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## Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016

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सत्यमेव जयते

भारत सरकार  
Government of India  
खान मंत्रालय  
Ministry of Mines

खनिज (परमाणु और हाइड्रोकार्बन ऊर्जा  
खनिजों से भिन्न)

रियायत नियम, 2016

(8 दिसंबर, 2016 तक का संशोधित)

**MINERALS (OTHER THAN ATOMIC AND  
HYDRO CARBONS ENERGY MINERALS)**

**CONCESSION RULES, 2016**

(As amended up to 8<sup>th</sup> December, 2016)

*Issued by*

CONTROLLER GENERAL  
INDIAN BUREAU OF MINES  
NAGPUR

February, 2017

**Government of India  
Ministry of Mines**

**खनिज (परमाणु और हाइड्रोकार्बन ऊर्जा खनिजों से भिन्न)  
रियायत नियम, 2016  
(8 दिसंबर, 2016 तक का संशोधित)**

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Energy Minerals) Concession Rules, 2016  
(As amended up to 8<sup>th</sup> December, 2016)**

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INDIAN BUREAU OF MINES  
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**February, 2017**

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**Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules,  
2016**

New Delhi, the 4<sup>th</sup> March, 2016

G.S.R. 279(E) dated the 4<sup>th</sup> March, 2016— In exercise of the powers conferred by section 13, of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules, namely:-

**CHAPTER I: PRELIMINARY**

1. **Short title and commencement.-** (1) These rules may be called the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016.

(2) These rules shall come into force on the date of their publication in the Official Gazette.

2. **Definitions.-** (1) In these rules, unless the context otherwise requires, -

(a) “Act” means the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957);

(b) “composite licence” means a prospecting licence-cum-mining lease as defined in the Act;

(c) “illegal mining” means any reconnaissance or prospecting or mining operation undertaken by any person or a company in any area without holding a mineral concession as required under sub-section (1) of section 4:

Explanation – For the purpose of this clause, -

(a) violation of any rules, other than the rules made under section 23C, within the mining lease area by a holder of a mining lease shall not include illegal mining; and

(b) any area granted under a mineral concession shall be considered as an area held with lawful authority by the holder of such mineral concession, while determining the extent of illegal mining.

(d) “mineral concession” means a reconnaissance permit, a non-exclusive reconnaissance permit, a prospecting licence, a prospecting licence-cum-mining lease, or a mining lease, as applicable;

(e) “railway” and “railway administration” have the meanings respectively assigned to them in the Indian Railways Act, 1989 (24 of 1989);

(f) “run-of-mine” means the raw unprocessed or uncrushed material in its natural state obtained after blasting or digging, from the mineralised zone of a lease area;

(g) “Schedule” means a Schedule appended to these rules;

(h) “scheme of prospecting” means a scheme prepared in compliance with the

Minerals (Evidence of Mineral Contents) Rules, 2015 in the format specified by Indian Bureau of Mines from time to time;

- (i) “section” means a section of the Act; and
- (j) “value of estimated resources” means an amount equal to the product of,-
  - (i) the estimated quantity of mineral resources for which the prospecting licence, prospecting licence-cum-mining lease or mining lease, as the case may be, is granted, expressed in metric tonne; and
  - (ii) the average price per metric tonne of such mineral as published by Indian Bureau of Mines for the relevant State for a period of twelve months immediately preceding the month of computation of the value of estimated resources.

(2) The words and expressions used herein but not defined herein shall have the same meaning as assigned to them in the Act or the rules made thereunder.

- 3. **Applicability.**- These rules shall apply to all minerals, except (i) minor minerals defined under clause (e) of section 3; and (ii) minerals listed in Part A and Part B of the First Schedule to the Act.
- 4. **Saving of Act 33 of 1962.**- Nothing in these rules shall affect the provisions of the Atomic Energy Act, 1962 (33 of 1962) and the rules made thereunder in respect of licensing relating to atomic minerals listed in Part B of the First Schedule to the Act.

## CHAPTER II: RIGHTS OF EXISTING HOLDERS OF MINERAL CONCESSIONS

- 5. **Rights of the holder of a reconnaissance permit.**- (1) The holder of a reconnaissance permit which was granted prior to January 12, 2015 may, upon fulfilment of the conditions specified in sub-clause (i) to sub-clause (iv) of clause (b) of sub-section (2) of section 10A, make an application to the State Government for grant of a prospecting licence in the format specified in **Schedule I** within a period of three months after the expiry of the reconnaissance permit or within such further period not exceeding six months as may be extended by the State Government pursuant to sub-rule (4).

(2) The State Government shall send an acknowledgement of receipt of the application submitted under sub-rule (1) to the applicant in the format specified in **Schedule II** within a period of three days of receipt of the application thereof:

Provided that the holder of such reconnaissance permit who has already made an application to the State Government for grant of a prospecting licence before the commencement of these rules, shall not be required to submit a fresh application and his pending application shall be treated as an application made under this rule subject to the payment of fee specified in sub-rule (3).

(3) Applications for grant of a prospecting licence under sub-rule (1) shall be accompanied by a non-refundable fee of rupees one thousand per square kilometre on a *pro rata* basis of the area over which the prospecting licence is applied for.

(4) Pursuant to sub-clause (iv) of clause (b) of sub-section (2) of section 10A, the holder of a reconnaissance permit may, request for an extension of time for submission of the application referred under sub-rule (1) by submitting an application in writing to the State Government in the format specified in **Schedule III**, which the State Government shall accept or reject within a period of thirty days from the date of receipt thereof.

(5) The State Government shall have the right to seek any additional information, document or clarification from an applicant with respect to the application made under sub-rule (1).

(6) The State Government shall, subject to being satisfied that the conditions specified in sub-clause (i) to sub-clause (iv) of clause (b) of sub-section (2) of section 10A have been complied with, within a period of sixty days from the date of receipt of the duly completed application,:

- (a) communicate through an order its decision to grant the prospecting licence for any mineral other than those specified in the First Schedule to the Act; or
- (b) forward the application to the Central Government for its previous approval for grant of a prospecting licence for any mineral specified in Part C of the First Schedule to the Act.

(7) In case of applications received under sub-rule (1) which have not complied with the conditions specified in sub-clause (i) to sub-clause (iv) of clause (b) of sub-section (2) of section 10A, the State Government may, after giving the applicant an opportunity of being heard and for reasons to be recorded in writing, communicate to the applicant, its refusal to grant the prospecting licence.

(8) Where the previous approval of the Central Government under clause (b) of sub-rule (6) has been sought, the application shall be disposed of by the Central Government within a period of one hundred and twenty days from the date of receipt of such application and the decision of the Central Government shall be communicated to the State Government.

(9) The State Government shall, within a period of sixty days from the date of receipt of the decision of the Central Government under clause (b) of sub-rule (6), communicate the decision, of the Central Government, to grant or refuse to grant the prospecting licence, as the case may be, to the applicant through a written order.

(10) Upon issuance of an order under clause (a) of sub-rule (6) or sub-rule (9) for grant of a prospecting licence, the applicant for such prospecting licence shall:

- (a) obtain all consent, approval, permit, no-objection as may be required under applicable laws for commencement of prospecting operations;
- (b) submit a scheme of prospecting; and
- (c) provide a performance security to the State Government in the form of a bank guarantee in the format specified in **Schedule IV** or as a security deposit for an amount equivalent to 0.25% of the value of estimated resources, and such performance security may be invoked by the State Government in accordance with the terms and conditions of the prospecting licence.

(11) The State Government shall execute the prospecting licence deed with the applicant in the format specified in **Schedule V** within ninety days of fulfilment of the conditions specified in sub-rule (10), and if no such licence deed is executed within the said period due to any default on the part of the applicant, the State Government may revoke the order granting the licence and in that event the fee paid under sub-rule (3) shall be forfeited to the State Government.

(12) The State Government may, for reasons to be recorded in writing and communicated to the applicant, reduce the area applied for at the time of grant of the prospecting licence.

(13) The date of the commencement of the period for which a prospecting licence is granted shall be the date on which the prospecting licence deed is executed under sub-rule (11).

6. **Renewal of a prospecting licence.-** (1) An application for the renewal of a prospecting licence shall be made ninety days before the expiry of the prospecting licence and shall be accompanied by a statement containing-

- (a) reasons for seeking renewal;
- (b) a report containing details of the prospecting operations undertaken by the applicant in the format as prescribed under the rules made under section 18;
- (c) the details of expenditure incurred;
- (d) the numbers of man days for which the work was undertaken; and
- (e) the justification for the additional period required to complete the prospecting work.

(2) The State Government shall send an acknowledgement of receipt of the renewal application to the holder of the prospecting licence in **Schedule II** within a period of three days of receipt thereof.

(3) Applications for renewal of prospecting licence under sub-rule (1) shall be accompanied by a non-refundable fee of rupees one thousand per square kilometre on a *pro rata* basis of the area over which the renewal of the prospecting licence is applied for.

(4) The State Government may condone delay in submission of an application for renewal of a prospecting licence made after the expiry of the time limit prescribed in sub-rule (1):

Provided that the application for the renewal has been made before the expiry of the prospecting licence.

(5) An application for the renewal of a prospecting licence shall be disposed of by the State Government before the expiry of the period of prospecting licence.

7. **Rights of a holder of a prospecting licence to obtain a mining lease.-** (1) The holder of a prospecting licence granted (i) prior to January 12, 2015, or (ii) pursuant to rule 5 may, upon fulfilment of the conditions specified in sub-clause (i) to sub-clause (iv) of clause (b) of sub-section (2) of section 10A, make an application to the

State Government for grant of a mining lease in the format specified in **Schedule VI**, within a period of three months after the expiry of the prospecting licence, or within such further period not exceeding six months as may be extended by the State Government.

(2) The State Government shall send an acknowledgement of receipt of the application submitted under sub-rule (1) to the applicant in **Schedule II**, within a period of three days of receipt of the application:

Provided that the holder of prospecting licence who has made an application within the time limits specified in sub-clause (iv) of clause (b) of sub-section (2) of section 10A to the State Government for grant of a mining lease before commencement of these rules shall not be required to submit a fresh application subject to the payment of fee specified in sub-rule (3).

(3) Application for grant of mining lease under sub-rule (1) shall be accompanied by a non-refundable fee of rupees five lacs per square kilometre on a *pro rata* basis of the area over which the mining lease is applied for.

(4) Pursuant to sub-clause (iv) of clause (b) of sub-section (2) of section 10A, an existing prospecting licence holder may request for an extension of time for submission of the application referred under sub-rule (1) by submitting an application in writing to the State Government in the format specified in **Schedule III**. The State Government shall accept or reject such request within a period of thirty days from the date of receipt thereof.

(5) The State Government shall have the right to seek any additional information, document or clarification from such applicant with respect to the application under sub-rule (1).

(6) The State Government shall, on being satisfied that the conditions specified in sub-clause (i) to sub-clause (iv) of clause (b) of sub-section (2) of section 10A have been complied with, within a period of sixty days from the date of receipt of the duly completed application,:

- (a) communicate through an order its decision to grant the mining lease for any mineral other than those specified in the First Schedule to the Act, or
- (b) forward the application to the Central Government for its previous approval for grant of a mining lease for any mineral specified in Part C of the First Schedule to the Act.

(7) In case of applications received under sub-rule (1) which have not complied with the conditions specified in sub-clause (i) through (iv) of clause (b) of sub-section (2) of section 10A, the State Government may, after giving the applicant an opportunity of being heard and for reasons to be recorded in writing and communicated to the applicant, refuse to grant a mining lease.

(8) Where previous approval of the Central Government as required under clause (b) of sub-rule (6) has been sought, the application for such an approval shall be disposed of by the Central Government within a period of one hundred and twenty days from the date of receipt thereof and the decision of the Central Government shall be duly

communicated to the State Government.

(9) The State Government shall, within a period of sixty days from the date of receipt of the decision of the Central Government as per sub-rule (8), communicate the decision, of the Central Government, to grant or refuse to grant the mining lease, as the case may be, to the applicant through a written order.

(10) Upon issuance of an order under clause (a) of sub-rule (6) or sub-rule (9) for grant of a mining lease, the applicant for such mining lease shall:

- (a) obtain all consent, approval, permit, no-objection as may be required under applicable laws for commencement of mining operations;
- (b) provide a performance security to the State Government in the form of a bank guarantee as per the format specified in **Schedule IV** or as a security deposit, for an amount equivalent to 0.50% of the value of estimated resources, which performance security may be invoked by the State Government as per the terms and conditions of Mine Development and Production Agreement and the mining lease deed. The performance security shall be adjusted every five years so that it continues to correspond to 0.50% of the reassessed value of estimated resources;
- (c) satisfy the conditions with respect to a mining plan specified in clause (b) of sub-section (2) of section 5; and
- (d) sign an Mine Development and Production Agreement with the State Government as per the format specified by the Central Government after compliance of conditions specified in clause (a), (b) and (c) of this sub-rule.

(11) The State Government shall execute a mining lease deed with the applicant in the format specified in **Schedule VII** within ninety days of fulfilment of the conditions specified in sub-rule (10), and if no such deed is executed within the said period due to any default on the part of the applicant, the State Government may revoke the order granting the lease and in that event the fee paid under sub-rule (3) shall be forfeited to the State Government.

(12) The State Government may, for reasons to be recorded in writing and communicated to the applicant, reduce the area applied for at the time of grant of the mining lease.

(13) The mining lease executed under sub-rule (11) shall be registered within a period of thirty days from the date of its execution; and the date of the commencement of the period for which a mining lease is granted shall be the date on which a duly executed mining lease deed is registered.

8. **Rights under the provisions of clause(c) of sub-section (2) of section 10A.-**

(1) The applicant in whose favour:

- (a) the State Government has issued a letter of intent (by whatever name called) in writing before January 12, 2015, for grant of a mining lease for minerals not specified in the First Schedule to the Act; or

- (b) the Central Government has communicated the previous approval in writing before January 12, 2015, under sub-section (1) of section 5, for grant of a mining lease for minerals specified in Part C of the First Schedule to the Act,

shall submit a letter of compliance to the State Government, of the conditions mentioned in the letter of intent or the conditions mentioned in the previous approval granted by the Central Government, as the case may be; and the State Government shall send an acknowledgement of receipt of the letter of compliance to the applicant in **Schedule II** within a period of three days of receipt thereof.

- (2) After receipt of letter of compliance under sub-rule (1), the State Government shall issue an order for grant of the mining lease within a period of sixty days from the date of receipt of such letter subject to verification of fulfilment of the conditions mentioned in the letter of intent or previous approval of the Central Government, as the case may be:

Provided that in case the conditions as mentioned in the (i) letter of intent issued by the State Government, or (ii) previous approval granted by the Central Government are not fulfilled, the State Government shall, after giving the applicant an opportunity of being heard and for reasons to be recorded in writing and communicated to the applicant within a period of sixty days from the date of receipt of letter of compliance, refuse to grant a mining lease for non-compliance of conditions mentioned in the letter of intent or the previous approval of the Central Government, as the case may be.

- (3) Upon issuance of an order of grant of mining lease under sub-rule (2), the applicant shall:

- (a) furnish a performance security to the State Government in the form of a bank guarantee in the format specified in **Schedule IV** or as a security deposit for an amount equivalent to 0.50% of the value of estimated resources, which may be invoked by the State Government as per the terms and conditions of the Mine Development and Production Agreement, published by the Government of India in the Ministry of Mines, vide Part I, Section-I of the Gazette of India, dated the 2<sup>nd</sup> July, 2015, and the mining lease deed. The performance security shall be adjusted every five years to correspond to 0.50% of the reassessed value of estimated resources; and
- (b) sign a Mine Development and Production Agreement with the State Government in the format specified by the Central Government after compliance of conditions specified in this sub-rule.

- (4) Where an order for grant of mining lease has been issued under sub-rule (2), the mining lease shall be executed with the applicant in the format specified in **Schedule VII** and registered on or before 11<sup>th</sup> January, 2017, failing which the right of such an applicant under clause (c) of sub-section (2) of section 10A for grant of a mining lease shall be forfeited and in such cases, it would not be mandatory for the State Government to issue any order in this regard.

- (5) The State Government may, for reasons to be recorded in writing and communicated to the applicant, reduce the area applied for at the time of grant of the mining lease.

(6) The date of the commencement of the period for which a mining lease is granted shall be the date on which a duly executed mining lease deed is registered.

### **CHAPTER III: MINERAL CONCESSIONS GRANTED THROUGH AUCTION**

9. **Composite licence and mining lease granted through auction.**- (1) The prospecting licence deed of the composite licence granted to a successful bidder under sub-rule (3) of rule 18 of the Mineral (Auction) Rules, 2015 shall be in the format specified in **Schedule V**.

(2) The mining lease deed to be executed by:

- (a) a successful bidder under sub-rule (6) of rule 10 of the Mineral (Auction) Rules, 2015; or
- (b) the holder of a composite licence under sub-rule (9) of rule 18 of the Mineral (Auction) Rules, 2015,

shall be in the format specified in **Schedule VII**.

10. **Renewal of a prospecting licence of the composite licence** - (1) An application for renewal of a prospecting licence of the composite licence for the purpose of completing prospecting operations shall be made at least ninety days before the expiry of the prospecting licence stage of the composite licence and shall be accompanied by a statement containing-

- (a) reasons for seeking renewal;
- (b) a report of the details of prospecting operations undertaken by the applicant in the format as prescribed under the rules under Section 18;
- (c) the details of expenditure incurred;
- (d) the numbers of man days for which the work was undertaken; and
- (e) the justification for the additional period required to complete the prospecting work.

(2) The State Government shall send an acknowledgement of receipt of the application of renewal application to the applicant in **Schedule II** within a period of three days of receipt of the renewal application.

(3) Such application shall be accompanied by a non-refundable fee of rupees one thousand per square kilometre on a *pro rata* basis of the area over which the renewal of the prospecting licence is applied for.

(4) The State Government may condone delay in submission of an application for renewal of a prospecting licence stage of the composite licence made after the time limit prescribed in sub-rule (1), provided that the application for the renewal has been made before the expiry of the prospecting licence stage of the composite licence.

(5) An application for the renewal of a prospecting licence shall be disposed of by the State Government before the expiry of the period of prospecting licence.



## CHAPTER IV: TERMS AND CONDITIONS OF MINERAL CONCESSIONS

11. **Terms and conditions of a prospecting licence and composite licence.-** (1) Every prospecting licence holder or a composite licence holder shall, in addition to the conditions specified therein, be subject to the following conditions:

- (a) the licensee may win and carry for purposes other than commercial purposes:
  - (i) such quantity of the minerals within the limits specified under column (3) of **Schedule VIII** without any payment; or
  - (ii) such quantity of the minerals not exceeding the limits specified under column (4) of **Schedule VIII**, on payment of royalty specified in the Second Schedule to the Act:

Provided that the licensee may win and carry away for purposes other than commercial purpose any quantity of limestone not exceeding 500 tonnes for testing its use in any industry specified by the Central Government in this behalf, on payments of royalty specified in the Second Schedule to the Act:

Provided further that if any quantity in excess of the quantities specified in this clause is won and carried away, the State Government may recover the value of the excess quantity of minerals won and carried away and also impose penalty under section 21;

- (b) the licensee may, with the written permission of the State Government, carry away quantities of minerals in excess of the limits specified in **Schedule VIII**, on payment of royalty specified in the Second Schedule to the Act, for chemical, metallurgical, ore-dressing and other test purposes;
- (c) If the licensee holding a prospecting licence or a composite licence, is convicted of illegal mining and there are no interim orders of any court of law suspending the operation of the order of such conviction in appeals pending against such conviction in any court of law, the State Government may, without prejudice to any other proceedings that may be taken under the Act or the rules made thereunder, after giving such licensee an opportunity of being heard and for reasons to be recorded in writing and communicated to the licensee, cancel such prospecting licence and forfeit whole or part of the performance security;
- (d) the licensee shall, within sixty days from the date of discovery of any mineral specified in Part B of the First Schedule to the Act, apply to the Secretary, Department of Atomic Energy, Mumbai, through the State Government, for grant of a licence to handle such minerals under the provisions of the Atomic Energy Act, 1962 (33 of 1962) and the Mines and Minerals (Development and Regulation) Act 1957 (67 of 1957) and the rules made thereunder and the Department of Atomic Energy shall intimate the State Government regarding the issue of the licence in this regard;
- (e) the licensee shall restore, to the extent possible, the landform affected by prospecting operations;
- (f) the licensee shall comply with the provisions of the Act and the rules made

thereunder including rules made under section 18;

- (g) every licensee shall maintain an accurate and faithful account of all expenses incurred by him on prospecting operations and also the quantity and other particulars of all minerals obtained during such operations and their despatch;
- (h) every licensee shall clear undergrowth, brushwood and trees only with the prior written approval of the Deputy Commissioner or Collector, as the case may be, in order to make and use any drains, water courses or water on the said lands for such purposes as may be necessary for effectually carrying on the prospecting operations and for the workmen employed thereon. The licensee shall always ensure that such use shall not diminish or interfere with the supply of water to which any cultivated land, building or watering place, for livestock has been accustomed and shall ensure that its prospecting operations do not foul or pollute streams, springs or wells;
- (i) the licensee shall have the right to erect and bring upon the said lands all such temporary huts, sheds, structures, steam and other engines, machinery, conveniences, chattels and effects as may be deemed proper and necessary for effectually carrying on its prospecting operations or for the employment of workmen thereon;
- (j) save in the case of land over which the licensee has been granted a mining lease on or before the expiry or termination of the licence, as the case may be, the licensee shall within six months after the expiry or termination of the licence or date of abandonment, whichever is earlier, securely plug any borehole and fill up or fence any holes or excavations that may have been made in the lands to the extent required by the Deputy Commissioner or Collector, as the case may be. The licensee shall also restore the surface of the land and all buildings thereon which may have been damaged or destroyed in the course of its prospecting operations, provided that it shall not be required to restore the surface of the land or any building in respect of which full and proper compensation has already been paid by it;
- (k) failure on the part of the licensee to fulfil any of the terms and conditions hereunder or under the prospecting licence shall not give the Central Government or State Government any claim against the licensee or be deemed a breach of the licence, in so far as such failure is considered by the relevant Government to arise from force majeure. In the event of any delay by the licensee to fulfill any of the terms and conditions hereunder or under the prospecting licence on account of a force majeure event, the period of such delay shall be added to the period fixed by these rules or the prospecting licence.

In this clause the expression “force majeure” means act of God, war, insurrection, riot, civil commotion, strike, earth quake, tide, storm, tidal wave, flood, lightning, explosion, fire, earthquake and any other happening which the licensee could not reasonably prevent or control; and

- (l) the licensee shall, on the expiry or termination of the licence or the abandonment of the prospecting operations, whichever is earlier, remove expeditiously at his own cost, all buildings, structures, plant, engines machinery, implements, utensils and other property and effects erected or brought by the licensee and

standing or situated on the said lands together with all minerals won by the licensee and situated on the said land, provided that it shall not be required to remove any of the above from any part of the said lands which may be comprised in any mining lease granted to the licensee during the subsistence of the prospecting licence.

(2) The licensee shall report to the State Government the discovery of any mineral not specified in the licence within a period of sixty days from the date of such discovery, and consequent upon such reporting the newly discovered mineral except those minerals specified in Part A and Part B of the First Schedule to the Act shall be deemed to have been included in the composite licence:

Provided that the holder of a prospecting licence granted otherwise than through auction, shall have no right over the discovered mineral and such mineral shall not be included in the licence.

(3) A prospecting licence or a composite licence may contain such other conditions as the State Government may deem fit to impose, namely:-

- (a) compensation for damage to land in respect of which the licence has been granted;
- (b) indemnity to Government against the claim of a third party for any damage, injury or disturbance caused to him by the licensee;
- (c) restrictions regarding felling of trees on unoccupied and unreserved Government land;
- (d) restrictions on prospecting operations in any area prohibited by any competent authority;
- (e) operations in forest land;
- (f) conditions regarding entry on occupied land;
- (g) facilities to be given by the licensee for working other minerals in the licenced area or adjacent areas;
- (h) filing of civil suits or petitions relating to disputes arising out of the area under prospecting licence:

Provided that in case of a composite licence, the State Government shall specify such conditions in the tender document for auction for grant of composite licence.

(4) The State Government may, either with the previous approval of the Central Government or at the instance of the Central Government, impose such further conditions as may be necessary in the interest of conservation and development of minerals.

(5) In the case of breach of any condition imposed on any holder of prospecting licence or composite licence under the Act and the rules made thereunder, the State Government may, by order in writing, cancel the licence and/or forfeit in whole or part, the amount of performance security deposited by the holder of prospecting

licence or composite licence, as applicable, under the Act and the rules made thereunder:

Provided that no such order shall be made without giving the licensee a reasonable opportunity of representing his case.

(6) The minimum area for grant of a prospecting licence or composite licence shall not be less than the minimum area for which a mining lease may be granted in accordance with the sub-rule (5) of rule 12 and the maximum area shall be in accordance with section 6 as applicable to a prospecting licence.

12. **Terms and conditions of a mining lease.-** (1) Every mining lease shall be subject to the following conditions:

(a) in addition to the payments to be made by the lessee under *Chapter XIII* of these rules, the lessee shall pay for every year, except the first year of the lease, such yearly dead rent at the rates specified in the Third Schedule of the Act and if the lease permits the working of more than one mineral in the same area, the State Government shall not charge separate dead rent in respect of each mineral:

Provided that the lessee shall be liable to pay: (i) the aggregate of royalty in respect of all minerals; or (ii) the dead rent as specified in the Third Schedule to the Act prescribed for the highest value mineral, whichever is higher;

(b) the lessee shall also pay for the surface area used by him for the purposes of mining operations, surface rent and water rate at such rate not exceeding the land revenue, water and cess assessable on the land, as may be specified by the State Government from time to time;

(c) the lessee shall commence mining operations within two years from the date of execution of the lease deed and shall thereafter conduct such operations in a proper, skillful and workman-like manner.

**Explanation:** For the purpose of this clause, mining operations shall include the erection of machinery, laying of a tramway or construction of a road or any other operation undertaken for the purpose of winning of minerals;

(d) the lessee shall not carry on or allow to be carried on, any mining operations at any point within a distance of fifty meters from any railway line, except under and in accordance with the previous written permission of the railway administration concerned or under or beneath any ropeway or ropeway trestle or station, except under and in accordance with the written permission of the authority owning the ropeway or from any reservoir, canal or other public works, or buildings, except under and in accordance with the previous written permission of any officer authorised by the State Government in this behalf. The said distance of fifty meters shall be measured in the case of railway, reservoir or canal, horizontally from the outer toe of the bank or the outer edge of the cutting, as the case may be, and in case of a building, horizontally from the plinth thereof;

(e) the lessee shall not, in the case of village roads (including any track shown in the revenue record as village road), allow any working to be carried on within a distance of ten meters of the outer edge of the cutting except with the previous

permission of the Deputy Commissioner or Collector or any other officer duly authorised by the State Government in this behalf and otherwise than in accordance with such directions, restrictions and additions, either general or special, which may be attached to such permission;

- (f) the lessee shall keep accurate and faithful accounts showing the quantity and other particulars of (i) all minerals obtained and dispatched from the mine, and (ii) waste material excavated from the mine, the number and nationality of persons employed therein, and complete plans of the mine, and shall allow any officer authorised by the Central Government or the State Government in this behalf to examine at any time any accounts, plans and records maintained by him and shall furnish the Central or the State Government with such information and returns as it or any officer authorised by it in this behalf may require;
- (g) the lessee shall keep accurate records of all trenches, pits and drillings made by the lessee in the course of mining operations carried on by the lessee under the lease and shall allow any officer authorised by the Central or the State Government to inspect the same. Such records shall contain the following particulars, namely:
  - (i) the subsoil and strata through which such trenches, pits or drillings pass;
  - (ii) details of any mineral encountered; and
  - (iii) such other particulars as the Central or the State Government may from time to time require;
- (h) the lessee shall allow any officer authorised by the Central or the State Government to enter upon any building, excavation or land comprised in the lease for the purpose of inspecting the same;
- (i) the State Government shall at all times have the right of pre-emption of the minerals won from the land in respect of which the lease has been granted:

Provided that the average sale price as published by IBM prevailing at the time of pre-emption shall be paid to the lessee for all such minerals;

- (j) the lessee shall store and maintain accounts properly within the lease area of the unutilized or non-saleable subgrade ores or minerals for future beneficiation;
- (k) in respect of any mineral which in relation to its use for certain purposes is notified as a mineral other than a minor mineral and in relation to its use for other purposes as a minor mineral, the lessee who holds a lease for extraction of such minerals under these rules whether or not it is specified as a mineral other than minor mineral in the lease deed, shall not use or sell the mineral or deal with it in whatsoever manner or knowingly allow anyone to use or sell the mineral or deal with it in whatsoever manner as a minor mineral:

Provided that if on an application made to the State Government in this behalf by the lessee, the State Government, in consultation with Indian Bureau of Mines, is satisfied that having regard to the inferior quality of such mineral, it cannot be used for any of the purposes by reason of which use it can be called a mineral other than minor mineral or that there is no market for such mineral as a

mineral other than minor mineral, the State Government may by order permit the lessee to dispose of the mineral in such quantity and in such manner as may be specified therein as a minor mineral;

- (l) the lessee shall, in the matter of employment, give preference to the tribals and to the persons who become displaced because of the taking up of mining operations;
- (m) the lessee shall restore, to the extent possible, the landform affected by mining operations;
- (n) the lessee shall comply with the provisions of Act and the rules made thereunder including the rules made under section 18;
- (o) the lessee shall not erect, place or set up any building or thing and shall not carry out any surface operations on, in or upon any public ground, burning or burial ground or place held sacred by any class of persons or any house, village site, public road or other place which the State Government may determine as a public ground;
- (p) the lessee shall not carry on his operations in a manner that would injure or prejudicially effect any buildings, works, property or rights of other persons and no land will be used by the lessee for surface operations which is already occupied by persons other than the State Government for works or purposes not included in the mining lease;
- (q) the lessee shall not interfere with any right of way, well or tank;
- (r) the lessee shall, prior to using any land for surface operations which has not already been used for such operations, give written notice of two calendar months to Deputy Commissioner or Collector of the District specifying the name or other description of the situation and the extent of the land proposed to be so used and the purpose for which the same is required and the said land shall not be used by the lessee if any objection is issued by the Deputy Commissioner or Collector within two months of receipt of the lessee's notice, unless the objections so stated shall on reference to the State Government be annulled or waived;
- (s) the lessee shall allow reasonable facilities of access to any existing and future holders of Government licences or leases over any land which is comprised in or adjoins or is reached by the land held by the lessee:

Provided that no substantial hindrance or interference shall be caused by such holders of licences or leases to the operations of the lessee and fair compensation (as may be mutually agreed upon or in the event of disagreement as may be decided by the State Government) shall be paid by them to the lessee for any loss or damage sustained by the lessee by reason of the exercise of this liberty;

- (t) the State Government or any lessee or person authorised by it in that behalf by the State Government shall have the right to enter into and upon the leased lands and to construct upon, over or through the same, any railways, tramways, roadways or pipelines for any purpose authorized by the State Government and to get from the said lands, stones, gravel, earth and other materials for making,

maintaining and repairing such railways, tramways, roads or any existing railways and roads; and

- (u) to pass over or along any such railways, tramways, road lines and other ways, at all times, with or without horses, cattle or other animals, carts, wagons, carriages, locomotives or other vehicles for all purposes:

Provided that in the exercise of such liberty and power by such other lessee or person authorised by the State Government, no substantial hindrance or interference shall be caused to or with the liberties, powers and privileges of the lessee and fair compensation as may be mutually agreed upon or in the event of disagreement, as may be decided by the State Government, shall be made to the lessee for all loss or damage substantial hindrance or interference caused to the lessee by such other lessee or person authorised by the State Government;

- (v) the lessee shall at his own expense, erect, maintain and keep in repair all boundary pillars according to the Act and rules made thereunder with respect to the manner of construction and upkeep of boundary pillars:-

- i. each corner of the lease area shall have a boundary pillar (corner pillar);
- ii. there shall be erected intermediate boundary pillars between the corner pillars in such a way that each pillar is visible from the adjacent pillar located on either side of it;
- iii. the distance between two adjacent pillars shall not be more than fifty meters;
- iv. the pillars shall be of square pyramid frustum shaped above the surface and cuboid shaped below the surface;
- v. each pillar shall be of reinforced cement concrete;
- vi. the corner pillars shall have a base of 0.30m X 0.30m and height of 1.30m of which 0.70m shall be above ground level and 0.60m below the ground;
- vii. the intermediate pillars shall have a base of 0.25m X 0.25m and height of 1.0m of which 0.70m shall be above ground level and 0.30m below the ground;
- viii. all the pillars shall be painted in yellow colour and the top ten centimeters in red colour by enamel paint and shall be grouted with cement concrete;
- ix. on all corner pillars, distance and bearing to the forward and backward pillars and latitude and longitude shall be marked;
- x. each pillar shall have serial number in a clockwise direction and the number shall be engraved on the pillars;
- xi. the number of pillar shall be the number of the individual pillar upon the total number of pillars in the lease;
- xii. the tip of all the corner boundary pillars shall be a square of 15 centimeter on which a permanent circle of 10 centimeter diameter shall be drawn by paint or engraved and the actual boundary point shall be intersection of two diameters drawn at 90 degrees;
- xiii. the lease boundary survey shall be accurate within such limits of error as the Controller General, Indian Bureau of Mines may specify in this behalf;

- xiv. the location and number of the pillars shall also be shown in the surface and other plans maintained by the lessee; and
  - xv. in case of forest area within the lease, the size and construction and colour of the boundary pillars shall be as per the norms specified by the Forest Department in this behalf."
- (w) the lessee shall make and pay such compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury or disturbance which may be caused by the lessee in exercise of the powers granted to him and shall indemnify and keep indemnified, fully and completely, the State Government against all claims which may be made by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith;
  - (x) the lessee shall strengthen and support to the satisfaction of the railway administration concerned or the State Government, as the case may be, any part of the mine which, in his opinion, requires such strengthening or support for the safety of any railway, reservoir, canal, road and any other public works or structures;
  - (y) the lessee shall send to the Deputy Commissioner or Collector, without delay, a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of its mining operations;
  - (z) the lessee shall maintain a copy of the mining plan at the mine office situated in the leased area;
  - (aa) the lessee shall not employ, in connection with the mining operations, any person who is not an Indian national except with the previous approval of the Central Government;
  - (bb) the lessee shall allow any officer authorised by the Central Government or the State Government to inspect the leased area at all reasonable times and shall also supply, on demand of the State Government, the Director General, Geological Survey of India or the Controller General, Indian Bureau of Mines, all applicable plans and sections of the leased area as also the quantity of reserves quality-wise;
  - (cc) the lessee shall, unless specifically exempted by the State Government, provide and at all times keep at or near the pit head or each of the pit heads at which the minerals shall be brought to bank, a properly constructed and efficient weighing system / mechanism and shall weigh or cause to be weighed thereon all the said minerals, from time to time, brought to bank, sold, exported and converted and also the converted products. The lessee shall at the close of each day cause the total weights, ascertained by such means of the said minerals, ores products raised, sold, exported and converted during the previous twenty four hours, to be entered in the books of accounts maintained by the lessee. The lessee shall at all times during the term of the lease, permit the State Government to employ any person or persons to be present at the weighing of the said minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the lessee. The lessee shall give seven days previous notice in writing to the Deputy



Commissioner/Collector of every such measuring or weighing in order that he or some officer on his behalf may be present thereat;

- (dd) the lessee shall at any time or times during the term of the lease, allow any person or persons appointed in that behalf by the State Government to examine and test every weighing machine to be provided and kept as aforesaid and the weights used therewith in order to ascertain whether the same respectively are correct and in good repair and order. If upon any such examination or testing, any such weighing machine or weights shall be found incorrect or out of repair or order, the State Government may require that the same be adjusted, repaired and put in order by and at the expense of the lessee. If such requisition is not complied with within fourteen days after the same has been made, the State Government may cause such weighing machine or weights to be adjusted, repaired and put in order at the expense of the lessee. If upon any such examination or testing as aforesaid, any error is discovered in any weighing machine or weights to the prejudice of the State Government, such error shall be regarded as having existed for three calendar months prior to the discovery thereof or from the last occasion of so examining and testing the same weighing machine and weights, in case such occasion is within the said period of three months, and the lessee shall pay the rent and royalty accounted for accordingly;
- (ee) if the lessee fails to carry out or perform any of its obligations hereunder or under the lease deed within the time specified in that behalf, the State Government may cause the same to be carried out or performed and the lessee shall pay the State Government, on demand, all expenses incurred in this regard by the State Government and the decision of the State Government as to such expenses shall be final;
- (ff) failure on the part of the lessee to fulfil any of the terms and conditions of the Act and rules made thereunder or under the mining lease shall not give the Central Government or State Government any claim against the lessee or be deemed a breach of the lease, in so far as such failure is considered by the relevant Government to arise from force majeure. In the event of any delay by the lessee to fulfill any of the terms and conditions of the Act and rules made thereunder or under the mining lease on account of a force majeure event, the period of such delay shall be added to the period fixed by these rules or the mining lease.

In this clause the expression “force majeure” means act of God, war, insurrection, riot, civil commotion, strike, earth quake, tide, storm, tidal wave, flood, lightning, explosion, fire, earthquake and any other happening which the lessee could not reasonably prevent or control;

- (gg) the lessee may, after paying the rents, rates and royalties payable under the Act and rules made thereunder or under the lease deed, at the expiry or sooner termination of the lease term or within six calendar months thereafter (unless the lease is terminated for default of the lessee, and in that case at any time not less than three calendar months nor more than six calendar months after such termination) take down and remove for its own benefit, all or any ore mineral excavated during the currency of the lease, engines, machinery, plant, buildings structures, tramways, railways and other works, erections and conveniences

which may have been erected, set up or placed by the lessee in or upon the leased lands and which the lessee is not bound to deliver to the State Government or which the State Government does not desire to purchase;

- (hh) if at the end of six calendar months after the expiry or sooner termination of the lease term there shall remain in or upon the leased land, any ore or mineral, engines, machinery, plant, buildings structures, tramways, railways and other work, erections and conveniences or other property which are not required by the lessee in connection with operations in any other lands held by it under prospecting licence or mining lease, the same shall, if not removed by the lessee within one calendar month of being notified to do so by the State Government, be deemed to become the property of the State Government and may be sold or disposed of in such manner as the State Government shall deem fit without liability to pay any compensation or to account to the lessee in respect thereof.

(2) The lessee shall report to the State Government, the discovery in the leased area of any mineral not specified in the lease within a period of sixty days from the date of such discovery and shall not win and dispose of such discovered mineral:

Provided that the holder of a mining lease granted through auction may win and dispose the mineral discovered only after inclusion of such discovered mineral in the mining lease deed:

Provided further that holder of a mining lease not granted through auction shall have no right over the discovered mineral and shall not dispose of such mineral. In such case the State Government may exercise its right of pre-emption with respect to such mineral and pay to the holder of mining lease cost of production for such mineral.

(3) A mining lease may contain such other conditions as the State Government may deem necessary in regard to the following, namely:

- (a) the time-limit, mode and place of payment of rents and royalties;
- (b) compensation for damage to land in respect of which the lease has been granted;
- (c) restrictions regarding felling of trees on unoccupied and unreserved Government land;
- (d) the restriction of surface operations in any area prohibited by any authority;
- (e) the notice by lessee for surface occupation;
- (f) the provision of proper weighing machines;
- (g) facilities to be given by the lessee for working other minerals in the leased area or adjacent area;
- (h) the entering and working in a reserved or protected forest;
- (i) the securing of pits and shafts;
- (j) the reporting of accidents;
- (k) indemnity to Government against the claim of a third party for any damage,

injury or disturbance caused to him by the lessee;

- (l) the delivery of possession of lands and mines on the surrender, expiration or termination of the lease;
- (m) the time limit for removal of mineral, ore, plant, machinery and other properties from the lease hold area after expiration, termination, surrender or abandonment of the mining lease;
- (n) the forfeiture of property left after termination of the lease;
- (o) the power to take possession of the plant, machinery, premises and mines in the event of war or emergency; and
- (p) filing of civil suits or petitions relating to disputes arising out of the area under lease:

Provided that in case of a mining lease granted through auction, the State Government shall specify such conditions in the tender document for auction for grant of mining lease.

(4) The State Government may, either with the previous approval of the Central Government or at the instance of the Central Government, impose such further conditions as may be necessary in the interests of mineral development.

(5) The minimum area for grant of mining lease shall not be less than five hectares.

<sup>1</sup>[ (5A) Notwithstanding anything contained in sub-rule (5), the State Government may grant a mining lease for area less than five hectares in respect of a mining lease to be granted in pursuance of the provisions of clause (b) or clause (c) of sub-section of section 10A of the Act:

Provided that no mining lease shall be granted for area less than one hectare, in respect of small deposits (not fragmented portions of larger ones), shallow in nature, isolated and not exceeding two hundred metres in strike length, which are small by virtue of either origin or mode of emplacement or dislocation due to geological disturbances; and small deposits shall also include float deposits (transported) formed due to mechanical weathering and deposition, alluvial or eluvial placers (buried or otherwise), which generally have peculiar configurations excepting beach sands or placers:

Provided further that no mining lease shall be granted for area less than two hectares, in respect of beach sands or placers, which are mono or multi mineral concentrations, including the dunes occurring on and off the coastal shore line deposited as a product of the ebb and flow of tides, waves and inshore currents, and at places semi-consolidated to consolidated in nature:

Provided also that no mining lease shall be granted for area less than four hectares in all other cases other than those specified in the first and second provisos.]

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1. Inserted by G.S.R. 1120(E), dated 08.12.2016

(6) When a mining lease is granted by the State Government, arrangements shall be made by the State Government at the expense of the lessee for the survey and demarcation of the area granted under the lease and survey of area leased shall be conducted by total station and differential global positioning system.

(7) Subject to the conditions mentioned in this rule, the lessee shall, with respect to the land leased to him, have the right for the purpose of mining operations on that land –

- (a) to work the mines;
- (b) to sink pits and shafts and construct buildings and roads;
- (c) to erect plant and machinery;
- (d) to quarry and obtain building and road materials and make bricks;
- (e) to use water and take timber;
- (f) to use land for stacking purpose;
- (g) to do any other thing specified in the lease.

(8) If the lessee does not allow entry or inspection under clause (f), (g) or (h) of sub-rule (1), the State Government shall give notice in writing to the lessee requiring him to show cause within such time as may be specified in the notice why the lease should not be terminated and his performance security forfeited; and if the lessee fails to show cause within the aforesaid time to the satisfaction of the State Government, the State Government may terminate the lease and forfeit the whole or part of the performance security.

(9) If the lessee holding a mining lease, is convicted of illegal mining and there are no interim orders of any court of law suspending the operation of the order of such conviction in appeals pending against such conviction in any court of law, the State Government may, without prejudice to any other proceedings that may be taken under the Act or the rules made thereunder, after giving such lessee an opportunity of being heard and for reasons to be recorded in writing and communicated to the lessee, terminate such mining lease and forfeit whole or part of the performance security.

(10) If the lessee makes any default in the payment of royalty as required under section 9 or payment of dead rent as required under section 9A or payment of monies as required under section 9B or section 9C or payments under Rule 13 of the Mineral (Auction) Rules, 2015 or commits a breach of any of the conditions specified in sub-rules (1), (2), (3), and (4), the State Government shall give notice to the lessee requiring him to pay the royalty or dead rent or remedy the breach, as the case may be, within sixty days from the date of the receipt of the notice and if the royalty or dead rent is not paid or the breach is not remedied within the said period, the State Government may, without prejudice to any other proceedings that may be taken against him, terminate the lease and forfeit the whole or part of the performance security.

## **CHAPTER V: PREPARATION OF THE MINING PLAN AND SYSTEM OF CERTIFICATION**

13. **Mining Plan.-** (1) No mining operations shall be undertaken except in accordance with a mining plan, which:
- (a) has been approved by any officer of the Indian Bureau of Mines duly authorised in writing by the Controller General, Indian Bureau of Mines, pursuant to clause (b) of sub-section (2) of section 5 and in accordance with rules 15, 16 and 17 of these rules; or
  - (b) is in accordance with the system established by the State Government for preparation, certification and monitoring of the mining plan pursuant to the proviso to clause (b) of sub-section (2) of section 5.
- (2) The mining plan shall incorporate:-
- (a) the plan of the lease hold area showing the nature and extent of the mineral body, spot or spots where the mining operations are proposed to be based on the prospecting data gathered by the applicant or any other person;
  - (b) details of the geology and lithology of the area including mineral resources and reserves of the area;
  - (c) details of proposed exploration programme;
  - (d) the details of mode of mining operation indicating method of excavation, drilling and blasting, handling of waste and mineral rejects, use of mineral and beneficiation of minerals, site-services, employment-potential;
  - (e) environment management plan indicating baseline information, impact assessment and mitigation measures;
  - (f) a tentative scheme of mining and annual programme and plan for excavation from year to year for five years;
  - (g) a tentative estimate about accretion of mine waste and its manner and mode of disposal and confinement;
  - (h) manner of mineral processing and mineral up-gradation, if any, including mode of tailing disposal;
  - (i) a progressive mine closure plan as defined in rules made under section 18; and
  - (j) any other matter which the Central Government or the Indian Bureau of Mines may require the applicant to provide in the mining plan.
- (3) The mining plan shall be made in accordance with a manual prepared by the Indian Bureau of Mines, in this regard.
14. **System to be established by the State Government for mining plan.-** (1) The system to be established by the State Government for preparation, certification and monitoring of the mining plan pursuant to the proviso to clause (b) of sub-section (2)

of section 5, shall be submitted to the Central Government for seeking its previous approval.

(2) The State Government shall seek the previous approval of the Central Government for any modification of the system approved by the Central Government under sub-rule (1).

(3) The Central Government shall dispose of, with or without modifications, the proposal received from the State Government for approval of the system referred in sub-rule (1) or modification of a system referred in sub-rule (2) above within a period of six months from the date of receipt of such a proposal:

Provided that the Central Government may revoke such approval for reasons to be recorded in writing and duly communicated to the State Government.

(4) The Central Government may periodically review but not later than five years the system established by the State Government in this regard.

15. **Preparation of Mining Plan.-** (1) Every mining plan under clause (b) of sub-section (2) of section 5 shall be prepared by a person having the following qualifications and experience:

- (a) a degree in mining engineering or a post-graduate degree in geology granted by a university established or incorporated by or under a Central Act, a Provincial Act or a State Act, including any institutions recognised by the University Grants Commission under section 4 of the University Grants Commission Act, 1956 (3 of 1956) or any equivalent qualification granted by any university or institution outside India and recognised by Government of India; and
- (b) professional experience of five years of working in a supervisory capacity in the field of mining after obtaining the degree.

(2) Modifications to a mining plan shall be carried out by a person qualified to prepare a mining plan.

(3) It shall be the obligation of the lessee to ensure that the mining plan is prepared in accordance with the manual prescribed by the Indian Bureau of Mines in this regard.

(4) Preparation and modification of a mining plan as referred to in clause (b) of sub-rule (1) of rule 13 of these rules shall be done in accordance with the system approved by the Central Government under sub-rule (3) of rule 14 of these rules.

16. **Procedure for approval of the Mining Plan.-** (1) The mining plan shall be submitted to the officer specified in clause (a) of sub-rule (1) of rule 13.

(2) Every mining plan submitted for approval under sub-rule (1) shall be accompanied by such fee as may be specified by the Indian Bureau of Mines.

(3) The Indian Bureau of Mines shall dispose of the application for approval of the mining plan within a period of ninety days from the date of receiving of such application:

Provided that the aforesaid period of ninety days shall be applicable only if the mining plan is complete in all respects, and in case of any modifications subsequently

suggested by the Indian Bureau of Mines after the initial submission of the mining plan for approval, the said period shall be applicable from the date on which such modifications are carried out and submitted afresh to the approving authority of Indian Bureau of Mines.

(4) The approving authority of the mining plan may, by an order in writing, at any time direct modification of the mining plan or impose such conditions in the mining plan as it may consider necessary.

(5) Any person aggrieved by any order made or direction issued in respect of mining plan by an officer of the Indian Bureau of Mines competent to approve mining plans other than the Chief Controller of Mines, Indian Bureau of Mines may within thirty days of the communication of such order or direction, apply to the authority to whom the said officer is immediately subordinate, for the revision of the order or direction:

Provided that any such application may be entertained after the said period of thirty days if the applicant satisfies the authority that he had sufficient cause for not making the application within time.

(6) On receipt of any application for revision under sub-rule (5), the authority shall give the aggrieved person a reasonable opportunity of being heard and may, within three months, confirm, modify or set aside the order made or direction issued.

(7) Any person aggrieved by an order made or direction issued by the Chief Controller of Mines, Indian Bureau of Mines, concerning approval of mining plan may within thirty days of the communication of such order or direction, apply to the Controller General, Indian Bureau of Mines for a revision of such order or direction and his decision thereon shall be final:

Provided that any such application may be entertained after the said period of thirty days, if the applicant satisfies the Controller General, Indian Bureau of Mines that he had sufficient cause for not making the application in time.

(8) On receipt of an application under sub-rule (7), the Controller General, Indian Bureau of Mines may confirm, modify or set aside the order or direction issued by the Chief Controller of Mines, Indian Bureau of Mines within a period of ninety days from the date of receipt of such application.

17. **Modification and review of the mining plan.-** (1) The mining plan once approved shall be subject to review and updation at an interval of every five years starting from the date of execution of the duly executed mining lease deed.

(2) At least one hundred eighty days before the expiry of every five years period specified in sub-rule (1), the lessee shall submit a mining plan for mining operations for a period of five subsequent years prepared in accordance with rule 15, which shall be disposed of in accordance with rule 16.

(3) A holder of a mining lease may seek modifications in the approved mining plan as are considered expedient, keeping in view changes in the business environment, or for facilitating increase in production capacity, or in the interest of safe and scientific mining, conservation of minerals, for the protection of environment; or any other reason to be specified in writing by the holder of a mining lease. Any modification to a mining plan shall be approved by the approving authority that approved the initial

mining plan.

(4) In case of modifications to a mining plan, the provisions of rule 16 shall apply *mutatis mutandis*.

(5) In case of a system established by the State Government, the modification of mining plan shall be in accordance with such system.

#### **CHAPTER VI: EXPIRY OF A MINING LEASE**

18. **Auction post expiry of a mining lease.-** On the expiry of the lease period, the mining lease shall be put up for auction as per the procedure specified in the Act and rules made thereunder.
19. **Right of first refusal.-** (1) The holder of a mining lease granted for captive purpose shall have the right of first refusal at the time of auction held for such lease after the expiry of the lease period in the following manner:
  - (a) to be eligible to exercise the right of first refusal, the lessee shall comply with the conditions of the mining lease, the Act and the rules made thereunder till its expiry;
  - (b) prior to publication of the notice inviting tender, the State Government shall give a notice to the lessee requiring the lessee to specify his willingness or non-willingness to exercise the right of first refusal in writing, within a period of thirty days of receipt of such notice;
  - (c) the notice inviting tender shall specify that the lessee holding the lease prior to expiry of the mining lease has the right of first refusal and shall also specify his willingness or non-willingness specified pursuant to sub-clause (b), if any;
  - (d) upon conclusion of the second round of auction, the State Government shall issue a notice to the lessee seeking written confirmation of his willingness to exercise the right of first refusal within a period of seven days of conclusion of the second round of auction;
  - (e) the notice given under clause (d) shall be acknowledged by the lessee and who shall, within a period of fifteen days of receipt of the notice issued under clause (d), exercise the right of first refusal in writing to the State Government, failing which it shall be construed that the lessee is not desirous of exercising the right of first refusal and the preferred bidder shall be entitled to a mining lease in the manner provided in the Mineral (Auction) Rules, 2015; and
  - (f) if the lessee exercises the right of first refusal in terms of clause (e) and matches the highest final offer price, the lessee shall be deemed to be the preferred bidder in place of the earlier preferred bidder declared after the second round of auction and shall be entitled to the mining lease in the manner provided in the Mineral (Auction) Rules, 2015.



## CHAPTER VII: LAPSE, SURRENDER OR TERMINATION

20. **Lapsing of the mining lease.**- (1) Subject to the conditions of this rule where mining operations are not commenced within a period of two years from the date of execution of the mining lease, or is discontinued for a continuous period of two years after commencement of such operations, the mining lease shall lapse.

(2) The lapsing of a mining lease shall be recorded through an order issued by the State Government and shall also be communicated to the lessee.

(3) Where a lessee is unable to commence the mining operations within a period of two years from the date of execution of the mining lease or discontinuation of mining operations for reasons beyond his control, he may submit an application to the State Government, explaining the reasons for the same, at least three months before the expiry of such period of two years:

Provided where the lessee has failed to make the application within the time stipulated above, the lease shall lapse on expiry of the period of two years.

(4) Application made under sub-rule (3) shall specify in detail:

- (a) the reasons on account of which it will not be possible for the lessee to undertake mining operations or continue such operations;
- (b) the manner in which such reasons are beyond the control of the lessee; and
- (c) the steps that have been taken by the lessee to mitigate the impact of such reasons.

(5) Every application under sub-rule (3) shall be accompanied by a fee of rupees one lakh.

(6) The State Government shall, after examining the adequacy and genuineness of the reasons for the non-commencement of mining operations or discontinuance thereof, pass an order, within a period of three months from the date of receipt of the application made under sub-rule (3) or the date on which the mining lease would have otherwise lapsed, whichever is earlier, either granting or rejecting such request:

Provided that such mining lease shall lapse on failure to undertake mining operations or inability to continue the same before the end of a period of six months from the date of the order of the State Government communicating that the lease has not lapsed.

(7) The State Government may, on an application made by the holder of a mining lease submitted within a period of six months from the date of its lapse and on being satisfied about the adequacy and genuineness of the reasons for non-commencement of mining operations or discontinuance thereof was beyond the control of the holder of the mining lease, revive the mining lease within a period of three months from the date of receiving the application from such prospective or retrospective date as it thinks fit but not earlier than the date of lapse of the mining lease:

Provided that no mining lease shall be revived for more than twice during the entire period of the mining lease.

(8) Application made under sub-rule (7) for revival of the mining lease shall specify in detail:

- (a) the reasons on account of which the lessee failed to undertake mining operations or continue such operations;
- (b) the manner in which such reasons are beyond the control of the lessee; and
- (c) the steps that have been taken by the lessee to mitigate the impact of such reasons.

Provided that the State Government may seek such additional information, documents or clarifications with respect to the application as it may require.

(9) Every application under sub-rule (7) shall be accompanied by a fee of rupees one lakh.

(10) The State Government shall have the right to enforce the performance security of the lessee to carry out protective, reclamation and rehabilitation measures in the leased area of the mining lease which has lapsed.

(11) The lessee shall pay any expenditure over and above the performance security incurred by the State Government, towards protective, reclamation and rehabilitation measures in the leased area of the mining lease which has lapsed.

21. **Surrender of the mining lease.-** (1) The lessee may make an application for surrender of the entire area of the mining lease after giving a notice in writing of not less than twelve calendar months from the intended date of surrender. Such application shall be accompanied by an approved final mine closure plan:

Provided that the lessee may make an application for surrender of a part of the area under mining lease only in case the lessee has been unable to obtain forest clearance for such area and in such cases, the minimum area of the mining lease shall stand adjusted accordingly.

(2) The State Government shall allow surrender of a mining lease under sub-rule (1) if the following conditions are satisfied:

- (a) the lessee has submitted documents to evidence implementation of the approved final mine closure plan; and
- (b) all dues with respect to the mining lease have been settled.

(3) In case of surrender of the entire area of the mining lease, the performance security provided by the lessee shall be forfeited.

(4) The lessee shall pay any expenditure over and above the performance security incurred by the State Government, towards protective, reclamation and rehabilitation measures in the leased area of the mining lease which has been surrendered.

22. **Termination.-** In the event of termination of a mining lease under the provisions of sub-section (1) of section 4A, or sub-rules (8), (9) and sub-rule (10) of rule 12, or sub-rule (11) of rule 23, rule 24 or sub-rule (2) of rule 61 of these rules, the State Government shall have the right to enforce the performance security of the lessee to

carry out protective, reclamation and rehabilitation measures in the area.

(2) The lessee shall pay any expenditure over and above the performance security incurred by the State Government, towards protective, reclamation and rehabilitation measures in the leased area of the mining lease which has been terminated.

### CHAPTER VIII: TRANSFERS

23. **Transfer of mining lease or prospecting licence-cum-mining lease granted through auction.-** (1) Where a prospecting licence-cum-mining lease or a mining lease has been granted through auction, the holder of such concession (**the transferor**) may transfer such concession in the manner specified in this rule.

(2) The holder of a mining lease or prospecting licence-cum-mining lease which has been granted only through auction may transfer his mining lease or prospecting licence-cum-mining lease, as the case may be, to any person eligible to hold a mining lease or prospecting licence-cum-mining lease in accordance with the Act and the rules made thereunder (the transferee) with the previous approval of the State Government.

(3) The transferor and the transferee shall, prior to the transfer, jointly submit an application to the State Government in the format specified in **Schedule IX**, namely the “transfer application”, which shall also contain details of the consideration payable by the transferee for the transfer, including the consideration in respect of the prospecting operations already undertaken and the reports and data generated during the operations.

(4) The State Government within a period of ninety days from the date of receiving a transfer application made under sub-rule (3) shall convey its decision to approve or reject such transfer for reasons to be recorded in writing:

Provided that if the State Government does not convey its decision for such a transfer, within a period of ninety days from the date of receiving such a transfer application, it shall be construed that the State Government has no objection to such transfer:

Provided further that no such transfer of a mining lease or of a prospecting licence-cum-mining lease shall be made in contravention of any condition subject to which the mining lease or the prospecting licence-cum-mining lease was granted.

(5) All transfers effected under this rule shall be subject to the condition that the transferee has accepted all the conditions and liabilities under any law for the time being in force which the transferor was subject to in respect of such a mining lease or prospecting licence-cum-mining lease, as the case may be.

(6) On and from the transfer date, the transferee shall be liable towards the State Government and Central Government with respect to any and all liabilities with respect to the transferable concession.

(7) The transferor and the transferee shall jointly submit a duly registered deed in the format specified in **Schedule X**, or a format as near thereto as possible, namely the “transfer deed”, within a period of thirty days from the date of (i) receipt of a letter of approval from the State Government as specified in sub-rule (4); or (ii) expiry of

period after which it is construed that the State Government has no objection to such transfer pursuant to the first proviso to sub-rule (4), as the case may be.

(8) If a duly registered transfer deed is not submitted to the State Government in pursuance to sub-rule (7), then transfer application made under sub-rule (3) shall become ineligible.

(9) The date of commencement of the transfer deed shall be the date on which a duly executed transfer deed is registered.

(10) The State Government shall intimate the Indian Bureau of Mines in writing about any transfer of a transferable concession.

(11) The State Government may, by an order in writing terminate any mining lease or prospecting licence-cum-mining lease, as the case may be, at any time if the lessee has, in the opinion of the State Government, committed a breach of any of the provisions of this rule or has transferred such lease or any right, title, or interest therein otherwise in accordance with this rule:

Provided that no such order shall be made without giving the lessee a reasonable opportunity of stating his case.

24. **Termination of mineral concession not granted through auction which is in violation of transfer norms.-** Where the holder of a mineral concession which has been granted otherwise than through auction is found to have,-

- (a) transferred the mineral concession, or any right, title or interest therein, including by way of assignment, sublet or mortgage, or
- (b) entered into or made any arrangement, contract or understanding whereby the mineral concession holder will or may be directly or indirectly financed to a substantial extent by, or under which the operations or undertakings of the holder of the mineral concession will or may be substantially controlled by, or under which the mineral will or may be supplied, delivered or sold at substantially lower than the fair market value thereof to, or under which the sale price or profit will or may be shared with, or under which significantly higher amount(s) than the normal industry norms will or may be paid for any operation(s) to, any person or body of persons other than the holder of the mineral concession, the State Government may, by order in writing, terminate such mineral concession:

Provided that no such order shall be made without giving the holder of mineral concession a reasonable opportunity of stating his case.

Provided further that the transfer of the mineral concession taken place or the arrangement, contract or understanding entered into with the previous consent in writing of the state government before 12<sup>th</sup> January, 2015 i.e. the coming into force of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 shall not be liable for any action under this rule.

25. **Encumbrance and enforcement of security interest.-** (1) A person holding a transferable concession as provided in rule 23 shall be free to create any encumbrance over the transferable concession.

(2) In the event of enforcement of security interest with respect to such encumbrance, the mineral concession shall be assigned only to such transferee who meets all the eligibility conditions which were required to be met by the transferor for grant of the mineral concession and in the manner as specified under rule 23:

Provided that in such cases the creditors enforcing the security interest may submit the transfer application on behalf of the transferee.

(3) No encumbrance shall be created over a mineral concession other than a transferable concession.

#### **CHAPTER IX: PROCEDURE FOR OBTAINING A PROSPECTING LICENCE OR MINING LEASE IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN A PERSON OTHER THAN THE GOVERNMENT**

26. **Applicability of this chapter.-** The provisions of this chapter shall apply only to the grant of prospecting licences and mining leases in respect of lands in which the minerals vest exclusively in a person other than the Government.

27. **Order of the State Government.-** (1) Any person claiming to be the owner of a land and desiring to grant a prospecting licence or mining lease, as the case may be, with respect to the said land shall make an application to the State Government for authorising grant of a prospecting licence or mining lease, as the case may be.

(2) The application shall be accompanied by documentary evidence to confirm that mineral rights vest in the applicant and the applicant is the owner of the land in respect of which the prospecting licence or mining lease, as the case may be, is proposed to be granted.

(3) The State Government shall, upon satisfying itself of the bona fides of the applicant, pass an order, in writing, within a period of ninety days from the date of receiving the application made under sub-rule (1), rejecting the application or authorising the applicant to grant a prospecting licence or mining lease, as the case may be, with respect to such land.

28. **Conditions of prospecting licence.-** Every prospecting licence granted pursuant to rule 27 shall be subject to such conditions as may be agreed upon in writing between the grantor of the licence and the licensee.

29. **Conditions of mining lease.-** Every mining lease granted pursuant to rule 27 shall be subject to such conditions as may be agreed upon in writing between the grantor of the lease and the lessee:

Provided that the lessee shall be obligated to:

- (a) comply with the provisions of the rules made under section 18;
- (b) comply with the provisions of Chapter V regarding preparation of a mining plan and system of certification;

- (c) operate the mine in accordance with the mining plan; and
  - (d) provide the State Government with a security deposit of the value of rupees five lakhs per hectare, as security for ensuring compliance with the mine closure plan.
30. **Submission of copy of licence or lease.-** Every person obtaining a prospecting licence or a mining lease under this Chapter IX shall, within three months of the grant of such licence or lease, as the case may be, submit to the State Government concerned, a certified copy of the licence or lease in duplicate.
31. **Communication of transfer or assignment.-** Every transferee or assignee of a prospecting licence or a mining lease or of any right, title or interest therein shall, within one month of such transfer or assignment, inform the State Government of the transfer or assignment and of the terms and conditions of such transfer and assignment .
32. **Prohibition of working of mines.-** If the State Government has reason to believe that the grant or transfer of a prospecting licence or a mining lease or any right, title or interest in such licence or lease is in contravention of any of the provisions of this Chapter IX, the State Government may, after giving the parties an opportunity to represent their views and with the approval of the Central Government, direct the parties concerned not to undertake any prospecting or mining operations in the area to which the licence or lease relates.
33. **Returns and statements.-** The holder of a prospecting licence or a mining lease shall furnish to the State Government such returns and statements and within such period as may be specified as per the rules made under section 18.
34. **Penalty.-** In the event that any prospecting licence or mining lease is granted in contravention of the provisions of this Chapter IX, the grantor of the licence or lease shall be liable to be penalized under the provisions of rule 54.

## CHAPTER X: REVISION

35. **Application for revision.-** (1) Any person aggrieved by:
- (a) any order made by the State Government or other authority in exercise of the powers conferred on it by or under the Act or the rules made thereunder; or
  - (b) non-passing of any order by the State Government or other authority in exercise of the powers conferred on it by or under the Act or the rules made thereunder, within the time prescribed therefor
- may, within three months of (i) the date of communication of the order to him; or (ii) the date on which the time period for passing such order expired, apply to the Central Government in the form specified in **Schedule XI** for passing of an order, pursuant to section 30.
- (2) The application should be accompanied by a bank draft for rupees ten thousand as application fee drawn on a Scheduled bank in the name of 'Pay and Accounts Officer, Ministry of Mines' payable at New Delhi or by way of a bank transfer to the

designated bank account of the Ministry of Mines:

Provided that any such application may be entertained after the said period of three months if the applicant satisfies the Central Government that he had sufficient cause for not making the application within time.

(3) In every application under sub-rule (1) against the order of a State Government refusing to grant a mineral concession, any person to whom a mineral concession was granted in respect of the same area or for a part thereof, shall be impleaded as party.

(4) The applicant shall, along with the application under sub-rule (1), submit as many copies thereof as there are parties impleaded under sub-rule (3).

(5) On receipt of the application and copies thereof, the Central Government shall send a copy of the application to each of the parties impleaded under sub-rule (3) specifying a date on or before which he may make his representations, if any, against the revision application;

Provided that in case where the revision application has been filed for the reason that no order has been passed by the State Government within the time prescribed therefor, the Central Government shall before passing an order give the State Government an opportunity of being heard or to represent in the matter.

36. **Orders on revision application:-** (1) On receipt of an application for revision under rule 35, copies thereof shall be sent to the State Government or other authority and to all the impleaded parties calling upon them to make such comments as they may like to make within three months from the date of issue of the communication, and the State Government or other authority and the impleaded parties, while furnishing comments to the Central Government shall simultaneously endorse a copy of the comments to the other parties.

(2) Comments received from any party under sub-rule (1) shall be sent to the other parties for making such further comments as they may like to make within one month from the date of issue of the communication and the parties making further comments shall send them to all the other parties.

(3) The revision application, the communications containing comments and counter-comments referred to in sub-rule (1) and (2) shall constitute the records of the case.

(4) After considering the records referred to in sub-rule (3), the Central Government may confirm, modify or set aside the order or pass such other order in relation thereto as the Central Government may deem just and proper.

(5) Notwithstanding anything contained in this rule, the Central Government may for sufficient cause, pending the final disposal of an application for revision, stay the execution of the order against which any revision application has been made.

## CHAPTER XI: ASSOCIATED MINERALS

37. **Associated minerals.-** The following shall be the group of associated minerals for the purposes of section 6 namely:-
- (a) Apatite, Beryl, Cassiterite, Columbite, Emerald, Felspar, Lepidolite, Pitchblende, Samarskite. Scheelite, Topaz, Tantalite, Tourmaline.
  - (b) Iron, Manganese, Titanium, Vanadium and Nickel minerals.
  - (c) Lead, Zinc, Copper, Cadmium, Arsenic, Antimony, Bismuth, Cobalt, Nickel, Molybdenum and Uranium minerals, and Gold and Silver, Arsenopyrite, Chalcopyrite, Pyrite, Pyrrhotite and Pentlandite.
  - (d) Chromium, Osmiridium, Platinum and Nickel minerals.
  - (e) Kyanite, Sillimanite, Corundum, Dumortierite and Topaz.
  - (f) Gold, Silver, Tellurium, Selenium and Pyrite.
  - (g) Fluorite, Chalcocite, Selenium and minerals of Zinc, Lead and Silver.
  - (h) Tin and Tungsten minerals.
  - (i) Limestone and Magnesite.
  - (j) Ilmenite, Monazite, Zircon, Rutile, Leucosene, Garnet and Sillimanite.
  - (k) Sulphides of Copper and Iron.
  - (l) Magnetite and Apatite.
  - (m) Magnesite and Chromite.
  - (n) Celestite and Phosphatic Nodules.

## CHAPTER XII: MINERALS VALUATION

38. **Sale Value.-** Sale value is the gross amount payable by the purchaser as indicated in the sale invoice where the sale transaction is on an arms' length basis and the price is the sole consideration for the sale, excluding taxes, if any.

*Explanation* – For the purpose of computing sale value no deduction from the gross amount will be made in respect of royalty, payments to the District Mineral Foundation and payments to the National Mineral Exploration Trust.

39. **Payment of royalty.-**(1) In case processing of run-of-mine is carried out within the leased area, then royalty shall be chargeable on the processed mineral removed from the leased area.

(2) In case run-of-mine is removed from the leased area to a processing plant which is located outside the leased area, then royalty shall be chargeable on the unprocessed run-of-mine and not on the processed product.



(3) Wherever the Act specifies that the royalty in respect of any mineral is to be paid on an *Ad valorem* basis, the royalty shall be calculated at the specified percentage of the average sale price of such mineral grade/ concentrate, for the month of removal / consumption, as published by the Indian Bureau of Mines.

(4) Wherever the Act specifies that the royalty in respect of any mineral is to be paid based on London Metal Exchange or London Bullion Market Association price, the royalty shall be calculated at the specified percentage of the average sale price of the metal for the month as published by the Indian Bureau of Mines, for the metal contained in the ore removed or the total by-product metal actually produced, as the case may be, of such mineral for the month.

(5) Wherever the Act specifies that the royalty of any mineral is to be paid on tonnage basis, the royalty shall be calculated as product of mineral removed or consumed from the lease area and the specified rate of royalty.

40. **Provisional Assessment and Adjustment.-** (1) At the time of removal or consumption of mineral from the mining lease area, the lessee shall calculate the amount of Royalty, payment to the District Mineral Foundation, payment to the National Mineral Exploration Trust, based on the latest available average sale price of the said mineral grade and pay the same to the Government as provisional payment for the same.

(2) After the publication of the Average Sale Price of the Minerals for the month by the Indian Bureau of Mines, due adjustment of the actual amounts payable against the provisional payment may be made:

Provided that if for a particular mineral grade / concentrate, the average sale price for a State for a particular month is not published by the Indian Bureau of Mines, the last available information published for that mineral grade / concentrate for that particular State by the Indian Bureau of Mines in the last six months previous to the month for which assessment is done shall be used, failing which the latest information for All India for the mineral grade / concentrate, shall be used.

41. **Royalty chargeable on dry basis.-** (1) In case of metallic ores where the royalty is chargeable on the metal contained in such ore, the royalty shall be charged on dry basis on the prices published by London Metal Exchange or London Bullion Market Association.

42. **Computation of average sale price.-** (1) The ex-mine price shall be used to compute average sale price of mineral grade/ concentrate.

(2) The ex-mine price of mineral grade or concentrate shall be:

- (a) where export has occurred, the free-on-board (F.O.B) price of the mineral less the actual expenditure incurred beyond the mining lease area towards transportation charges by road, loading and unloading charges, railway freight (if applicable), port handling charges/export duty, charges for sampling and

analysis, rent for the plot at the stocking yard, handling charges in port, charges for stevedoring and trimming, any other incidental charges incurred outside the mining lease area as notified by the Indian Bureau of Mines from time-to-time, divided by the total quantity exported.

- (b) where domestic sale has occurred, sale value of the mineral less the actual expenditure incurred towards transportation, loading, unloading, rent for the plot at the stocking yard, charges for sampling and analysis and any other charges beyond mining lease area as notified by the Indian Bureau of Mines from time-to-time, divided by the total quantity sold.
- (c) where sale has occurred, between related parties and/or where the sale is not on arms' length basis, then such sale shall not be recognized as a sale for the purpose of this rule and in such case, sub-clause (d) shall be applicable.
- (d) where sale has not occurred, the average sale price published monthly by the Indian Bureau of Mines for that mineral grade / concentrate for a particular State:

Provided that if for a particular mineral grade / concentrate, the information for a State for a particular month is not published by the Indian Bureau of Mines, the last available information published for that mineral grade / concentrate for that particular State by the Indian Bureau of Mines in the last six months previous to the reporting month shall be used, failing which the latest information for All India for the mineral grade / concentrate, shall be used.

- (3) The average sale price of any mineral grade/concentrate in respect of a month shall be the weighted average of the ex-mine prices of the non-captive mines, computed in accordance with the above provisions, the weight being the quantity dispatched from the mining lease area of mineral grade / concentrate relevant to each ex-mine price.
- 43. **Publication of average sale price.-** The Indian Bureau of Mines shall publish the average sale price of each mineral grade/concentrate removed from the mining leases in a month in a State within 45 days from the due date for filing the monthly returns as required under the Mineral Concession Development Rules, 1988.
  - 44. **Average sale price of metal.-** The Indian Bureau of Mines shall publish every month, the average sale price of the metal in Indian Rupees in the manner specified below.
    - (i) In respect of Aluminium, Copper, Lead, Nickel, Tin, and Zinc, the settlement price of London Metal Exchange for the said metals available during all the days of the month shall be multiplied by the reference rate, for the day, of the Reserve Bank of India, for the currency in which the price is obtained.
    - (ii) In respect of Gold and Silver, the London Bullion Market Association auction price shall be taken.
    - (iii) Where the Reserve Bank of India reference rate is not available for any day on which the London Metal Exchange / London Bullion Market Association price is

available, the Reserve Bank of India reference rate for the immediately preceding day shall be used.

- (iv) The simple average for the month of the daily prices of the metal worked out in Indian Rupees as specified above shall be published by the Indian Bureau of Mines as the average sale price of the said metal for that month.

45. **Formula for calculating average sale price for metallurgical grade Bauxite to be used in alumina and aluminium extraction, Limestone, Tungsten.-** (1) The State Government shall arrive at the average sale price of metallurgical Bauxite in the following manner:

$$\text{Average sale Price} = 52.9/100 \times \text{Percentage of Al}_2\text{O}_3 \text{ in bauxite on dry basis} \times \text{Average aluminium price in Indian rupee for the month as published by IBM}$$

- (2) The following procedure shall be used by IBM for publishing the average sale price of Limestone:

- (a) Weighted average of non-captive prices computed for all India for the month; or  
 (b) 115% of the weighted average captive prices for the State for the month, whichever is higher.

- (3) The following procedure be used by IBM for publishing the average sale price of Tungsten concentrate:

$$\text{Average Sale Price} = \frac{\text{Lowest price of WO}_3 \text{ per metric tonne for the month} + \text{Highest price of WO}_3 \text{ per metric tonne for the month}}{2} \times \text{Average of RBI Reference rates for the month}$$

The monthly prices available in Mineral Industry Surveys of USGS shall be taken by the IBM for compiling the average sale price of tungsten concentrate.

46. **Average sale price in respect of run-of- mine.-** (1) Based on such geological studies as may be deemed to be necessary and the data/information furnished in the Mining Plan by the lessee, the Indian Bureau of Mines shall establish the average percentages of lumps and fines present in run-of-mine for a State. Such average percentage of lumps and fines may be revised by Indian Bureau of Mines as and when found necessary.

- (2) The Indian Bureau of Mines shall publish the data sources and methodology used for arriving at such average percentages in respect of any mineral.

(3) Using the average percentage of lumps and fines and the average sale prices of lumps and fines of that mineral grade for the month, the Indian Bureau of Mines shall publish the average sale price of all grades of run-of-mine, wherever required, for each State every month.

47. **Power to issue directions by Controller General.-** Controller General of Indian Bureau of Mines may issue necessary directions, as and when required, to give effect to the provisions of this chapter.

### CHAPTER XIII: PAYMENTS

48. **How the fees and deposit to be made:-** Any amount payable under the Act or rules made thereunder except that payable in respect of revision petition under sub-rule (2) of rule 35, shall be paid in such manner as the State Government may specify in this behalf.
49. **Payment of interest.-** The State Government may, without prejudice to the provisions contained in the Act or rules made thereunder, charge simple interest at the rate of 24% per annum on any rent, royalty or fee other than the fee payable under sub-rule (2) of rule 35 or other sum due to that Government under the Act or rules made thereunder or terms and conditions of any mineral concession from the sixtieth day of the expiry of the date fixed by that Government for payment of such royalty, rent, fee or other sum and until payment of such royalty, rent, fee or other sum is made.
50. **Payments under section 9B and section 9C.-** In addition to the payments specified herein, the holder of a mining lease or a prospecting licence-cum-mining lease shall be required to pay monies to the District Mineral Foundation and the National Mineral Exploration Trust in accordance with the provisions of section 9B and section 9C respectively, and the rules in relation thereto.
51. **Payments under Rule 13 of the Mineral (Auction) Rules, 2015.-** In addition to the payments specified herein, the holder of a mining lease or a prospecting licence-cum-mining lease shall be required to pay the applicable amount quoted under Rule 8 of the Mineral (Auction) Rules, 2015 to the State Government on a monthly basis.

### CHAPTER XIV: COMPENSATION

52. **Payment of compensation to owner of surface rights etc.-** (1) The holder of a mineral concession shall be liable to pay to the occupier of the surface of the land over which he holds the concession, such annual compensation as may be determined by an officer appointed by the State Government by notification in this behalf in the manner provided in sub-rules (2) to (4).
- (2) In the case of agricultural land, the amount of annual compensation shall be worked out on the basis of the average annual net income from the cultivation of similar land for the previous three years.
- (3) In the case of non-agricultural land, the amount of annual compensation shall be worked out on the basis of average annual letting value of similar land for the previous three years.

(4) The annual compensation referred to in sub-rule (1) shall be payable on or before such date as may be specified by the State Government in this behalf.

53. **Assessment of compensation for damage.-** (1) After the cessation of mining activities as a consequence of expiry, lapsing, surrender or termination of a mineral concession, the State Government shall assess the damage, if any, done to the land by the reconnaissance or prospecting or mining operations, as the case may be, and shall determine the amount of compensation payable by the mineral concession holder, as the case may be, to the occupier of the surface land.

(2) Every such assessment shall be made within a period of one year from the date of cessation of mining activities as a consequence of expiry, lapsing, surrender or termination of the mineral concession and shall be carried out by an officer appointed by the State Government by notification in this behalf.

#### **CHAPTER XV: PENALTY**

54. **Penalty.-** Any contravention of any provision of these rules shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to rupees five lakhs, or with both, and in the case of a continuing contravention, with additional fine which may extend to rupees fifty thousand for every day during which such contravention continues after conviction for the first such contravention.

#### **CHAPTER XVI: REPEAL AND SAVING**

55. **Repeal and saving.-** (1) On the commencement of these rules, the Mineral Concession Rules, 1960 shall cease to be in force with respect to all minerals for which the Minerals (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, 2015 are applicable, except as regards things, done or omitted to be done before such commencement.

(2) On the commencement of these rules, with respect to the minerals to which these rules apply, any reference to the Mineral Concession Rules, 1960 in the rules made under the Act or any other document shall be deemed to be replaced with Minerals (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, 2015, to the extent it is not repugnant to the context thereof.

#### **CHAPTER XVII: MISCELLANEOUS**

56. **Amalgamation of leases.-** The State Government may, in the interest of mineral development and with reasons to be recorded in writing, permit amalgamation of two or more adjoining leases held by a lessee:

Provided that the period of amalgamated leases shall be co-terminus with the lease whose period will expire first.

57. **Extent of area granted under a mineral concession.-** Extent of area granted under a mineral concession shall also include non-mineralised area required for all the activities falling under the definition of 'mine' as defined in clause (j) of sub-section (1) of section 2 of the Mines Act, 1952 (35 of 1952).

58. **Power to rectify apparent mistakes.-** Any clerical or arithmetical mistake in any order passed by the Government or any other authority or officer under these rules and any error arising therein due to accidental slip or omission, may, within two years from the date of the order, be corrected by the Government, authority or officer, as the case may be:

Provided that no rectification order prejudicial to any person shall be passed unless such person has been given a reasonable opportunity of being heard.

59. **Copies of licences and leases and annual returns to be supplied to Government.-** (1) A copy of every mineral concession granted or renewed under the Act and rules made thereunder shall be supplied by each State Government within two months of such grant or renewal to the Controller General, Indian Bureau of Mines and the Director General, Directorate General of Mines Safety.

(2) A consolidated annual return of all mineral concessions granted or renewed under the Act and rules made thereunder shall be supplied by each State Government to the Controller General, Indian Bureau of Mines in such form as may be specified by him, not later than the 30<sup>th</sup> day of June following the year to which the return relates, a copy of which shall also be supplied by the State Government to the Director General, Directorate General of Mines Safety at the same time.

60. **Lessor to supply certain information to the lessee.-** Where any area has previously been held under a mineral concession, the person who was granted such concession shall make available to the new concession holder the original or certified copies of all plans including abandoned workings in that area.

61. **Change of name, nationality, etc. to be intimated.-** (1) An applicant for, or the holder of a mineral concession shall intimate to the State Government within sixty days any change that may take place in his name, nationality or other particulars furnished to the State Government.

(2) If the holder of a mineral concession fails without sufficient cause to furnish the information referred to in sub-rule (1), the State Government may impose a fine which may extend to five lakh rupees and in the case of continued contravention of the provisions of sub-rule (1) the State Government may terminate the mineral concession:

Provided that no such order shall be made without giving the concession holder a reasonable opportunity of stating his case.

62. **Previous approval of the Central Government or relaxation from the Central Government to be obtained through State Government.-** Where in any case, previous approval of the Central Government or relaxation from the Central Government is required under the Act or rules made thereunder, the application for such approval shall be made to the Central Government through the State Government.

63. **Facilities for training of students.-** (1) Every owner, agent or manager of a mine shall permit researchers or students of mining, geological and mineral processing institutions approved by the Central Government or State Government to conduct research or acquire practical training of the mines and plants operated by them and provide all necessary facilities required for the training of such students.

(2) Applications for research or training from students of institutions teaching mining, geology or mineral processing shall be forwarded to the owner, agent or manager of a mine through the Principal or Head of the Institution.

(3) Cases of refusal to provide facilities for research or practical training by any owner, agent or manager of a mine shall be referred to the Controller General, Indian Bureau of Mines for his decision within a period of thirty days.

64. **Geophysical data to be supplied to the Geological Survey of India and the Department of Atomic Energy.-** (1) A mineral concession holder shall furnish –

(a) all geophysical data relating to prospecting or mining fields or engineering and ground water surveys, such as anomaly maps, sections, plans, structures, contour maps, logging collected by him during the course of reconnaissance or prospecting or mining operations, to the Director General, Geological Survey of India, Calcutta and the Director of Geology and Mining of the State (by whatever name called) in which the reconnaissance or prospecting or mining operations are carried on.

(b) all information pertaining to incidental investigations of atomic minerals discovered and stacked by him during the course of reconnaissance or prospecting or mining operations to the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad, and to the Director of Geology and Mining of the State (by whatever name called), in which the reconnaissance or prospecting or mining operations are carried on.

(2) Data or information referred to in sub-rule (1) shall be furnished every year reckoned from the date of commencement of the period of the mineral concession.

65. **Special provisions relating to atomic minerals.-** (1) Notwithstanding anything contained in the rules, the prospecting or mining operations shall be subject to following conditions:-

(a) if the holder of a mineral concession discovers any atomic mineral in the area granted under concession, not specified in the concession, discovery of such mineral shall be reported to the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad within thirty days from the date of discovery of such mineral;

(b) the concession holder shall not win and dispose of such atomic mineral and the same shall be dealt with in the manner prescribed in the rules made under section 11B;

(c) the quantities of atomic minerals recovered incidental to such prospecting / mining operations shall be collected and stacked separately and a report to that effect shall be sent to the Secretary, Department of Atomic Energy, Mumbai and the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad every three months for such further action by the concession holder as may be directed by the Atomic Minerals Directorate for Exploration and Research or the Department of Atomic Energy.

66. **Lease period for more than one mineral in an area.-** Where more than one mineral is found in an area granted through auction, the period of lease for all minerals shall be co-terminus with that for which the lease was originally granted.
67. **Issue of notification where prospecting operations are to be undertaken.-** (1) Where a prospecting operation is to be undertaken by the Geological Survey of India, the Indian Bureau of Mines, the Atomic Minerals Division of the Department of Atomic Energy of the Central Government, the Directorate of Mining and Geology of any State Government (by whatever name called), or the Mineral Exploration Corporation Limited, a Government Company within the meaning of clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), and any such entity that may be notified for this purpose by the Central Government, the State Government shall issue a notification in the official Gazette giving details of the area, and the period for which prospecting operations are to be undertaken.
- (2) The State Government shall not grant any mineral concession to any other person for an area or a part thereof in relation to which a notification has been issued under sub-rule (1).
- (3) The State Government may revoke a notification issued under sub-rule (1), if the prospecting operations have been completed before the expiry of the period stated in the notification.
68. **Prospecting or mining operation by State Governments.-** A State Government may, after prior consultation with the Central Government and in accordance with the rules made under section 18, undertake reconnaissance, prospecting or mining operations of any mineral listed in Part C of the First Schedule to the Act in any area within that State which is not already held under any mineral concession:
- Provided that in such a case the State Government shall issue a notification in the Official Gazette giving details of the area and the period for which such operations are proposed to be undertaken:
- Provided further that, if the State Government fails to undertake reconnaissance, prospecting or mining operations within the period mentioned in the notification, the notification so issued shall lapse at the expiry of the said period unless the period is extended by a fresh notification.
69. **Boundaries below the surface.-** The boundaries of the area covered by a mining lease shall run vertically downwards below the surface towards the centre of the earth.
70. **Pending Applications.-** An application pending at the commencement of these rules, which is not inconsistent with the Act and rules made thereunder shall be disposed of in accordance with the provisions of these rules.



## SCHEDULE I

[See rule 5(1)]

### FORMAT OF APPLICATION TO BE MADE BY A HOLDER OF A RECONNAISSANCE PERMIT FOR GRANT OF A PROSPECTING LICENCE

To

[Address]

I/We request that a prospecting licence under these rules be granted to me/us.

S. No.	Item Detail	Particulars
(1)	(2)	(3)
1.	Name of applicant  (In case of a firm or other association of individuals, provide names of each person constituting the firm or the association of individuals, as the case may be.)	
2.	Address of the applicant  (In case of a firm or other association of individuals, provide addresses of each person constituting the firm or the association of individuals, as the case may be.)	
3.	Status of the applicant <ul style="list-style-type: none"><li>• Individual</li><li>• Firm</li><li>• Other association of individuals</li><li>• Company</li></ul>	
4.	Reconnaissance permit number	
5.	Date of execution of reconnaissance permit deed and the date when it is due to expire	
6.	Application fee payable (to be calculated at the rate of rupees one thousand per square kilometre on a <i>pro rata</i> basis.)	
7.	Name of bank, demand draft or challan number with date, through which application fee has been paid.	

8.	Mineral (s) which the applicant intends to prospect	
9.	Period for which prospecting licence is required	
10.	Extent of the area for which prospecting licence is required (Hectares)	
11.	Details of Area	
11.1.	District	
11.2.	Village	
11.3.	Taluka	
11.4.	Khasra No.	
11.5.	Geo co-ordinates of the area	
11.6.	Survey of India Toposheet number	
12.	Where the land is not owned by the applicant, whether the applicant has obtained surface rights over the area or has obtained the consent of the owner for starting prospecting operations.	Yes/No
13.	Does the area applied for, fall under forest area. If yes, then the following particulars to be given:	Yes/No
13.1.	Forest Division, Block and Range	
13.2.	Legal status of the forest (namely reserved, protected, unclassified, etc.)	
13.3.	Whether it forms part of a national park or wild-life sanctuary	
13.4.	Enclose the forest map with area marked. If forest map is not available, the area should be marked on sketch plan drawn to scale showing all the forest features	
14.	Particulars of the area mineral-wise in the State which the applicant individually or jointly: – (a) holds under a prospecting licence or a prospecting	

	<p>licence-cum-mining lease;</p> <p>(b) applied for a prospecting licence or a prospecting licence-cum-mining lease but not granted; and</p> <p>(c) applied for prospecting licence or a prospecting licence-cum-mining lease simultaneously.</p>	
15.	Has the applicant carried out the reconnaissance operations over the area held under reconnaissance permit and prepared the geological report in conformity with the Minerals (Evidence of Mineral Contents) Rules, 2015?	Yes/No
16.	Has the copy of geological report been attached with the application form?	Yes/No
17.	Has the applicant committed any breach of the terms and conditions of the reconnaissance permit?	Yes/No
18.	Has the applicant become ineligible under the provisions of the Act?	Yes/No
19.	Has the applicant made an application within the time period specified in sub-clause (iv) of clause (b) of sub-section (2) of section 10A of the Act?	Yes/No
20.	Has the applicant been convicted for illegal mining by any court?	Yes/No

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details including accurate plans and performance security, as may be required by you.

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

- (a) The applicant must submit a valid clearance certificate in the form prescribed by the State Government of payment of mining dues, such as royalty or dead rent and surface rent payable under the Act or the rules made thereunder, if any, from that Government or any officer or authority by that Government in this behalf, along with the application:

Provided that in case the applicant is a firm or association of individuals, such

certificate shall be furnished by all partners of the firm, or as the case may be, all members of the association of individuals:

Provided further that where a person has furnished an affidavit to the satisfaction of the State Government stating that he does not hold and has not held a prospecting licence or a prospecting licence-cum-mining lease or a mining lease, it shall not be necessary for him to produce the valid clearance certificate:

Provided also that the grant of a clearance certificate shall not discharge the holder of such certificate from the liability to pay the mining dues which may subsequently be found to be payable by him under the Act or the rules made thereunder.

- (b) The application must be signed by a duly authorised representative of the applicant, in case the applicant is a company. In case the applicant is an individual, the applicant must personally sign the application. In case of a firm or association of individuals, all the persons constituting the firm or association of individuals shall sign the application.
- (c) The corporate authorisation of the authorised signatory of the applicant (in case of a company) must be enclosed with the application. Any change in such corporate authorisation must be immediately intimated to the State Government.

**SCHEDULE II**

[See rules 5(2), 6(2), 7(2), 8(1) and 10(2)]

**FORMAT OF ACKNOWLEDGMENT REGARDING RECEIPT OF AN APPLICATION**

Government of [*name of the state*] [date]

Ref:

Received the application with the following enclosures for [*purpose of the application*] submitted by [*name and address of the applicant(s)*] on [*date of receipt of the application*].

Enclosures:

(1).....

(2).....

Place:

Date:

Signature and designation of Receiving Officer

### SCHEDULE III

[See rules 5(4) and 7(4)]

#### FORMAT OF APPLICATION FOR SEEKING EXTENSION OF TIME FROM STATE GOVERNMENT FOR SUBMISSION OF AN APPLICATION FOR PROSPECTING LICENCE/ MINING LEASE BY AN EXISTING RECONNAISSANCE PERMIT HOLDER/ EXISTING PROSPECTING LICENCE HOLDER

To

[Address]

I/We request for seeking extension of time for applying my/our prospecting licence /mining lease.

S. No	Item detail	Particulars
(1)	(2)	(3)
1.	Name of applicant with address  (In case of a firm or other association of individuals, provide names and address of each person constituting the firm or the association of individuals, as the case may be.)	
2.	Reconnaissance permit/prospecting licence number	
3.	Date of execution of reconnaissance permit/prospecting licence and the date on which it is due to expire	
4.	Reason(s) for seeking extension of time for submission of the application for prospecting licence/mining lease	
5.	Duration for which the extension is sought.	

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details, as may be required by you.

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

- (a) The application must be duly signed by an authorised representative of the applicant, in case the applicant is a company. In case the applicant is an individual, the applicant must personally sign the application. In case of a firm or association of individuals, all the persons constituting the firm or association of individuals shall sign the application.
- (b) The corporate authorisation of the authorised signatory of the applicant (which is a company) must be enclosed with the application. Any change in such corporate authorisation must be immediately intimated to the State Government.

## SCHEDULE IV

[See rules 5(10) (c), 7(10)(b) and 8(3)(a)]

### FORMAT OF BANK GUARANTEE FOR PERFORMANCE SECURITY

[Reference number of the bank]

[Date]

To

**The Governor of [Name of State]**

[address]

#### WHEREAS

A. [Name] incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN of the Applicant], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office]<sup>1</sup> (the “**Applicant**”) is required to provide an unconditional and irrevocable bank guarantee for an amount equal to INR [figures] (Indian Rupees [words]) as a performance security valid until [date of expiry of performance bank guarantee] (“**Expiry Date**”).

Mentioned only for companies, the format to include individuals / other applicants also

B. The Performance Security is required to be provided to **The Governor of [Name of State]**, (the “**State**”) for discharge of certain obligations under the [reference to the principal documents –prospecting licence/mining lease, mine development and production agreement] dated, [date] with respect to [particulars of concession] (collectively the “**Concession Document**”).

C. We, [name of the bank] (the “**Bank**”) at the request of the Applicant do hereby undertake to pay to the State an amount not exceeding INR [figures] (Indian Rupees [words]) (“**Guarantee Amount**”) to secure the obligations of the Applicant under the Concession Document on demand from the State on the terms and conditions herein contained herein.

**NOW THEREFORE**, the Bank hereby issues in favour of the State this irrevocable and unconditional payment bank guarantee (the “**Guarantee**”) on behalf of the Applicant in the Guarantee Amount:

1. The Bank for the purpose hereof unconditionally and irrevocably undertakes to pay to the State without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the State, a sum or sums (by way of one or more claims) not exceeding the Guarantee Amount in the aggregate without the State needing to prove or to show to the Bank grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the State and Applicant on any matter whatsoever. The Bank undertakes to pay to the State any money so demanded notwithstanding any dispute or disputes raised by the Applicant

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<sup>1</sup> Note: To be modified if the Applicant is not a company.



in any suit or proceeding pending before any court or tribunal relating thereto the Bank's liability under this present being absolute and unequivocal.

2. The Bank acknowledges that any such demand by the State of the amounts payable by the Bank to the State shall be final, binding and conclusive evidence in respect of the amounts payable by Applicant to the State under the Concession Document.
3. The Bank hereby waives the necessity for the State from demanding the aforesaid amount or any part thereof from the Applicant and also waives any right that the Bank may have of first requiring the State to pursue its legal remedies against the Applicant, before presenting any written demand to the Bank for payment under this Guarantee.
4. The Bank further unconditionally agrees with the State that the State shall be at liberty, without the Bank's consent and without affecting in any manner the Bank's obligation under this Guarantee, from time to time to:
  - (i) vary and/or modify and of the terms and conditions of the Concession Document;
  - (ii) extend and / or postpone the time for performance of the obligations of the Applicant under the Concession Document, or
  - (iii) forbear or enforce any of the rights exercisable by the State against the Applicant under the terms and conditions of the Concession Document.

and the Bank shall not be relieved from its liability by reason of any such act or omission on the part of the State or any indulgence by the State to the Applicant or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Bank of its obligations under this Guarantee.

5. Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever.
6. The Bank agrees that State at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Applicant.
7. The Bank further agree that the guarantee herein contained shall remain in full force and effect during the period that specified in the Concession Document and that it shall continue to be enforceable till all the obligations of the Applicant under or by virtue of the said Concession Document with respect to the Performance Security have been fully paid and its claims satisfied or discharged or till the State certifies that the terms and conditions of the Concession Document with respect to the Performance Security have been fully and properly carried out by the Applicant and accordingly discharges this guarantee. Notwithstanding anything contained herein, unless a demand or claim under this guarantee is made on the Bank in writing on or before the Expiry Date the Bank shall be discharged from all liability under this guarantee thereafter.

8. The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the State shall have no claim against the Bank for making such payment.
9. This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at the State of [respective State].
10. The Bank has the power to issue this Guarantee in favour of the State. This guarantee will not be discharged due to the change in the constitution of the Bank
11. The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the State in writing.
12. The State may, with prior intimation to the Bank, assign the right under this Guarantee to any other departments, ministries or any governmental agencies, which may act in the name of the Governor. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.
13. Notwithstanding anything contained herein,
  - a. the liability of the bank under this bank guarantee shall not exceed the Guarantee Amount.
  - b. This bank guarantee shall be valid up to the Expiry Date.
14. The Bank is liable to pay the guaranteed amount or any part thereof under this bank guarantee only and only if the State serves upon the Bank a written claim or demand on or before the Expiry Date.

Dated the [day] day of [month] [year].

In witness whereof the Bank, through its authorized officer, has set its hand and stamp.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name and Designation)

(Bank Stamp)

## SCHEDULE V

[See rules 5(11) and 9(1)]

### FORMAT OF PROSPECTING LICENCE

This deed for grant of a prospecting licence (“**Licence**”) is made by and between the following:

#### PARTIES:

- 1 **The Governor of [State]**, acting through [*Department of Mines and Geology of the State*] (the “**State Government**”).
- AND
- 2 [**Name of the licensee**] [incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office]] **OR** [an individual who is citizen of India, having income tax permanent account number [number], residing at [address]] **OR** [persons listed in *SCHEDULE A* organised as a [firm/association of persons] in the name of [*name of the firm or association of individuals*], all of whom are Indian citizens and resident in India] (the “**Licencee**”).

#### BACKGROUND:

- A. The Licencee [had participated in an electronic auction for grant of a prospecting licence-cum-mining lease, pursuant to which the Licencee has become eligible for grant of a prospecting licence as a first stage of the prospecting licence-cum-mining lease concession] **OR** [had been granted a reconnaissance permit on [date] with respect to which the Licencee has completed the requirements under the Mines and Minerals (Development and Regulation) Act, 1957 (“**Act**”) and the rules made thereunder for grant of a prospecting licence].
- B. Accordingly, the State Government is now executing this Licence for grant of a Licence to the Licencee in consideration of the fee, royalties, covenants and agreements hereinafter reserved and contained on the part of the Licence to be paid, observed and performed.

#### 1. DEFINITIONS

The expressions used in this Licence shall have the same meaning as ascribed to them under the Act and the rules made thereunder.

#### 2. GRANT OF LICENCE

The State Government hereby grants the Licence to the Licencee over an area described in Schedule B (“**Licence Area**”) for conducting prospecting operations for a period of [time period], commencing from the date of the execution of the prospecting licence with respect to following mineral(s), [name of the minerals].

#### 3. RIGHTS AND OBLIGATIONS

- 3.1. The rights and obligations of the State Government and the Licencee shall be as specified in the Act and the rules made thereunder, including without limitation

the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015.

3.2. Without prejudice to the generality of the foregoing,

(a) the Licencee shall:

- (i) at all times comply with the provisions of the Act and the rules made thereunder and any other applicable law;
- (ii) make prompt payment of royalty and any other payment required to be made by the Licencee;
- (iii) pay such compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury, or disturbance which may be done by the Licencee in exercise of the powers granted by this Licence and to indemnify and keep indemnified fully and completely the State Government against all claims which may be by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith;
- (iv) take measures, at his own expense, for the protection of environment like planting of trees, reclamation of mined land, use of pollution-control devices, and such other measures as may be prescribed by the Central or State Government from time to time;
- (v) without delay send to the Deputy Commissioner/Collector a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of the operations under this Licence;
- (vi) weigh or cause to be measured or weighed upon some part of the Licence Area all minerals from time to time won from the Licence Area, with [number of days] prior notice being given to the Deputy Commissioner/Collector every such measuring or weighing in order that he or some person on his behalf may be present thereat;
- (vii) submit to the State Government a full report of the work done by the Licencee and disclose all information acquired by the Licencee in the course of the operations carried on under this Licence regarding the geology and mineral resources of the area covered by the Licence; and
- (viii) pay stamp duty and registration charges as may be applicable in respect of this Licence.

(b) the State Government shall:

- (i) have the right to, at all times to enter into and upon and to grant or demise to any person or persons whomsoever liberty to enter into and upon the Licence Area for all or any purposes other than those for which sole rights and Licence are hereby expressly conferred upon

the Licencee, including without limitation, to make on, over or through the said lands such roads, tramways and ropeways as shall be considered necessary or expedient for any purposes and to obtain from and out of the said lands such stone, earth or other materials as may be necessary or requisite for making, repairing or maintaining such roads, tramways, railways and ropeways to pass and repass at all times over and along such roads, tramways, railways and ropeways for all purposes and as occasion shall require;

- (ii) have the right to appropriate any performance security provided by the Licencee in accordance with terms of such performance security and require the Licencee to replenish the performance security. In case the performance security has been provided through a security deposit after termination of the Licence and fulfilment of all obligations of the Licencee, such security deposit shall be returned to the Licencee after appropriate deductions. It is clarified that the security deposit shall not carry any interest; and
- (iii) have the right to carry out or perform any work or matters which in accordance with the covenants in that behalf are to be carried out or performed by the Licencee, but have not been so carried out or performed within the time specified In that behalf, and the Licencee shall pay the State Government on demand all expenses which shall be incurred in such carrying out or performance of the same.

- 3.3. If the State Government is desirous of exercising its right of pre-emption with respect to any mineral(s) the State Government shall pay the average sale price of such minerals as published by IBM prevailing at the time of pre-emption.
- 3.4. In the event of the existence of a state of war or emergency (of which existence the President of India shall be the sole judge and a notification to this effect in the Gazette of India shall be conclusive proof) the State Government with the consent of the Central Government shall from time to time and at all times during the said term have the right (to be exercised by a notice in writing to the licensee/licencees) forthwith take possession and control of the works, plant, machinery and premises of the Licencee on or in connection with the Licence Area or the operations under this Licence and during such possession or control, the Licencee shall conform to and obey all directions given by or on behalf of the Central or State Government regarding the use of employment of such works, plants, premises and minerals, provided that fair compensation, which shall be determined in default of agreement by the State Government shall be paid to the Licencee for all loss or damage sustained by him/them by reason or in consequence of the exercises of the powers conferred by this clause and provided also that the exercise of such power shall not determine the said term hereby granted or affect the terms and provisions of this clause.
- 3.5. If after the receipt of an offer of compensation for any damage which is likely to arise from the proposed operation of the Licencee, the occupier of the surface of any part of the said lands shall refuse his consent to the exercise of the rights and powers reserved to the State Government and granted by this Licence, the Licencee shall report the matter to the State Government and shall deposit with it

the amount offered as compensation and if the State Government is satisfied that the amount of compensation is reasonable or if it is not so satisfied and the Licencee shall have deposited with it such further amount as the State Government may consider reasonable, the State Government shall order the occupier to allow the Licencee to enter upon the said land and carry out such operations as may be necessary for the purpose of the Licence. In assessing the amount of such compensation the State Government shall be guided by the principles of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.

- 3.6. Every notice required to be given to the Licencee shall be given in writing to such person as may be nominated by the Licencee and such nomination shall be informed to the State Government in writing. If no such nomination is made then the notice shall be sent to the Licencee by registered post/speed post addressed to the Licencee at the address shown in the application for the Licence or at such other address in India as the Licencee may designate from time to time and every such service shall be deemed to be proper and valid service upon the Licencee and shall not be questioned or challenged by him.
- 3.7. If in any event the orders of the State Government are revised, reviewed or cancelled by the Central Government in pursuance of proceedings under the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015, the Licencee shall not be entitled to compensation for any loss sustained by the Licencee in exercise of the powers and privileges conferred upon the Licencee by these presents.

#### 4. GOVERNING LAW

This Licence and all questions of its interpretation shall be construed in accordance with the laws of India. In the event of any dispute in relation to this Licence and in respect of all matters touching the relationship of the Licencee and the State Government, suits or petitions shall be filed in civil courts at [name of the city] and it is hereby expressly agreed that neither party shall file a suit or appeal or bring any actions at any place other than the courts named above.

In witness whereof these presents have been executed at the [name of place] on [date].

#### SCHEDULE A – LIST OF PERSONS<sup>2</sup>

S. No	Name	PAN Number	Address

<sup>2</sup>To be deleted if the Lessee is not an association of individuals.

## SCHEDULE B: AREA OF PROSPECTING LICENCE

(Description of area, including Geo-coordinates, to be provided.)

## SCHEDULE VI

[See rule 7(1)]

### FORMAT OF APPLICATION BY HOLDER OF PROSPECTING LICENCE FOR GRANT OF A MINING LEASE

To

[Address]

I/We request that a mining lease under these rules be granted to me/us.

S. No.	Item Detail	Particulars
(1)	(2)	(3)
1.	Name of applicant with address  (In case of a firm or other association of individuals, provide names of each person constituting the firm or the association of individuals, as the case may be.)	
2.	Address of the applicant  (In case of a firm or other association of individuals, provide addresses of each person constituting the firm or the association of individuals, as the case may be.)	
3.	Status of the applicant <ul style="list-style-type: none"><li>• Individual</li><li>• Firm</li><li>• Other association of individuals</li><li>• Company</li></ul>	
4.	Prospecting licence number/composite licence number	
5.	Date of registration of prospecting licence/composite licence deed and the date of expiry	
6.	Application fee payable (to be calculated at the rate of rupees five lakh per square kilometre on a <i>pro rata</i> basis.)	

7.	Name of bank, demand draft or challan number with date, through which application fee has been paid.	
8.	Mineral (s) for which the mining lease is being applied for	
9.	Manner in which the mineral raised is to be utilised (captive or non-captive)	
10.	Extent of the area for which mining lease is required (Hectares)	
11.	Details of area	
11.1.	District	
11.2.	Village	
11.3.	Taluka	
11.4.	Khasra Number	
11.5.	Geo co-ordinates of the area as per Differential Geographical Positioning System.	
11.6.	Survey of India Toposheet number	
12.	Where the land is not owned by the applicant, whether the applicant has obtained surface rights over the area or has obtained the consent of the owner for starting mining operations.	Yes/No
13.	In the area applied for is under forest. If yes, then the following particulars be given	Yes/No
13.1.	Forest Division, Block and Range	
13.2.	Legal status of the forest (namely reserved, protected, unclassified etc.)	
13.3.	Whether it forms part of a national park or wild-life sanctuary	
13.4.	Enclose the forest map with area marked. If forest map is not available, the area should be marked on sketch plan drawn to scale showing all the forest features	
13.5.	Proposed method of mining	underground / opencast



14.	Particulars of the area mineral-wise in the State which the applicant individually or jointly: –  (a) already holds under a mining lease;  (b) has applied for a mining lease but not granted; and  (c) being applied for a mining lease simultaneously.	
15.	Has the applicant carried out the prospecting operations over the area held under prospecting licence, or the composite licence, as the case may be, and prepared the geological report in conformity with the Minerals (Evidence of Mineral Contents) Rules, 2015?	Yes/No
16.	Has the copy of geological report been attached with the application form?	Yes/No
17.	Has the applicant committed any breach of the terms and conditions of the reconnaissance permit?	Yes/No
18.	Has the applicant become ineligible under the provisions of the Act?	Yes/No
19.	Has the applicant made an application within the time period specified in sub-clause (iv) of clause (b) of sub-section (2) of Section 10A of the Act?	Yes/No
20.	Has the applicant been convicted for illegal mining by any court?	Yes/No

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details including accurate plans and security deposit, as may be required by you.

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

- (a) The applicant must submit a valid clearance certificate in the form prescribed by the State Government, of payment of mining dues, such as royalty or dead rent and surface rent payable under the Act or the rules made thereunder, if any from that Government or any officer or authority by that Government in this behalf, along with the application:

Provided that in case the applicant is a firm or association of individuals such

certificate shall be furnished by all partners of the firm or, as the case may be, all members of the association of individuals:

Provided further that where a person has furnished an affidavit to the satisfaction of the State Government stating that he does not hold and has not held a mineral concession, it shall not be necessary for him to produce the said valid clearance certificate:

Provided also that the grant of a clearance certificate shall not discharge the holder of such certificate from the liability to pay the mining dues which may subsequently be found to be payable by him under the Act or the rules made thereunder.

- (b) The application must be signed by a duly authorized representative of the applicant, in case the applicant is a company. In case the applicant is an individual, the applicant must personally sign the application. In case of a firm or association of individuals, all the persons constituting the firm or association of individuals shall sign the application.
- (c) The corporate authorisation of the authorised signatory of the applicant (which is a company) must be enclosed with the application. Any change in such corporate authorisation must be immediately intimated to the State Government.

## SCHEDULE VII

[See rules 7(11), 8(4), 9(2), 12(1)(d)]

### FORMAT OF MINING LEASE

This deed for grant of a mining lease (“**Lease**”) is made by and between the following:

#### **PARTIES:**

1 **The Governor of [State]**, acting through [*Department of Mines and Geology of the State*] (the “**State Government**”).

AND

2 [**Name of the Lessee**] [incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office]] **OR** [an individual who is citizen of India, having income tax permanent account number [number], residing at [address]] **OR** [persons listed in *SCHEDULE A* organised as a [firm/association of persons] in the name of [*name of the firm or association of individuals*], all of whom are Indian citizens and resident in India] (the “**Lessee**”).

#### **BACKGROUND:**

- A.** The Lessee [had participated in an electronic auction for grant of a mining lease, pursuant to which the Lessee has become eligible for grant of a mining lease] **OR** [had participated in an electronic auction for grant of a prospecting licence cum mining lease, pursuant to which the Lessee has become eligible for grant of a mining lease] **OR** [had been granted a prospecting licence on [date] with respect to which the Lessee has completed the requirements under the Mines and Minerals (Development and Regulation) Act, 1957 (“**Act**”) and rules made thereunder for grant of a mining lease].
- B.** Accordingly, the State Government is now executing this deed for grant of a Lease to the Lessee in consideration of the fee, royalties, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed.

#### **1. DEFINITIONS**

The expressions used in this Lease shall have the same meaning as ascribed to them under the Act and the rules made thereunder.

#### **2. GRANT OF LEASE**

- 2.1. The State Government hereby grants the Lease to the Lessee over an area described in Schedule B (“**Lease Area**”) for conducting mining operations for a period of 50 years, commencing from the date on which this duly executed mining lease deed is registered with respect to following mineral(s), [*name of the minerals*] (“**Minerals**”).
- 2.2. The Lease shall be with respect to all those the mines beds/veins seams of the Minerals situated lying and being in or under the Lease Area.

- 2.3. Subject to the Lessee paying the royalties and making other payments required to be paid and observing and performing all the covenants and agreements herein contained and on the part of the Lessee to be observed and performed shall and may quietly hold and enjoy the rights and premises of the Lease Area for and during the term hereby granted without any unlawful interruption from or by the State Government, or any person rightfully claiming under it.

### **3. RIGHTS AND OBLIGATIONS**

- 3.1. The rights and obligations of the State Government and the Lessee shall be as specified in the Act and the rules made thereunder, including without limitation the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015 and the Mine Development and Production Agreement dated [date].

- 3.2. Without prejudice to the generality of the foregoing,

- (a) the Lessee shall:
- (i) at all times comply with the provisions of the Act and the rules made thereunder and any other applicable law;
  - (ii) make prompt payment of royalty and any other payment required to be made by the Lessee;
  - (iii) pay such compensation as may be assessed by lawful authority in accordance with the law in force on the subject for all damage, injury, or disturbance which may be done by the Lessee in exercise of the powers granted by this Lease and to indemnify and keep indemnified fully and completely the State Government against all claims which may be by any person or persons in respect of any such damage, injury or disturbance and all costs and expenses in connection therewith;
  - (iv) take measures, at his own expense, for the protection of environment like planting of trees, reclamation of mined land, use of pollution-control devices, and such other measures as may be prescribed by the Central or State Government from time to time;
  - (v) without delay send to the Deputy Commissioner/Collector a report of any accident causing death or serious bodily injury or serious injury to property or seriously affecting or endangering life or property which may occur in the course of the operations under this Lease;
  - (vi) weigh or cause to be measured or weighed upon some part of the Lease Area all minerals from time to time won from the Lease Area, with [number of days] prior notice being given to the Deputy Commissioner/Collector every such measuring or weighing in order that he or some person on his behalf may be present thereat;
  - (vii) submit to the State Government a full report of the work done by the Lessee and disclose all information acquired by the Lessee in the

course of the operations carried on under this Lease regarding the geology and mineral resources of the area covered by the Lease; and

(viii) pay stamp duty and registration charges as may be applicable in respect of this deed.

(b) the State Government shall:

(i) have the right to, at all times to enter into and upon and to grant or demise to any person or persons whomsoever liberty to enter into and upon the Lease Area for all or any purposes other than those for which sole rights and Lease are hereby expressly conferred upon the Lessee, including without limitation, to make on, over or through the said lands such roads, tramways and ropeways as shall be considered necessary or expedient for any purposes and to obtain from and out of the said lands such stone, earth or other materials as may be necessary or requisite for making, repairing or maintaining such roads, tramways, railways and ropeways to pass and repass at all times over and along such roads, tramways, railways and ropeways for all purposes and as occasion shall require;

(ii) have the right to appropriate any performance security provided by the Lessee in accordance with terms of such performance security and require the Lessee to replenish the performance security. In case the performance security has been provided through a security deposit after termination of the Lease and fulfilment of all obligations of the Lessee, such security deposit shall be returned to the Lessee after appropriate deductions. It is clarified that the security deposit shall not carry any interest; and

(iii) have the right to carry out or perform any work or matters which in accordance with the covenants in that behalf are to be carried out or performed by the Lessee, but have not been so carried out or performed within the time specified In that behalf, and the Lessee shall pay the State Government on demand all expenses which shall be incurred in such carrying out or performance of the same.

3.3. If the State Government is desirous of exercising its right of pre-emption with respect to any mineral(s) the State Government shall pay the average sale price of such minerals as published by IBM prevailing at the time of pre-emption.

3.4. In the event of the existence of a state of war or emergency (of which existence the President of India shall be the sole judge and a notification to this effect in the Gazette of India shall be conclusive proof) the State Government with the consent of the Central Government shall from time to time and at all times during the said term have the right (to be exercised by a notice in writing to the Lessee/Lesseees) forthwith take possession and control of the works, plant, machinery and premises of the Lessee on or in connection with the Lease Area or the operations under this Lease and during such possession or control, the Lessee shall conform to and obey all directions given by or on behalf of the Central or State Government regarding the use of employment of such works, plants, premises and minerals, provided that fair compensation, which

shall be determined in default of agreement by the State Government shall be paid to the Lessee for all loss or damage sustained by him/them by reason or in consequence of the exercises of the powers conferred by this clause and provided also that the exercise of such power shall not determine the said term hereby granted or affect the terms and provisions of this clause.

- 3.5. If after the receipt of an offer of compensation for any damage which is likely to arise from the proposed operation of the Lessee, the occupier of the surface of any part of the said lands shall refuse his consent to the exercise of the rights and powers reserved to the State Government and granted by this Lease, the Lessee shall report the matter to the State Government and shall deposit with it the amount offered as compensation and if the State Government is satisfied that the amount of compensation is reasonable or if it is not so satisfied and the Lessee shall have deposited with it such further amount as the State Government may consider reasonable, the State Government shall order the occupier to allow the Lessee to enter upon the said land and carry out such operations as may be necessary for the purpose of the Lease. In assessing the amount of such compensation the State Government shall be guided by the principles of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.
- 3.6. Every notice required to be given to the Lessee shall be given in writing to such person as may be nominated by the Lessee and such nomination shall be informed to the State Government in writing. If no such nomination is made then the notice shall be sent to the Lessee by registered post/speed post addressed to the Lessee at the address shown in the application for the Lease or at such other address in India as the Lessee may designate from time to time and every such service shall be deemed to be proper and valid service upon the Lessee and shall not be questioned or challenged by him.
- 3.7. If in any event the orders of the State Government are revised, reviewed or cancelled by the Central Government in pursuance of proceedings under the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015, the Lessee shall not be entitled to compensation for any loss sustained by the Lessee in exercise of the powers and privileges conferred upon the Lessee by these presents.

#### **4. GOVERNING LAW**

This Lease and all questions of its interpretation shall be construed in accordance with the laws of India. In the event of any dispute in relation to the this Lease and in respect of all matters touching the relationship of the Lessee and the State Government, suits of petitions shall be filed in civil courts at [name of the city]) and it is hereby expressly agreed that neither party shall file a suit or appeal or bring any actions at any place other than the courts named above.

In witness whereof there presents have been executed at the [name of place] on [date].

**SCHEDULE A – LIST OF PERSONS<sup>3</sup>**

<b>S. No</b>	<b>Name</b>	<b>PAN Number</b>	<b>Address</b>

**SCHEDULE B: AREA OF MINING LEASE**

(Description of area, including Geo-coordinates, to be provided.)

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<sup>3</sup> To be deleted if the Lessee is not an association of individuals.

## SCHEDULE VIII

[See rule 11(1)(b)]

### MAXIMUM QUANTITIES OF ORES AND MINERALS REMOVABLE

Class	Mineral/ore	Quantities that can be carried away without any payment	Maximum quantity that can be carried away by payment of royalty
1	2	3	4
Class-I	Asbestos, graphite, native sulphur, columbite-concentrates of ores of antimony, arsenic, bismuth, chromium, copper, lead, nickel, tin, titanium, tungsten, zinc.	250 kg	10 tonnes
Class-II	Auriferous rock and gravel containing no visible gold, metalliferous ores meant for extracting cadmium, cobalt, mercury, molybdenum, silver, helium, vanadium, barytes, bitumen, borax, emery, grossularite.	5 tonnes	200 tonnes
Class-III	Metalliferous ores meant for extracting antimony, arsenic, bismuth, chromium, copper, lead, nickel, tin, titanium, tungsten, zinc and compound ores containing metals of cadmium, cobalt, mercury, molybdenum, silver, helium and vanadium, limestone, iron pyrites, bauxite metalliferous ores meant for extracting aluminium, iron and manganese.	10 tonnes	200 tonnes
Class-IV	Limestone, sillimanite, kyanite, magnesite, serpentine, vermiculite.	50 tonnes	200 tonnes
Class-V	All other minerals not specified above.	10 tonnes	200 tonnes



## SCHEDULE IX

[See rule 23(3)]

### FORMAT OF TRANSFER APPLICATION

To

[Address]

I/We request for seeking transfer of mining lease/prospecting licence-cum-mining lease.

S. No.	Item Detail	Particulars
(1)	(2)	(3)
1.	Name of the transferor	
2.	Address of the transferor	
3.	Name of the transferee	
4.	Address of the transferee	
5.	Mining lease/composite licence number	
6.	Date of registration of mining lease/composite licence	
7.	Whether the transferee is eligible to hold the mining lease/composite licence in accordance with the provisions of the Act and the rules made thereunder?	Yes/No
8.	The consideration payable by the transferee, including the consideration in respect of the prospecting operations already undertaken and the reports and data generated during the operations.	
9.	Whether the transferee is agreeable to accept all the conditions and liabilities under any law for the time being in force which the transferor was subject to in respect of such a mining lease/composite licence.	Yes/No

We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details, as may be required by you.

The transferee and transferor also undertake to comply with the provisions of Section 12A

and the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2015 with respect to the transfer of the mining lease/prospecting licence-cum-mining lease.

Yours faithfully,

Transferor

.....

Transferee

.....

Place: .....

Date: .....

**Instructions to applicants:**

- (a) The application must be signed by a duly authorized representative of the applicants, in case the applicant is a company. In case the applicant is an individual, the applicant must personally sign the application. In case of a firm or association of individuals, all the persons constituting the firm or association of individuals shall sign the application.
- (b) The corporate authorisation of the authorised signatory of the applicant (which is a company) must be enclosed with the application. Any change in such corporate authorisation must be immediately intimated to the State Government.
- (c) Documentary evidence to confirm eligibility of the transferee to hold the mining lease/composite licence in accordance with the provisions of the Act and the rules made thereunder, must be submitted along with the application.

**SCHEDULE X**

[See rule 23(7)]

**TRANSFER DEED**

**PART A**

**FORMAT OF TRANSFER DEED FOR COMPOSITE LICENCE**

The Transfer Deed (“**Deed**”) is made on this [*day*] day of [*month*], [*year*] between:

1. (*Name of the person with address and occupation*) (hereinafter referred to as the "**Transferor**" which expression shall where the context so admits be deemed to include his heirs, executors, administrators, representatives and permitted assigns); or

(*Name of person with address and occupation*) and (*Name of person with address and occupation*) (hereinafter referred to as the "**Transferor**" which expression shall where the context so admits be deemed to include their respective heirs, executors, administrators, representatives and their permitted assigns); or

(*Name of the person with address of all the partners*) all carrying on business in partnership under the firm name and style of (*Name of the firm*) registered under the Indian Partnership Act, 1932 (9 of 1932) and having their registered office at [*address*] (hereinafter referred to as the "**Transferor**" which expression where the context so admits be deemed to include all the said partners, their respective heirs, executors, legal representatives and permitted assigns; or

(*Name of Company*), a company registered under the (*Act under which incorporated*) and having its registered office at [*address*] (hereinafter referred to as the "**Transferor**" which expression shall where the context so admits be deemed to include its successors and permitted assigns) of the first part;

And

2. (*Name of person with the address and occupation*) (hereinafter referred to as the "**Transferee**" which expression shall where the context so admits be deemed to include his heirs, executors, administrators, representatives and permitted assigns; or

(*Name of the person with address and occupation*) and (*Name of person with address and occupation*) (hereinafter referred to as the "**Transferee**" which expression shall where the context so admits be deemed to include their respective heirs, executors, administrators, representatives and their permitted assigns; or

(*Name and address of all the partners*) all carrying on business in partnership under the firm name and style of (*Name of the firm*) registered under the Indian Partnership Act, 1932 (9 of 1932) and having their registered office at..... (hereinafter referred to as the "**Transferee**" which expression where the context so admits be deemed to include all the said partners, their respective heirs, executors, legal representatives and permitted assigns; or

(*Name of the Company*), a company registered under (*Act under which incorporated*) and having its registered office at [*address*] (hereinafter referred to as the "**Transferee**" which expression shall where the context so admits be deemed to include its successors

and permitted assigns) of the second part;

And

3. The Governor of [state] (hereinafter referred to as the "**State Government**" which expression shall where the context so admits be deemed to include the successors and assigns) of the third part.

**WHEREAS:**

- A. The Transferor has been granted a Composite Licence by the State Government through auction on [date] ("**Composite Licence**") and a copy of the Composite Licence in attached hereto as *Annexure A*.
- B. In terms of the Composite Licence, the Transferor is entitled to conduct Geological Exploration of the area under the Composite Licence (more particularly set out in *Annexure B*) to ascertain evidence of Mineral Contents in accordance with the Parameters search, for the term and subject to the payment of the prospecting fees and royalties and observance and performance of the Transferor's covenant and conditions in the Composite Licence including a covenant not to transfer the Composite Licence in violation of applicable laws.
- C. The Transferor has, pursuant to its transfer application letter dated [date], requested the State Government for its approval in connection with transfer of the Composite Licence to the Transferee.
- D. The State Government has, pursuant to its letter dated [date] approved the transfer application of the Transferor subject to compliance by the Transferee of the terms and conditions contained in this Deed.

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

1. Capitalised terms used but not defined in this Deed shall, unless the context otherwise requires, have the respective meanings ascribed thereto in the Composite Licence or the Mines And Minerals (Development and Regulation) Act, 1957, and the rules made thereunder as the case may be.
2. The Transferee hereby covenants with the State Government that from and after the transfer and assignment of the Composite Licence, the Transferee shall be bound by, and be liable to perform, observe and conform and be subject to all the provisions of all the covenants, stipulations and conditions contained in the Composite Licence in the same manner in all respects as if the Composite Licence had been granted to the Transferee as the lessee thereunder and he/ it had originally executed it as such.
3. It is further hereby agreed and declared by the Transferor of the one part and the Transferee of the other part that:
  - 3.1. The Transferee and the Transferor declare that the Transferee meets and shall continue to meet all the eligibility conditions which were required to be met by the Transferor for grant of the Composite Lease.
  - 3.2. The Transferor and the Transferee declare that they have ensured that the mineral rights over the area for which the Composite Licence is being transferred vest in the State Government.

- 3.3. The Transferee acknowledges that he/ it has received a copy of, and has read and understands the Composite Licence, and covenants, agrees and confirms that it shall be bound by all provisions of the Composite Licence as if it was an original party thereto.
- 3.4. The Transferor hereby declares that he/ it has not assigned or in any other manner transferred the Composite Licence now being transferred and that no other person or persons has any right, title or interest where under in the present Composite Licence being transferred.
- 3.5. The Transferee hereby declares that he/ it has accepted all the conditions and liabilities which the Transferors was having in respect of such Composite Licence.
- 3.6. The Transferee further declares that he/ it is financially capable of and will directly undertake prospecting operations.
- 3.7. The Transferor has supplied to the Transferee the original or certified copies of all plans of exploration and abandoned pits in the area and in a belt of sixty five meters wide surrounding it.
- 3.8. The Transferee hereby further declares that as a consequence of this transfer, the total area while held by him/ it under mineral concessions are not in contravention of the provisions of the Mines and Minerals (Regulation and Development) Act, 1957 or the rules made thereunder.
- 3.9. The Transferor has paid all prospecting and other fees, royalties, and other dues towards the State Government till the date, in respect of the Composite Licence.

In witness whereof the parties hereto have signed on the, date and year first above written.

For and on behalf of the State Government:

\_\_\_\_\_

Name:

Designation:

For and on behalf of the Transferor:

\_\_\_\_\_

Name:

For and on behalf of the Transferee:

---

Name:

**ANNEXURE A:**

Copy of Composite Licence

**ANNEXURE B:**

Location and area of the Composite Licence

*[Particulars of area, including Geo-coordinates, to be provided]*

## PART B

### FORMAT OF TRANSFER DEED FOR MINING LEASE

The Transfer Deed (“**Deed**”) is made on this [*day*] day of [*month*], [*year*] between:

1. (*Name of the person with address and occupation*) (hereinafter referred to as the "**Transferor**" which expression shall where the context so admits be deemed to include his heirs, executors, administrators, representatives and permitted assigns); or

(*Name of person with address and occupation*) and (*Name of person with address and occupation*) (hereinafter referred to as the "**Transferor**" which expression shall where the context so admits be deemed to include their respective heirs, executors, administrators, representatives and their permitted assigns); or

(*Name of the person with address of all the partners*) all carrying on business in partnership under the firm name and style of (*Name of the firm*) registered under the Indian Partnership Act, 1932 (9 of 1932) and having their registered office at [*address*] (hereinafter referred to as the "**Transferor**" which expression where the context so admits be deemed to include all the said partners, their respective heirs, executors, legal representatives and permitted assigns; or

(*Name of Company*), a company registered under the (*Act under which incorporated*) and having its registered office at [*address*] (hereinafter referred to as the "**Transferor**" which expression shall where the context so admits be deemed to include its successors and permitted assigns) of the first part;

And

2. (*Name of person with the address and occupation*) (hereinafter referred to as the "**Transferee**" which expression shall where the context so admits be deemed to include his heirs, executors, administrators, representatives and permitted assigns; or

(*Name of the person with address and occupation*) and (*Name of person with address and occupation*) (hereinafter referred to as the "**Transferee**" which expression shall where the context so admits be deemed to include their respective heirs, executors, administrators, representatives and their permitted assigns; or

(*Name and address of all the partners*) all carrying on business in partnership under the firm name and style of (*Name of the firm*) registered under the Indian Partnership Act, 1932 (9 of 1932) and having their registered office at.....(hereinafter referred to as the "**Transferee**" which expression where the context so admits be deemed to include all the said partners, their respective heirs, executors, legal representatives and permitted assigns; or

(*Name of the Company*), a company registered under (*Act under which incorporated*) and having its registered office at [*address*] (hereinafter referred to as the "**Transferee**" which expression shall where the context so admits be deemed to include its successors and permitted assigns) of the second part;

And

3. The Governor of [*state*] (hereinafter referred to as the "**State Government**" which expression shall where the context so admits be deemed to include the successors and

assigns) of the third part.

**WHEREAS:**

- A. The Transferor has been granted a mining lease by the State Government in respect of which the State Government and the Transferor have executed: (a) a Mine Development and Production Agreement, dated [date]; and (b) a lease deed dated [date] and registered as no. [number] on [date] at the office of the Sub-Registrar of [address] in connection with the mining lease (collectively “**Concession Documents**”) and the same is attached hereto as **Annexure A**.
- B. In terms of the Concession Documents, the Transferor is entitled to search for, win and work mines and minerals in respect of (*Name of minerals*) in the lands described in the schedules to the Concession Documents (more particularly set out in **Annexure B**), for the term and subject to the payment of the rents and royalties and observance and performance of the Transferor's covenant and conditions in the Concession Documents including a covenant not to transfer the mining lease in violation of applicable laws.
- C. The Transferor has, pursuant to its transfer application letter dated [date], requested the State Government for its approval in connection with transfer of the Mining Lease to the Transferee.
- D. The State Government has, pursuant to its letter dated [date] approved the transfer application of the Transferor subject to compliance by the Transferee of the terms and conditions contained in this Deed.

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

- 1. Capitalised terms used but not defined in this Deed shall, unless the context otherwise requires, have the respective meanings ascribed thereto in the Concession Documents.
- 2. The Transferee hereby covenants with the State Government that from and after the transfer and assignment of the mining lease, the Transferee shall be bound by, and be liable to perform, observe and conform and be subject to all the provisions of all the covenants, stipulations and conditions contained in the Concession Documents in the same manner in all respects as if the mining lease had been granted to the Transferee as the lessee thereunder and he/ it had originally executed the Concession Documents as such.
- 3. It is further hereby agreed and declared by the Transferor of the one part and the Transferee of the other part that:
  - 3.1. The Transferee and the Transferor declare that the Transferee meets and shall continue to meet all the eligibility conditions which were required to be met by the Transferor for grant of the mining lease.
  - 3.2. The Transferor and the Transferee declare that they have ensured that the mineral rights over the area for which the mining lease is being transferred vest in the State Government.
  - 3.3. The Transferee acknowledges that he/ it has received a copy of, and has read and understands the Concession Documents, and covenants, agrees and confirms that it shall be bound by all provisions of the Concession Documents as if it was an



original party thereto.

- 3.4. The Transferor hereby declares that he/ it has not assigned or in any other manner transferred the mining lease now being transferred and that no other person or persons has any right, title or interest where under in the present Mining Lease being transferred.
- 3.5. The Transferee hereby declares that he/ it has accepted all the conditions and liabilities which the Transferors was having in respect of such mining lease.
- 3.6. The Transferor has supplied to the Transferee the original or certified copies of all plans of abandoned workings in the area and in a belt sixty five metres wide surrounding it.
- 3.7. The Transferee hereby further declares that as a consequence of this transfer, the total area while held by him/ it under mineral concessions are not in contravention of the provisions of the Mines and Minerals (Regulation and Development) Act, 1957 or the rules made thereunder.
- 3.8. The Transferor has paid all the rent, royalties, and other dues towards the State Government till the date, in respect of the mining lease.

In witness whereof the parties hereto have signed on the, date and year first above written.

For and on behalf of the State Government:

\_\_\_\_\_

Name:

Designation:

For and on behalf of the Transferor:

\_\_\_\_\_

Name:

For and on behalf of the Transferee:

\_\_\_\_\_

Name:

**ANNEXURE A:**

**Copy of Concession Documents**

**ANNEXURE B:**

Location and area of the Mining Lease

*[Particulars of area, including Geo-coordinates, to be provided]*

## SCHEDULE XI

[See rule 35(1)(b)]

### FORMAT OF APPLICATION FOR REVISION OR PASSING OF ORDER

To

[Address]

I/We submit the following application for revision / passing of an order which has not been passed within the required time period.

S. No.	Item Detail	Particulars
(1)	(2)	(3)
1.	Name of applicant  (In case of a firm or other association of individuals, provide names of each person constituting the firm or the association of individuals, as the case may be.)	
2.	Address of the Applicant  (In case of a firm or other association of individuals, provide addresses of each person constituting the firm or the association of individuals, as the case may be.)	
3.	Status of the applicant  <ul style="list-style-type: none"><li>• Individual</li><li>• Firm</li><li>• Other association of individuals</li><li>• Company</li></ul>	
4.	Purpose of the application  (Review of an order passed / request for passing of an order where such an order has not been passed within the time period prescribed)	
5.	In case of review of an order, date of communication of the order to the applicant.  OR  In case of request for passing of an order, the date on which the date on which the time period for passing such order expired.	
6.	Application fee payable	

7.	Name of bank, demand draft or challan number with date, through which application fee has been paid.	
8.	Mineral or minerals for which the application is filed	
9.	Details of area with respect to which the application is filed	
10.	Whether the application is filed within the prescribed time period.	Yes/No
11.	If not, the reasons for not presenting it within the prescribed limit and seeking condonation of delay.	
12.	Name and complete address of the party/parties impleaded	
13.	Number of copies of petition attached  (Petition is to be submitted in triplicate if no party is impleaded. Besides these, for each party impleaded one additional copy is to be enclosed)	
14.	Grounds of revision	

I/We do hereby declare that the particulars furnished above are correct and am/are ready to furnish any other details, as may be required by you.

Yours faithfully,

Place:

Date:

**Signature of the applicant**

**Instructions to applicants:**

- (a) The application must be signed by a duly authorized representative of the applicant, in case the applicant is a company. In case the applicant is an individual, the applicant must personally sign the application. In case of a firm or association of individuals, all the persons constituting the firm or association of individuals shall sign the application.
- (b) The corporate authorisation of the authorised signatory of the applicant (which is a company) must be enclosed with the application. Any change in such corporate authorisation must be immediately intimated to the State Government.

[F. No. 1/18/2015-M.VI]

(R Sridharan)

Additional Secretary to the Government of India

## **NOTICE**

The Ministry of Mines has prepared the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Amendment) Rules, 2021 seeking to amend Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016.

As part of the Pre-Legislative Consultation Policy, the draft Amendment Rules is made available below. Comments/suggestions are invited from the general public, Governments of States and Union Territories, Mining Industry, Stake Holders, Industry Associations, and other persons and entities concerned, on the draft Amendment Rules. The last date for receipt of the comments/suggestions is **24<sup>th</sup> January, 2021**.

The comments/suggestions may be sent by e-mail in MS-Office Word to the following ID:

[ak.mallik@gov.in](mailto:ak.mallik@gov.in)

The subject of the e-mail should be “**Comments/suggestions on the draft Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Amendment) Rules, 2021**”.

Alternatively, comments/suggestions may also be sent by post to the following address:

Adhir Kumar Mallik, Under Secretary  
Ministry of Mines  
Room No 314, D-  
Wing Shastri  
Bhawan  
Dr Rajendra Prasad  
Road New Delhi -110  
001

The envelope may kindly be super scribed on the top with: “**Comments/suggestions on the draft Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Second (Amendment) Rules, 2021**”.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

GOVERNMENT OF INDIA  
MINISTRY OF MINES

NOTIFICATION

New Delhi, the January, 2021

G.S.R. ....—In exercise of the powers conferred by section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules to amend the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016, namely:-

1. (1) These rules may be called the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession (Amendment) Rules, 2021.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 (hereinafter referred to as the said rules), in the sub-rule (1) of rule 12A, the words “failing which appropriate actions in accordance with the Mine Development and Production Agreement shall be initiated” shall be omitted.

3. In the said rules, after the sub-rule (1) of rule 12A, the following rules shall be inserted:-

(1A) In case the lessee dispatches less than the minimum dispatch required under sub-rule (1) on a quarterly basis, the lessee shall pay at least the amounts payable under rule 13 of the Mineral (Auction) Rules, 2015 for the quantity equal to the minimum dispatch required under sub-rule (1) on a quarterly basis.

(1B) In case the lessee does not maintain minimum dispatch prescribed in sub-rule (1) for three consecutive quarters, the State Government may terminate such lease after giving a reasonable opportunity of being heard.

F. No. 16/98/2020-M.VI]

(Dr. Veena Kumari Dermal)  
Jt. Secy.

Note: The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 4th March, 2016.

## **BACKGROUND NOTE**

The MMDR Act, 1957 was amended in 2015, *inter alia*, to mandate grant of mineral concessions through non-discriminatory and transparent method of auction. Further, in view of the impending expiry of large number of mining leases between 2015 to 2020 and in order to ensure uninterrupted supply of mineral in the country, sub-section (6) of section 8A was also inserted in the MMDR Act through the said amendment to provide the extension of those mining leases where mineral is used for other than captive purpose (non-captive mines), up to 31<sup>st</sup> March, 2020 or a period of fifty years from the date of grant of such lease, whichever is later.

2. Consequent to sub-section (6) of section 8A in the MMDR Act, 334 non-captive mining leases expired on 31<sup>st</sup> March, 2020, out of which 46 were working mines. Such operating mines produced about 60 million metric tonne (MMT) iron ore in 2018-2019 out of total production of 206 MMT from all the mines in the country in the said year.

3. In view of the fact that the restart of mining operations in such mines after fresh auction may take a long period as the new lessees have to obtain about 20 statutory clearances, approvals, etc. from various Central and State Government authorities and in order to prevent the impact of the expiry of the leases on the supply of iron ore in the country, further amendment was made in the MMDR Act in 2020, *inter alia*, to insert section 8B in the Act. Section 8B provides that notwithstanding anything contained in the MMDR Act or any other law for the time being in force, the successful bidder of mining leases expiring under the provisions of sub-sections (5) and (6) of Section 8A and selected through auction, shall be deemed to have acquired all valid rights, approvals, clearances, licences and the like vested with the previous lessee for a period of two years.

4. It is stated that out of the total 46 operating and working mines in the country whose leases expired on 31<sup>st</sup> March 2020, 24 mines are in Odisha, 7 in Karnataka, 6 in Jharkhand, 4 in Andhra Pradesh, 2 in Rajasthan, 2 in Gujarat and 1 in Himachal Pradesh. All 24 mines in Odisha and 4 mines in Karnataka were auctioned. Further, as per the provisions of section 8B, vesting orders were issued for vesting of all valid rights, clearances, approval and the like in favour of the successful bidders for 19 mines in Odisha and 4 mines in Karnataka.

5. In exercise of powers granted under the section 4B of the MMDR Act, the Central Government had also prescribed conditions for ensuring production and minimum level of dispatch by such new lessees under Rule 12A of the Minerals Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 (hereinafter the “MCR, 2016”) in the interest

of maintaining sustained production of minerals in the country. Rule 12A(1) of the MCR, 2016 provides that during the first two years from the date of execution of new lease, the holder of mining lease, to whom the order of vesting of rights, approvals, clearances, licences and the like have been issued under section 8B of the Act, shall maintain such level of production so as to ensure minimum dispatch of eighty percent of the average of the annual production of two immediately preceding years on pro-rata basis failing which appropriate actions in accordance with the Mine Development and Production Agreement shall be initiated.

6. Several successful bidders of the such working mines (whose previous mining leases have expired on 31st March 2020) have not started production even after lapse of 7-8 months of auction and execution of mining leases in their favour. Further, many of the successful bidders who have started production, have not maintained the production and dispatch quantity up to the level required under Rule 12A of the MCR. This is despite the situation that all valid permits, approvals, clearances and the like required for undertaking mining operations have been transferred to such successful bidders under provision of Sec. 8B of the Act. Also, the permits, approvals, clearances and the like that have been transferred to successful bidders under provision of Sec. 8B of the Act are valid for only 2 years from the date of grant of mining lease. Non commencement of production or not maintenance of stipulated production level for a long time by such successful bidders is defeating the purpose of the provision of Sec. 8B.

7. Non-operationalisation of these mines has created an acute shortage of iron ore in the country. During the year 2019-20 the production of iron ore in the country as on September, 2019 was 110.95 MMT, whereas during the current financial year (i.e., 2020-21), the cumulative production of iron ore up to September, 2020 was only 76.01 MMT thereby registering a decline in production by 31.5 per cent. In case of State of Odisha, the production and dispatch of iron ore for the period from April, 2019 to November, 2019 was 90.28 MMT and 102.81 MMT, respectively, which has declined to 60.46 MMT and 91.58 MMT, respectively in the period from April, 2020 to November 2020. Decline in production and dispatch of important mineral such as iron ore not only leads to spike in its market prices but also affects the manufacturing of iron and steel in the country which is one of the core sectors of the economy.

8. Shortfall in supply of iron ore in the country on account of discontinuance of production from large number of mines whose leases had expired on 31st March 2020 became a matter of grave concern and several discussions have taken place between the State Government of Odisha and the Central Government on the issue.

9. Accordingly, it is proposed to strengthen the norms of minimum production / dispatch through amendment of Rule 12A of the MCR Rules, 1960 in order to ensure sustained supply of mineral in the market in future. Rule 12A is proposed to be amended to mandate the successful bidder to



make payment equivalent to the revenue share and other statutory levies that would have been payable at the prescribed level of minimum production/ dispatch targets on quarterly basis to ensure smooth availability of minerals. It is proposed to mandate quarterly target to avoid of excessive environmental load by staggering production and better fiscal management of States. It is also proposed to provide in the Rules that failure to maintain prescribed production level for three consecutive quarters may lead to termination of the leases.

10. In view of the above the amendment in Rule 12A of the MCR is proposed.

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