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No. 11111 / ACSR&DM, Date 07.04.2022

No. RDM-DRTMM-MISC-0002-2020

To
All Collectors

Sub: Fixation of Minimum Guaranteed Quantity (MGQ) and Additional Charges for Minor Mineral sources.

Madam/ Sir,

Please refer to this Department letter No. 21133, dated 01.07.2020, wherein the meaning and modalities of fixation of Minimum Guaranteed Quantity (MGQ) have been explained with emphasis on fixation of MGQ in a rational and reasonable manner. Needless to say, MGQ and Additional Charge are two vital components of minor mineral administration for the simple reason of their regulating and revenue earning value. Any element of unreasonableness in their fixation will lead to double hazards of encouraging illegal mining and causing heavy revenue loss to the State. Allegations are being received that when the mineable reserve is much more in a source, MGQ is being lowered to favour the selected bidder since on the basis of MGQ all dues payable to Govt. are assessed. In actual operation, illegal mining is being made in excess of the fixed MGQ. Such mining of minor mineral, mostly in an unscientific manner causes environmental degradation.

Additional charge is the base price on which auction for lease of a minor mineral source is conducted. OMMC Rules, 2016 stipulates the lowermost limit of it as not less than five percent of the rate of royalty. Competitiveness in a bidding is greatly influenced by the level of base price. It is alleged very often that additional charge is being so fixed to encourage low competitive limit to favour the bidders at the cost of revenue interest of the State. There are even instances of notable difference between additional charges of two different sand sources situated opposite to each other in a particular river when the quality of sand remains almost the same. Similar is the case of other category of minerals. To do away with heterogeneity in additional charge fixation it is suggested that factors like additional charge executed during last term of lease of the source, if any, quality of mineral available, scope of marketability, additional charge fixed/ executed for similar sources in the vicinity in the same Tahasil or nearby Tahasil or same district or nearby district may be taken into consideration.

MGQ and Additional Charge in respect of non-specified minor minerals occurring within village boundaries are fixed by the Competent Authority (Tahasildar) subject to the approval of the Controlling Authority (Collector). To bring about more accuracy and perfection in their fixation, scrutiny of the proposals with reference to the governing factors is essential. To have proper scrutiny of the proposals a district level committee as below will render advisory assistance to the Collector.

1. Additional District Magistrate looking after minor mineral administration	Chairman
2. Divisional Forest Officer (T)	Member
3. Executive Engineer, Water Resources	Member
4. Executive Engineer, R&B	Member
5. Joint/Deputy Director, Geology or Mining Officers in position in the district	Member
6. Regional Officer, SPCB under whose jurisdiction the district comes	Member
7. Geologist of the Collectorate (Where in position)	Member
8. Deputy Collector looking after Minor Minerals	Member Convenor

It is, therefore, requested that proper care should be taken for fixation of MGQ and Additional Charge following due procedure.

Yours faithfully,

7/4/2022

Additional Chief Secretary to Government

Memo. No.1112 /R&DM Dated: 07 APR 2022

Copy forwarded to Secretary, Board of Revenue/all RDCs for information and necessary action.

Joint Secretary to Government

7/4/22

Memo. No.1113 /R&DM Dated: 07 APR 2022

Copy forwarded to Forest, Environment and Climate Change Deptt./ Steel & Mines Deptt./ Water Resources Deptt./ Works Deptt. for information and necessary action.

Joint Secretary to Government

7/4/22

Memo. No. 1114 /R&DM Dated: 07 APR 2022

Copy forwarded to Director, Minor Minerals for information and necessary action.

Joint Secretary to Government

7/4/22

Memo. No.1115 /R&DM Dated: 07 APR 2022

Copy forwarded to all Sub-collectors/all Tahasildars for information and necessary action.

Joint Secretary to Government

7/4/22