

Government of Bihar
Department of Mines & Geology

Notification

S.S. No- 2/M.M.(Ba) 227/18-.....2650...../M, Patna, Dated- 14/8/19

BIHAR SAND MINING POLICY, 2019

No. 2650..... Bihar Sand Mining Policy, 2019 is hereby notified for reasons and objectives stated below:-

1. Sand is one of the most important construction materials. Ensuring its availability is vital for the development of the infrastructure in the state. The most important source of sand is the river. The extraction of sand from the river bodies has to be regulated and done with adoption of required environmental safeguards.
2. Bihar has deposits of sand used for both construction and filling purposes. Districts falling south of the river Ganga have yellow sand used for construction whereas districts falling north of the river Ganga have only white sand which is primarily used for filling purposes. Settlement potential of yellow sand districts differs from those of white sand, as there is a huge demand for construction sand whereas sand used for filling purposes has limited potential.
3. The State Sand Policy, 2013 was framed vide Notification No. 2214/M, dated 27.08.2013 wherein every river as a whole situated in each district was considered as a single stretch. For the purpose of settlement, all rivers in a district were treated as individual stretches and all such stretches in one district were combined into one single unit. Provision was also made for combined settlement of two or more districts as one single unit. Altogether 25 sand units were formed in 29 districts under the 2013 Sand Policy.

4. The settlement of multiple districts with one individual/company ultimately created larger vested interests and a monopolistic system. Small players had no role in this system.
5. The main objectives of the new Sand policy 2019, are threefold :- (i) to ensure that sand mining is done in an environmentally sustainable manner, (ii) to ensure availability of adequate quantity of sand for construction at a reasonable price and (iii) to increase the number of settlees to ensure generation of employment. The settlement of sand is proposed to be done in following manner:-

Sand Ghat Units:-

- (i) Every river in district shall be considered as a different reach and major sand reaches like Sone, Kiul, Falgu, Morhar and Chanan shall be divided into sustainable contiguous blocks, wherever possible, keeping in mind the topography of the river for settlement.
 - (ii) Similarly other reaches within a district shall be divided as per requirement for the purpose of settlement.
6. **Procedure for Settlement of Sand Ghats :-**
 - (A) Any individual / registered companies / partnerships / Societies including co-operative societies shall be eligible to bid for maximum two sand blocks or upto an area of 200 hectares whichever is less. The upper limit shall be applicable for rivers mentioned in Para 5(i) above only. For other rivers the department shall be competent to decide maximum number/ area of sand block.
 - (B)
 - (i) The settlement of sandghats shall be done in favour of the highest bidder through e-tender –cum- auction amongst the tenderers whose technical bids are found to be technically

suitable as per the eligibility criteria specified in the bid document.

- (ii) The concession shall be awarded at a price called annual concession value quoted highest by the bidder, which will be increased by 20% for each subsequent year, payable in advance.
- (iii) Immediately after the auction, the highest bidder is required to make payment of 10 % of the auction amount as security deposit (earnest money is adjustable for this purpose) and in principle sanction order shall be issued in favour of the highest bidder, and thereafter, they shall furnish the required documents within the stipulated time period.
- (iv) The payment of earnest money/ security deposit and auction installments shall be accepted by means of Bank Drafts/ online which,
 - (a) In case of an individual, bank draft shall be prepared/ online money transfer made from his own bank account;
 - (b) In case of a partnership firm, bank draft shall be prepared/ online money transfer made from the bank account of the concerned firm or its partners.
 - (c) In case of a company, bank draft shall be prepared/ online money transfer made from the bank account of the concerned company or its managing director or its respective directors.
- (v) The applicant/ settlee shall submit a certificate to this effect issued by the bank along with a copy of the bank account statement of the account holder for the recent 3 months.

- (vi) After submission of the required documents and payment of the required amount, work order shall be issued in favour of the highest bidder.
- (vii) The settlee shall make payment of the entire mining and other taxes during the settlement period as per the provisions laid under the rules/tender document.
7. **Eligibility and Bid Capacity-** Registered companies, partnerships, societies including co-operative societies, sole proprietorships, individuals and consortia of up to two 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 10% of the reserve price of the reaches/sand block /sandghat he bids for. In the case of consortium, the combined technical and financial capacity of all the members shall be considered for eligibility.
 - ii. Should be a PAN card holder and should submit Income Tax returns for the last 3 years.
 - iii. Should submit a character certificate of all the promoters of a Company, Partnership firm, societies including Co-operative societies, sole proprietorship, individuals issued by the DM/SP/SDM. The said character certificate should also incorporate that there is no cognizable offence registered against the applicant and he/she bears a good moral character.
8. **Fixation of Minimum Reserve Value :-**
- The minimum reserve value shall be fixed by the department .If no bidder turns up during the auction process on the fixed minimum reserve value even after three attempts, the minimum reserve value may be revised by the departmental technical committee on the basis of sand reserve in the

concerned area, other local/ technical conditions and recommendation received from district level committee headed by Collector. A re-auction of the said reach/sandblock/sand ghat shall be conducted on the basis of revised minimum reserve value after taking approval of the State Government.

9. Terms of Payment:-

- (i) The applicant shall deposit 10% of the minimum reserve value through bank draft /online as earnest money along with his tender document.
- (ii) The bid amount shall be considered to be the settlement amount for the first year only. The settlement amount from 2nd year onwards shall be equivalent to 120% of the settlement amount of the preceding year.
- (iii) Apart from the security deposit, the settlee shall make payment of the settlement amount as per the following schedule –

Installments	Due Date of Payment
1 st installment (50%)	(a) Before issue of work order (for the 1 st year). (b) 15 th December (from 2 nd year onwards).
2 nd installment (25%)	15 th March
3 rd installment (25%)	15 th June

If the settlee fails to make payment of installments, further generation of e-challan shall be blocked by the system and shall be opened only after advance payment is made.

- (iv) The settlee shall also make payment of GST, Income Tax, Stamp Duty & Registration fees as per latest notification of concerned department. The settlee shall also pay the requisite amount to the DMF as per Bihar DMF Rules, 2018.

10. Security Deposit and start of Mining Operations - Security deposit to be paid shall be 10% of annual concession value. The security amount shall be

adjusted in the last installment, provided there are no other dues to be recovered.

11. **Execution of Settlement Deed** - The successful bidder shall be awarded the concession to mine sand for a period of 5 years. The successful bidder shall execute and register the settlement deed in prescribed form of the prevailing rules or a form as near thereto before starting work and pay the requisite security deposit as prescribed.
12. **Sale Price of sand:-** The sale price of sand to the end user or the public shall be decided by the market force.
13. **Permission to start sand mining:** Concessionaire will be allowed to mine after completing all legal formalities provided in the rule.
14. **Restricted areas for sand Mining:** - Restricted areas for sand mining shall be as stated in prevailing rules.
15. **Maximum depth of Sand Mining:-**The maximum depth of mining in the river bed shall not exceed 3 (three) meters measured from the unmined bed level at that point of time or the water level whichever is less. All such pits formed during the course of excavation shall be filled on a regular basis.
16. **Compliance of Rules / Directions/ Conditions by the settlee:-**
 - (i) The settlee shall inspect the respective areas and shall operate the sandghats themselves and / or through their authorised representatives. Subletting in any form will lead to cancellation of settlement. The approach roads to the sandghats / river bed for the purpose of transportation of sand shall be made / constructed by the settlee themselves.
 - (ii) The settlee shall submit weekly, monthly and yearly return regarding production & dispatch of sand in the prescribed format.
 - (iii) The settlee shall erect a signboard at the sand dispatch point from the river bed on which the name and address of the settlee, period of the

settlement, name and address of local manager and sale rate of sand shall be displayed.

- (iv) As per the provisions of labour laws, the settlee shall arrange for rest shelter, drinking water, crèches and first aid kit for labourers engaged in the respective sandghats.
- (v) The settlee shall not be entitled for any compensation in case of ban imposed by MoEF & CC /SEIAA / DEIAA for river bed mining in monsoon period (months of July, August & September or as stated in EC), non-availability of mineral resources, any obstruction in the approach road, obstruction caused in the production/ dispatch of sand on account of any problem arising due to boundary dispute or any other reason thereof.
- (vi) In case of any boundary dispute between two districts, the same shall be resolved jointly by the concerned District Magistrates who shall take a joint decision in this regard and shall communicate the same to the Department.
- (vii) The transportation of sand shall be done after covering the sand carrying vehicle with tarpaulins.
- (viii) The settlee shall arrange for loading of dry sand in the vehicles in order to ensure that water does not trickle down on the road from the sand carrying vehicles. For this, the settlee shall make arrangements for secondary loading within a distance of 300 meters from the river bank for which no separate license for storing of sand is required.
- (ix) The settlee of sandghats shall abide by the relevant provisions and amendments made therein of the Mines and Minerals (Development and Regulation) Act, 1957, Bihar Minor Mineral Concession Rules, 1972, Bihar Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2003 and directions issued by the Government

from time to time. It shall also be binding on the settlee to abide by the provisions of the other relevant Acts and Rules.

- (x) Settlee shall be held responsible for any illegal mining within the settled area and complaints received if any shall be viewed seriously and criminal case shall be instituted against the settlee.
- (xi) The settlee shall abide by the terms & condition and directions issued in the public interest by the Collector in respect of operation of the sandghats.
- (xii) The settlee shall be served with a 30 days show cause notice in case of nonpayment of mining revenue/ GST/ income tax/ stamp duty/ registration fee and in case of failure to make the payment of the dues during the above said period, action for termination of the settlement shall be taken.

17. **Time lines for sanction of Environment Clearances**— The state mining department shall obtain the environment and other clearances in a time bound manner for the various sand ghats. To obtain statutory environmental and other clearances District Mining Officer and Director, Mines shall take necessary action.
18. **Surrender of Concession** —Annual settlement amount shall be paid before surrender of said sandghat by settlee. In case of surrender, the security deposit along with other payments made by him shall be forfeited.
19. **Online Sand Portal** – The Settlee shall make sale of sand to all consumers, small, medium or large, either through online or offline mode. All transactions/ payments, excavation, production/ transportation, stocking details shall be captured through the departmental online real time monitoring system. Sale of sand shall be controlled by electronic documentation linked to a central documentation monitoring facility and all

lessee shall upload a monthly progress report on the departmental portal without fail.

20. **Deployment of Machinery in Sand Ghats:-**The settlee shall follow stipulations enumerated in Sustainable Sand Mining Management Guidelines 2016/ conditions specified in Environmental Clearance.
21. **E-challan for Transportation** - The e-challan for transportation of sand shall have the security features like bar codes, QR codes along with all information. All vehicles carrying sand shall mandatorily carry the e-challan for transportation of sand.
22. **Government's Right to undertake De-silting-** The Government reserves the right to take up desiltation projects to maintain the river flow, safeguard the embankments and habitations along the rivers on account of geo-technical and hydrological considerations. The department shall issue guidelines for disposal of sand excavated in the process of De-silting.
23. **Mining Plan-** Mining Plan shall be prepared and duly approved by the Department. The cost of Mining Plan so prepared cost shall be realized from the concerned settlee.
24. **Power to Regulate Transport of Sand:-**The Department may by notification regulate the export of sand from State to other states. The department may set up check-post, barriers, weighbridges etc. and such other facilities to regulate the movement of sand.

If the Department considers it necessary to do so with a view to check the transport and storage of sand transported without lawful authority, it may direct the setting up of check-post or erection of barrier or both at any place or places within the state by an order in writing.

25. **Replenishment Study:-** Pre & post monsoon study for ascertaining replenishment of sand quantity in river bed has to be carried out by the settlee through recognized institutions/ agencies using latest available

technology and a report thereof shall be submitted to the department. In case study is carried out by the department through agencies, the cost of study shall be realized from the concerned settlee.

26. **Removal of subsoil sand from raiyati land:-** The settlee may remove subsoil sand from raiyati land after taking consent and adequately compensating the land owner. Such proposals shall be included in mine plan and due environmental clearance from concerned competent authority of MoEF & CC has to be obtained before starting mining operations.
27. **No objection from Water Resources Department:-** In case of lifting sand from any sandghat if any natural water course / irrigation canal falls in between the link road and the sandghat then the settlee may erect temporary structure for transportation of sand with prior permission of water resources department. Such application for prior permission shall be submitted by the settlee before the concerned Executive Engineer of Water Resources Department. If no decision is communicated in this regard to the settlee within one month from the date of application then it will be deemed that Water Resources Department has no objection in the proposal.
28. **Role of Bihar State Mining Corporation:-** The State Government may entrust all or any of the mining activity or trade to Bihar State Mining Corporation. The corporation may undertake, in particular, mining activity, wholesale trading, retail trading, storage, and transportation etc. of sand. The corporation may also enter into an arrangement with any government or semi government or private undertaking for the said purpose.
29. **Corporation to buy minerals at prescribed rates:-** The Department may direct all Mineral Concession Holder to sell some proportion of their produce which should not exceed 50 % of their total produce to the corporation at pit head cost.

30. **Buffer Stock:-** To regulate the price of sand, the Department may authorise the corporation to maintain certain buffer stock of sand and sell the same at such places and at such prices as the Department may direct.
31. **Penalty:-**Penalty shall be as prescribed in the rules.
32. **Amendment in Rules -** Necessary amendment to the Bihar Minor Mineral Concession Rules, 1972 and Bihar Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2003 shall be made separately in accordance with the Bihar Sand Policy, 2019.
33. The Government may from time to time review this policy and issue fresh guidelines or amendments as it may deem fit.
34. This policy shall come into force with immediate effect. The operation of sand ghats settled under this policy, shall start from the 1st of January 2020.
35. (A) **The Sand Policy, 2013 is hereby repealed.**
(B) Notwithstanding such repeal anything done or any action taken under the said policy shall be deemed to have been done or taken under the corresponding provisions of the policy.
36. The Director of Mines and Geology, Bihar shall take immediate necessary action for the implementation of the policy and make necessary arrangements for its wide publicity.

By the order of Governor of Bihar,


(Arun Prakash)

Additional Secretary to the Govt.