No applications for decast of sand by the Pattadars will be entertained except through applications made in response to a notification in this regard.
  - iv. The Pattadar shall pay the highest bid amount quoted by any Successful Bidder in the District, in addition to Seigniorage fees, contribution fund to District Mineral Foundation (DMF), contribution fund to MERIT, Security Deposit, IT and other applicable taxes at the prevailing rates to the Government.
  - v. De-casting of sand from patta lands located in the river bed/course, shall be subject to the conditions stipulated in these Rules, mining plan approved by the Deputy Director of Mines & Geology concerned and EC, CFE & CFO issued by MoEF and APPCB respectively and also to the conditions stipulated specifically by the River Conservator concerned.

**(13). Responsibility of the Successful Bidder:**

- (i) The successful bidder shall:
  - a) Pay consideration amount, Seigniorage Fee, contribution fund to DMF and MERIT, Security Deposit, IT and other applicable taxes at the prevailing rates.
  - b)
    - (i) Pay Seigniorage Fee, contribution fund to DMF and MERIT at applicable rates, for the total estimated quantity of sand before execution of the lease deed, in case of feasible sand bearing area leased out through e-tender cum auction or the area proposed for de-siltation as the case may be.
    - (ii) Pay Seigniorage Fee, contribution fund to DMF and MERIT at applicable rates, for the total estimated quantity before execution of the lease deed on receipt of LOI from the Member Convener in case of pattadars or their registered consent holders.
  - c) Prepare feasibility report for auctioned sand bearing areas.
  - d) Obtain Approved Mining Plan from the competent authority of Mines & Geology Department, who shall provide it within 3 days of the application being made.
  - e) Obtain Environmental Clearance, CFE & CFO from the competent authorities.
  - f) The expenditure required for obtaining all clearances shall be met by the successful bidder.
  - g) Abide by the rules and conditions made under in these Rules, the River Conservancy Act, 1884, and the Environment Protection Act, 1986, subsequent amendments issued by the State and Central Governments and their agencies from time to time.

- h) Conduct operations as stipulated in these Rules and in accordance with the conditions imposed in Approved Mining Plan & Environment Clearance issued by MoEF, CFE & CFO issued by APPCB.
  - i) Extract and sell sand from the reach/pattaland or dispatch sand to the stock yard along with transit pass as the case may be through Tractors only of each 3 Cum.
  - j) Extract the sand, at least 70% of the monthly production quantity as per the approved mining plan. In case of a shortfall in the production, a one-time penalty of Seigniorage fee, contribution funds to DMF and MERIT as applicable, shall be levied for the shortfall quantity.
  - k) All successful bidders shall be deemed to be Mineral Dealers as per A.P. Mineral Dealer Rules, 2000 framed under section 23-C of the Mines & Minerals (Development & Regulation) Act, 1957. All necessary fees in this regard shall be paid by the successful bidders.
  - l) Shall obtain transit passes from the Member-Convener through e-permit system under the Andhra Pradesh Mineral Dealer Rules, 2000 to sell sand from the stockyard.
  - m) Abide to sell sand at not more than the maximum permissible price, i.e. **Rs 550** per cubic mt as prescribed by the State Government.
  - n) Maintain daily production and dispatch register at the lease area and stockyard and enter the details into the online application provided by the DM&G, by close of business every day.
  - o) Furnish online returns prescribed under various statutes to the Member-Convener, in the computer application to be provided by DM&G.
  - p) Be penalized for any extraction of sand beyond the lease area and thickness and for any other violations as decided by the DLSC, a penalty of Rs 1,00,000/- or Rs 1000 per Cu. Mt. of sand quarried beyond the specified limits or in excess of thickness stipulated, whichever is higher.
- (ii) In the event of contravention of any of the conditions / rules, during extraction of sand, the District Collector shall, after giving a notice of 7 days, terminate the lease, forfeit the security deposit and take possession of the area.

**(14). Remittance of Seigniorage Fee to Zilla Parishad General Funds:**

- i. 100% Seigniorage Fee shall be remitted to the General Funds under the Head of Account of Zilla Parishad concerned. The Joint Collector shall apportion these funds in the ratio of 25:50:25 among Zilla Parishad, Mandal Parishad and Gram Panchayat respectively as per existing Government instructions.
- ii. Funds will be allotted for social and infrastructure development from funds accrued under District Mineral Foundation (DMF). The contribution fund collected and remitted to DMF will be utilized for environment management as per the DMF rules notified by the State Government (Under Section 9 (B) read with Section 15 of Mines and Minerals (Regulation and Development) Amendment Act, 2015.)

**(15). Ban on sand transportation across border:**

- i. No transportation of sand from the State shall be made across the border to other States.
- ii. An amount of Rs.400/- per cubic metre of sand shall be collected from the person who transports sand from other States.

**(16). Exit Plan for the existing leases:**

- i. For all III order streams, SHGs (MACs) shall hand over the sand reaches to the local Panchayath Secretaries from 01-02-2016.
- ii. Regarding IV, V and above order streams, SHGs (MACs) shall hand over existing reaches to the Officer authorized by DLSC w.e.f 01.02.2016 and these sand reaches will be allotted through e-auction for the balance quantity of sand available in the reaches as on 01.02.2016 as per their respective EC approved quantities. DLSC is authorized to initiate auction process well in advance to enable successful bidders to take over the sand reaches immediately after 01.02.2016.

**(17). Manufactured Sand as alternative to natural sand:**

- i. Manufactured Sand in the form of Crushed Stone Sand shall be encouraged as an alternative to River sand in order to conserve Rivers and streams.
- ii. Specific policy for Manufactured Sand will be issued separately.
- iii. The Government of Andhra Pradesh will also promote construction technologies that consume less sand like Autoclaved Aerated Concrete (AAC), pre-fabricated structures made of fly ash or recycled construction waste.

**(18). Offences:**

- i. Where vehicles without transit form / transit pass are used or have been used in the transportation of sand in contravention of these rules.
  - a) If any vehicle is found to be involved in illegal extraction or/and transportation of sand under these rules shall be levied penalty, as described hereunder:

Vehicle Type	First time offender fine Amount (in Rs.)	Second time offender fine Amount (in Rs.)
Tractor	25,000	50,000
Lorry upto 10 Tons Capacity	75,000	1,50,000
Lorry above 10 Tons Capacity	1,00,000	2,00,000

- b) Penalty of Rs.2,000/- per Cubic meter shall be levied and collected over the excess sand lifted over and above the permitted quantities.
    - c) If any vehicle is found to be involved in committing the offence more than two times, such vehicle along with sand shall be confiscated by any officer authorized by the Joint Collector and Addl. District Magistrate through notification from time to time. The offences committed under this item shall be cognizable offences.

- d) Any machinery like JCB, Poclains etc., involved in illegal sand mining, a penalty of Rs.2.00 lakhs shall be levied and collected from the person responsible for such act. In case of repeated violation, the machinery shall be confiscated and disposed in public auction.
- e) Whenever any person extracts sand or has extracted sand without any lawful authority and already disposes off, or has disposed, the officer authorized in this behalf by the Joint Collector and Addl. District Magistrate shall assess such quantity of sand and levy and collect @ Rs.2,000/- per cubic metre of sand or Rs. 2.00 lakhs whichever is higher, as penalty.
- f) If any un-authorized stocking of sand is found, such stocks of sand shall be seized by the officer authorized in this behalf by the Joint Collector and Addl. District Magistrate and shall be disposed by him through e-auction.
- g) The DM&G shall maintain a website for the purposes of uploading the data of vehicles penalized by the respective authorized officers and for receiving complaints from the public of any violations of rules committed by any person.
- ii. An authorized officer who seizes any vehicle / machinery shall order confiscation of the vehicle so seized and present before the competent authority i.e Additional District Magistrate & Joint Collector, who shall dispose the vehicle in e-auction.
- iii. Confiscation of any vehicle /machinery shall be done as per the prescribed procedures.

**(19). Illegal Quarrying:**

The case of illegal quarrying of sand in the areas other than sand reaches auctioned shall be dealt in accordance with Rule 26 of APMMC Rules 1966.

**(20). Appeal and Revision:**

- i. Upto III order Streams/Rivers:
  - a) Any person aggrieved by an order passed by any local authority may prefer an appeal before the DLSC within fifteen (15) days from the date of receipt of such order.
  - b) Any person aggrieved by an order of the Chairman, DLSC may prefer a revision before the District Collector within fifteen (15) days from the date of receipt of such order.
- ii. IV, V & above order Streams/Rivers:
  - a) Any person aggrieved by an order passed by DLSC / District Collector may prefer an appeal / a revision before DM&G / Government as prescribed under Rule 35 of APMMC Rules, 1966.
  - b) In case of orders involving penalty, the person aggrieved by such orders, shall file the revision duly paying 50% of the demanded amount as deposit in the form of demand draft drawn in favour of the Asst. Director of Mines & Geology concerned.

**(21). Others:**

In respect of the matters for which no special provision is made in these rules, the provisions contained in APMCM 1966 rules shall apply. The Government shall also have the right to give clarifications from time to time for effective implementation of the policy.

7. The Director of Mines and Geology, Hyderabad shall propose necessary amendments to the Andhra Pradesh Minor Mineral Concession Rules, 1966 in accordance with the above policy.

8. The policy shall come into force with immediate effect.

9. The Government may review the Sand Policy in future as and when required.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH

M.GIRIJA SHANKAR  
SECRETARY TO GOVERNMENT (FAC)

To

The Director of Mines & Geology, A.P., Hyderabad.

Copy to:

All the District Collectors.

The Accountant General of Andhra Pradesh, Hyderabad.

The Pay and Accounts Officer, Hyderabad.

All the District Treasury Officers.

The O.S.D. to Hon'ble Minister (Mines & Geology).

The PS to Hon'ble Minister for Major and Medium Irrigation.

The PS to Hon'ble Minister for Finance & Planning.

The PS to Hon'ble Minister for Forest, Environment, Science  
& Technology.

The PS to Hon'ble Minister for Minor Irrigation.

The PS to Hon'ble Minister for Panchayat Raj & RWS.

The PS to Hon'ble Minister for Housing.

The P.S to Hon'ble Minister for Labour.

The Finance (FMU-REV-I&C) Department.

Sf/Sc (C.No.17620/M.II(1)/2015)

// Forwarded :: By Order //

Section Officer.