KERALA GAZETTE
SUPPLEMENTS
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GOVERNMENT OF KERALA

Industries (G) Department

NOTIFICATION


In exercise of the powers conferred by sub-section (1) of section 15 of the Mines and Minerals (Regulation and Development) Act, 1957 (Central Act 67 of 1957) and all other powers enabling it in this behalf the Government of Kerala hereby make the following amendments to the Kerala Minor-Mineral Concession Rules, 1967, namely:

AMENDMENTS

In the said rules—

1. in rule 3, clause (xii) shall be re-numbered as clause (xiv) and before the clause so re-numbered, the following clauses shall be inserted, namely:

"(xii) "producer" means a person carrying on the business of extracting/collecting minor minerals in accordance with the provisions of these rules;
(xiii) "dealer" means a person carrying on the business of selling minor minerals mentioned in Schedule I of these Rules, whether wholesale or retail;"

2. after Chapter VII the following Chapter shall be inserted, namely:

"CHAPTER VII A

STOCKING AND SELLING OF MINOR MINERALS

48-A. Licence for a dealer.—No person, other than a quarrying permit holder, shall stock, sell or offer for sale any minor mineral mentioned in Schedule I in any place in the State, except under a dealer's licence issued under the seal and signature of the competent authority, if Government have issued a notification to that effect in the case any minor mineral in the whole State or in any particular area.

48-B. Form and manner of application for a licence and its renewal.—Every application for a dealers' licence shall be made to the competent authority in Form 'K'.

(b) Every such application shall be accompanied by—

(i) a State Government Treasury receipted chalan for the amount of fee calculated at the rates shown in Schedule III remitted in the Departmental receipt Head of Account; and
(ii) A location map showing the exact location of the Sales Depot (Survey No. and other details of the place on which such a depot is situated)

(c) Every application for renewal of dealer's licence shall be made at least one month before the date on which the licence is due to expire, accompanied by a Treasury Chalan for the fees at the rate shown in Schedule III, remitted in the Departmental Head of Account.

48-C. Form and particulars of licence.—(1) On receipt of an application for the grant of a dealer's licence or for its renewal the competent authority after making such enquiry as it thinks fit may grant or renew a licence in Form 'L' or may refuse to grant a licence.

(2) Every licence issued under sub-rule (1) shall be subject to such conditions and restrictions as may be specified therein and to the provisions of the Act and Rules.

(3) Every licence issued under sub-rule (1) shall show therein the name of minor mineral and its varieties authorised to be sold or to be offered for sale by the dealer and the particulars of the premises where the minor minerals are stocked for sale.

48-D. Licensing.—Grant or refusing.—In granting or refusing a dealer's licence under sub-rule (1) of rule 48-C the competent authority shall take into consideration the following matters, namely:

(i) The sales depot for any minor mineral owned by any Co-operative society in the locality;

(ii) The number of licensed dealers selling the minor mineral in the area;

(iii) The number of workers engaged in the work relating to the minor mineral burning in the locality and their requirements;

(iv) Availability of the minor mineral of the kind required for sale;

(v) General demand for the minor mineral, and

(vi) Demand for agricultural purpose in the locality.

48-E. Display of licence.—Every dealer shall display the licence granted to him under sub-rule (1) of rule 48-C in a prominent place in a part of the premises open to the public.

48-F. Maintenance of records and production of the same for inspection.—A dealer shall maintain in Form 'M' a record of all purchases and sale effected by him of each minor mineral showing the particulars of the source and quantity of purchase and of the persons to whom sold and a stock register in Form 'N' and such other records, if any, as the competent authority may specify and such records shall be open to inspection by the competent authority or of any other person authorised in this behalf by the competent authority.
48-H. Loss of licence.—A true copy of the dealer’s licence may be issued to the dealer on payment of rupees five if the competent authority is convinced that the original licence is damaged, defaced or lost.

48-I. Cancellation of a licence.—If a dealer fails to comply with any of the conditions of the licence or any of the provisions of the Act, Rules or Orders in this regard, the competent authority may by an Order in writing rescind the licence issued under these Rules.

48-J. Period of licence.—The period of a dealer’s licence shall be for the financial year for which it is granted and the period shall expire on the 31st March every year unless it is rescinded by the competent authority earlier. Provided that a dealer’s licence granted in the last quarter of a financial year shall be valid until the 31st day of March of the year next following.

48-K. Cash Memorandum.—Every dealer or producer under these Rules, while selling minor minerals shall give to the purchaser a Cash Memorandum in Form ‘A’ prepared in duplicate and every purchaser shall produce the Cash Memorandum for inspection and verification if so required by the competent authority or by any other person authorised by the competent authority or Government in this behalf. Any consignment of minor mineral without a valid Cash Memorandum shall be considered as illicit and the competent authority or such authorised person may recover the minor mineral from the person.

48-L. Checking of unauthorised dealing in minor mineral.—Any person who possesses any minor mineral for consumption or for sale or consumed or sold any minor mineral shall if so required produce sufficient proof to the competent authority or to any other person authorised in this behalf by the competent authority or the Government, to the effect that the minor mineral had been purchased from any duly authorised producer or dealer as the case may be. If he fails to produce sufficient proof to that effect the competent authority or such authorised person may recover the minor mineral or where such mineral has already been disposed of or consumed, the price thereof and also recover from the person the royalty or tax and fine, if any imposed.

48-M. Extraction and sale at different places.—(1) Every permit or lease holder shall at all time during the term of the permit or lease keep or cause to be kept at an office to be situated upon or very near the area allotted or leased correct and accurate books of accounts which shall contain accurate entries required by the competent authority, such as, the quantity of minor mineral daily extracted, consumed, quantity sold, to whom sold, price, cash memorandum No. etc.
(2) The site or the depot of the producer or the dealer should be situated adjacent to the Office. The location of such office and the depot should be intimated to the competent authority before the extraction or purchase of the mineral. If the location of the office or the sales depot is to be changed or to be maintained away from the area allotted or leased the previous written permission of the competent authority shall be obtained.

48-N. Inspection and Verification of stock held by (Quarrying Permit, Quarrying Lease and Dealer’s Licence holders) the producers and dealers. — The holders of quarrying permit, quarrying lease and dealer’s licence shall allow any police officer not below the rank of Sub Inspector, the competent authority, or any other person authorised by the competent authority or the Government in this behalf, to enter with or without notice any premises where minor minerals are stocked and to inspect, check and verify the stock of them.

48-O. Checking of accounts of the producer and dealer — The producer/dealer shall afford all facilities for the checking of his accounts and verify the stock of minor minerals and shall furnish fully and correctly any information in his possession, as may be required for the purpose of the Act and Rules’.

3. Rule 58 shall be renumbered as sub-rule (1) of that rule and after sub-rule (1) as so renumbered, the following sub-rule shall be inserted namely:

“(2) Whenever any person raises, without any lawful authority any minor mineral from any land, the State Government may recover from such person the mineral so raised. or, where such mineral has already been disposed of, the price thereof, and may also recover from such person, rent, royalty or tax, as the case may be, for the period during which the land was occupied by such person without any lawful authority.”

4. after Rule 60, the following rule shall be inserted, namely:

60-A. Compounding of offences. — (1) Any offence punishable under these rules may, either before or after the institution of the prosecution be compounded by the person authorised under rule 59 to make a complaint to the court with respect to that offence, on payment to that person, for credit to the Government of such sum as that person may specify.

Provided that in the case of an offence punishable with fine only no such sum shall exceed the maximum amount of fine which may be imposed for that offence.

(2) Where an offence is compounded under sub-rule (1) no proceeding or further proceeding, as the case may be, shall be taken against the offender in respect of the offence so compounded, and the offender, if in custody, shall be released forthwith.”

60-B. Revenue Recovery. — All sums found due to the Government under or by virtue of these Rules may be recovered under the provisions of the Revenue Recovery Act for the time being in force as though such sums are arrears of land Revenue and in such other manner as the Government may deem fit.”
In the schedule I in item No. 1 for the word "Lime-shell" the word shall be substituted namely —

(ii) White Limashells (ii) Black Limashells (iii) Drift Limashells or Sea-shells and (iv) Shells of Oysters.

6. After Form "J" the following forms shall be added namely:

FORM 'K'
APPLICATION FOR GRANT/RENEWAL OF DEALER'S LICENCE

[See Rule 48-B]

To

The Director of Mining and Geology, Trivandrum.

Through the Geologist, ......................

Sir,

If we request that a dealer's licence to stock and sell [minor mineral(s)] under the Kerala Minor Mineral Concession Rules 1967 be granted/renewed to me/us.

The fee of Rs .................. payable for the grant/renewal of dealer's licence has been paid and Treasury Chalan Receipt No. ............ dated ............... is enclosed in duplicate.

The required particulars are given below:

1. Name of the applicant with complete address:

2. Is the applicant a private individual/private company/public company/firm or Association?

3. In case applicant is—

(a) an individual, his nationality;

(b) a private company, the nationality of all members of the company along with place of registration;

(c) a public company, the nationality of Directors, the percentage of share capital held by Indian Nationals along with place of incorporation;

(d) a firm or association, the nationality of all partners of the firm or members of association;

4. Name of [minor mineral(s)] to be sold:

5. Quantity to be stocked during the year (mineral-wise);

6. Details of the location of the Depot (Address, Sy. No. etc., of the area in which the Depot is situated are to be furnished along with a location map);

7. Particulars of the previous dealer's licence if applying for renewal:
If we do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details including security deposit etc., as may be required by you.

Yours faithfully,

Place: 
Date: 

Signature and designation of the applicant.

FORM ‘L’

DEALER’S LICENCE

(See Rule 48-C)

(A Dealer’s Licence to sell, stock and exhibit for sale of minor mineral under the Kerala Minor Mineral Concession Rules, 1967)

is hereby licenced to sell, stock and exhibit for sale the undermentioned minor mineral(s):

1. Name of minor mineral(s)
2. Quantity allowed to be stocked during the year (Mineral-wise)
3. Location of the Office and Depot:

* This Licence will be in force for the Financial year 197 [ ] 197
* The licence already granted and which expired on 31st March 197 is renewed up to 31st March 197

** Cancel portion not applicable)

CONDITIONS OF THE LICENCE

1. This licence shall be displayed in a prominent place in a part of the premises open to the public.
2. The dealer shall comply with the provisions of the Mines and Minerals (Regulation and Development) Act, 1957 and the Kerala Minor Mineral Concession Rules, 1967 and all orders issued by the Competent Authority in this regard.
3. The dealer shall afford all facilities for checking his accounts and verifying the stock of minor mineral(s) and shall furnish fully and correctly any information in his possession as may be required by the competent authority or any person authorised by the competent authority in that behalf.
4. The dealer shall display in a prominent place in a part of the premises the price list of minor mineral(s) offered for sale by him.

Dated this .................... day of .................... 197

Seal of the Competent Authority.

Signature of the competent authority.
### Register Showing Purchase and Sale of Minor Minerals to Be Maintained by A Dealer

*(See Rule 48-F)*

**Name of Dealer:**

**Licence No.:**

**Name of the minor mineral:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Cash Memorandum No.</th>
<th>Particulars showing the name of minor mineral(s), name and source of purchase/sold</th>
<th>Minor Minerals (Purchased)</th>
<th>Minor Minerals (Sold)</th>
<th>Rate Rs.</th>
<th>Voucher No.</th>
<th>Purchase Price Paid</th>
<th>Sale Price Realised</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
<td>(8)</td>
<td>(9)</td>
</tr>
</tbody>
</table>

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### Form 'N'

**Stock Register to Be Maintained by A Dealer**

*(See Rule 48-F)*

**Name of Dealer:**

**Licence No.:**

**Name of minor mineral:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Opening balance</th>
<th>Purchase</th>
<th>Total</th>
<th>Sale</th>
<th>Balance of stock</th>
<th>Initials of the dealer</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

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FORM 'O'

MONTHLY RETURN TO BE SUBMITTED BY THE DEALER TO THE COMPETENT AUTHORITY

(See Rule 48-G)

Name of the Dealer:
Licence No.
Name of minor mineral:

For the month of:

<table>
<thead>
<tr>
<th>Opening Balance T. Kg.</th>
<th>Quantity purchased T. Kg.</th>
<th>From whom purchased</th>
<th>Price paid Rs.</th>
<th>Quantity sold T. Kg.</th>
<th>To whom sold</th>
<th>Price realised Rs.</th>
<th>Balance T. Kg.</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>(7)</td>
<td>(8)</td>
<td>(9)</td>
</tr>
</tbody>
</table>

Place:
Date:

Signature of the dealer.
FORM (P)
[See Rule 48-K]
CASH MEMORANDUM

Issued under rule 48-K of the Kerala Minor Mineral Concession Rules, 1967

Name of Producer and Permit/Lease No.
Name of Dealer and Licence No.
Name of Minor Mineral sold:
Quantity sold: MT. Kg.
Price realised:
Sales Tax Rs. Rs.
Other items
Total amount realised

Name of the purchaser (if the purchaser is a dealer, his licence No. should be shown).
Description of the vallom, barge, lorry or cart or other conveyance in which the consignment is loaded.
To be transported from... to... between the dates... 19... 19...

Station:
Date:
Signature of the Producer/Dealer

after Schedule II the following Schedule shall be added, namely:

"Schedule III
[See Rule 48-B]

FEES FOR DEALER'S LICENCE AND ITS RENEWAL

1. For stocking upto 500 tonnes a year.
   Rs. 50
2. For stocking upto 1000 tonnes a year.
   Rs. 75
3. For stocking upto 2000 tonnes a year.
   Rs. 150
4. For stocking up to 4000 tonnes a year.
   Rs. 250
5. For stocking over 4000 tonnes a year
   Rs. 250 + Rs. 5 for every 100 tonnes or part of it exceeding 4000 tonnes."

By order of the Governor.

K. NARAYANAN,
Special Secretary
Explanatory Note

(This is not a part of the above amendments but is intended to indicate their general purport.)

1. In exercise of powers conferred by Section 15(1) of the Mines and Minerals (Regulation and Development) Act, 1957, the Government of Kerala issued the Kerala Minor Mineral Concession Rules, 1967 for regulating the extraction of minor minerals in the State. Government in their Notification No. 1245/E2/68-1(ID. dated 11-3-1968 appointed the Director of Mining and Geology as the competent authority to exercise the powers and perform the functions of the competent authority under the said Rules. Though Rule 63 of the K. M. M. C. Rules, 1967 provides that “all other rules and executive instructions in force relating to the extraction of minor minerals in any part of the State, immediately before the commencement of these Rules shall cease to be in force......” Other Departments used to issue licences for collection of minor minerals. With a view to have a single authority to issue licences/permits in respect of minor minerals including limeshell Government appointed D. M. G. as the sole authority to issue quarrying permits/leases. As there are no elaborate provisions in the K. M. M. C. Rules, especially to curb illicit mining and movement it has become necessary to incorporate certain provisions in the K. M. M. C. Rules. The above amendments have mainly intended to avoid leakage of revenue by way of royalty. Further, without the amendments the Department of Mining and Geology will not be in a position to prevent illicit mining and leakage of revenue in the present set up of the Department. Amendments were also found absolutely necessary for the following reasons also.

In the case of major minerals, by the introduction of permit system only a permit holding (ie., Mining lease holder) can transport mineral within the State. Hence the transactions of major minerals could be controlled to a greater extent.

But in the case of Minor minerals it is rather very difficult to prevent illicit mining at the source. For example, tile clay (ordinary clay) is available in almost all paddy lands. Mining i.e., removal of clay if detected at the source or during transit no effective legal action can be taken due to the normal plea that they remove material for the improvement of the land or for other agricultural purpose.

The illicit mineral can easily be detected at the consumer’s point i.e., at the Tile factories. If there are provisions to the effect that the consumer should purchase the mineral only from the lessee or permit holders, the leakage of royalty can be prevented to a greater extent. If a consumer purchases the mineral from illicit source the burden of payment of royalty will also vest with him.

The above amendments are intended for the above purpose.