

**GOVERNMENT OF ANDHRA PRADESH
DEPARTMENT OF MINES AND GEOLOGY: HYDERABAD**

7832/S1/90 **Date: 25-09-1993**

Sub: Mines & Minerals - Permit system - Production of documentary evidence - Regarding.

Ref: 1. This office D.O.Lr.No.25857/S1/89, dt. 10-11-89.
2. Govt. Memo No.1434/M.I.(2)/86/14, dt. 28-02-1991.
3. Govt. Memo No.49/M.I-2/91-2, dt. 04-04-1991 (T.R&B1-2) dept.,

The attention of all the Dy. Director of Mines and Geology and Asst. Directors of Mines and Geology is invited to the subject cited. In this regard it is informed that the permits are being issued to the lease holders in the prescribed Form-A along with transit forms of the Department of Mines and Geology Communicated through reference 1st cited.

In the reference second and third cited, the orders have been issued to the consuming Organizations to informate the following clause in the tender agreements. "The Contactor should produce documentary evidence for having paid the Seignirage fee to the Government as envisaged in G.O.Ms.No.243, Industries and Commerce Department dt:08.05.1986 amending the rule 26 (2) of APMMC Rules, 1966. In the absence of production of such evidence the normal seigniorage fee together with 5 times penalty provided in the said rules will be recovered from the contractors bills.

The G.O.Ms.No.243, Ind. & Commerce Department, dt.08.05.1986 has also been challenged in the High Court of Andhra Pradesh and the same has been upheld by the full Bench vide judgment dt.25.06.1993 (W.P.No. 8437/97) Further, in the judgment delivered by the High Court on 19.07.1993 (W.P.No.6427/93) the Court held that the question for proof of Payment of seigniorage fee etc., is legitimate duty of the Department and cannot be termed as interference with the business of the individuals. Further, it has also been observed that if any orders restraining the Department from checking will only prevent the Department from discharging their legitimate duties of detecting and checking the large scale illicit mining operations.

It has also been brought to the notice of the undersigned that inspite of producing the transit forms as documentary evidence to the consuming agencies, the consuming agencies are still insisting for Mineral revenue Clearance Certificate separately from the Asst. director of Mines and Geology concerned. Moreover a doubt was also expressed regarding the nature of documentary evidence to be produced. In this regard it is hereby informed to all the Dy. Director of mines and Geology and Asst. Directors of Mines and Geology that as per the clause incorporated in the tenders the contractor should produce the documentary evidence for having paid the seigniorage fee to the Government. If the Contractor



produces the transit forms with Segniorage Fee paid stamp issued by the Asst. Director of Mines and Geology of the quantities extracted supplied purchased by him that should be treated as documentary evidence. However, if the consuming agency gets a doubt about the genuineness of transit form submitted by the contractor the same can be verified from the Asst. Director of Mines and Geology, Whether the same is a genuine one or not. If the consuming agency is satisfied with the transit form submitted by the contractor, there is no need for further issue for Mineral Revenue Clearance Certificate separately. Similarly, the purchaser should produce the transit form issued by the Department which will be an obedience for having paid the royalty for the quantities purchased by him, while checking the transportation of minerals or the stock yards polishing units any mineral consuming agency and while transportation of minerals etc., the transit form issued by the Department will be enclosed to form X way bill of the Commercial Tax Department. This will be a documentary evidence for having remitted the amounts to the Government. The above procedure should be followed scrupulously without any deviation.

T.H. Sastry
Director of Mines and Geology

