

MINERAL CONCESSION RULES, 1960

CONTENTS

CHAPTER 1 :- PRELIMINARY

1. Short title
2. Definitions
3. Saving of Act 33 of 1962

CHAPTER 2 :- GRANT OF RECONNAISSANCE PERMITS

4. Application for reconnaissance permit
- 4A. Acknowledgement of application
5. Refusal of application for a reconnaissance permit
6. Status of grant on death of the applicant for reconnaissance permit
7. Conditions of a reconnaissance permit
- 7A. Reconnaissance Permit to be executed within three months
- 7B. Security deposit
- 7C. Prospecting Licences and Mining Leases of the other minerals
- 7D. Registers

CHAPTER 3 :- GRANT OF PROSPECTING LICENCES IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT

8. Applicability of Chapter II, Chapter III and Chapter IV
9. Application for prospecting licence and its renewal
10. Acknowledgement of application
11. Disposal of application for the grant and renewal of prospecting licence
12. Refusal of application for a prospecting licence
- 13A. Status of grant on death of the applicant for prospecting licence
14. Conditions of a prospecting licence
15. Licence to be executed within three months
- 15A. 15A.
16. Report of information obtained by the licensee
18. Maintenance of accounts
19. Inspection
20. Security deposit
21. Registers

CHAPTER 4 :-GRANT OF MINING LEASES IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT

- 22. Applications for grant of mining leases
- 22A. Mining operations to be in accordance with Mining Plans
- 22B. Mining plan to be prepared by recognised persons
- 22BB. 22BB
- 22C. Grant of recognition by Central Government
- 22D. Minimum size of the mining lease
- 23. Acknowledgement of application
- 24. Disposal of application for mining lease
- 24A. Renewal of mining lease
- 24B. Renewal of mining lease in favour of a person using the mineral in his own industry
- 25A. Status of the grant on the death of applicant for mining lease
- 26. Refusal of application for grant and renewal of mining lease
- 27. Conditions
- 28. Lapsing of leases
- 28A. 28A.
- 29. Restrictions on determination of lease
- 29A. Provision for closure
- 30. Rights of lessee
- 31. Lease to be executed within six months
- 32. Security deposit
- 33. Survey of the area leased
- 34. Manner of exercise of preferential rights for mining lease
- 35. Preferential rights of certain persons
- 36. Boundaries below the surface
- 37. Transfer of lease
- 37A. Transfer of lease to be executed within three months
- 38. Amalgamation of leases
- 39. Pending applications for transfer and amalgamation
- 40. Registers

CHAPTER 5 :-PROCEDUREFOR OBTAINING A PROSPECTING LICENCE OR MINING LEASE IN RESPECT OFLAND IN WHICH THE MINERALS VEST IN A PERSON OTHER THAN THE GOVERNMENT

- 41. Applicability of this chapter
- 42. Restrictions on the grant of prospecting licence and mining lease
- 44. Conditions of prospecting licence
- 45. Conditions of mining lease
- 46. Transfer or assignment
- 47. Submission of copy of licence or lease
- 48. Communication of transfer or assignment
- 49. Prohibition of premium
- 50. Prohibition of working of mines
- 51. Returns and Statements
- 52. Penalty

CHAPTER 6 :-GRANT OF PROSPECTING LICENCES AND MINING LEASES IN RESPECT OF LAND INWHICH THE MINERALS VEST

PARTLY IN THE GOVERNMENT AND PARTLY IN PRIVATE PERSONS

53. 53.

CHAPTER 7 :- REVISION

54. Application for revision

55. Orders on revision application

CHAPTER 8 :- MISCELLANEOUS

56. Power to rectify apparent mistakes

57. Copies of licences and leases and annual returns to be supplied to Government

59. Availability of area for re-grant to be notified

60. Premature applications

61. Lessor to supply certain information to the lessee

62. Change of name, nationality, etc. to be intimated

63. Previous approval of the Central Government to be obtained through State Government

63A. The State Government shall dispose of the application for grant of reconnaissance permit, prospecting license or mining lease in the following period:

64. How the fees and deposit to be made

64A. 64A

64B. Charging of royalty in case of minerals subjected to processing

64C. Royalty on tailings or rejects

64D. Guidelines for computing royalty on minerals on ad valorem basis

65. Facilities for training of students

66. Geophysical data to be supplied to the Geological Survey of India and the Department of Atomic Energy

66A. Special provisions relating to atomic minerals

67. Lease period

68. 68.

CHAPTER 9 :- 9

69. Associated minerals

70. 70.

CHAPTER 10 :- 10

72. Payment of compensation to owner of surface rights, etc

73. Assessment of compensation for damage

74. Issue of notification where prospecting operations are to be undertaken by the Geological Survey of India, etc

75. Prospecting or mining operation by State Governments

SCHEDULE 1 :- [INDEX]

SCHEDULE 2 :- Application fee for prospecting licenses

SCHEDULE 3 :-MAXIMUMQUANTITIES OF ORES AND MINERALS REMOVABLE

SCHEDULE 5 :- INSTITUTIONS/BANKS/CORPORATIONS

MINERAL CONCESSION RULES, 1960

In exercise of the powers conferred by section 13 of the Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules, namely:-

CHAPTER 1 PRELIMINARY

1. Short title :-

These rules may be called the Mineral Concession Rules, 1960.

2. Definitions :-

In these rules, unless the context otherwise requires,-

- (i) "Act" means the Mines and Minerals¹ [(Development and Regulation)] Act, 1957 (67 of 1957);
- (ii) "Form" means a form set out in Schedule I to these rules;
- (iii) "railway" and "railway administration" have the meanings respectively assigned to them in the Indian Railways Act, 1890 (9 of 1890);
- (iv) "Schedule" means a Schedule appended to these rules;
- (v) "section" means a section of the Act.

1. Substituted by GSR 56(E),dt. 17-1-2000.

3. Saving of Act 33 of 1962 :-

[Nothing in these rules shall effect the provisions of the Atomic Energy Act, 1962 (33 of 1962) ¹ [and the rules made thereunder in respect of licensing relating to atomic minerals listed in Part B of the First Schedule to the Act].]

1. Inserted by GSR 56(E), dt 17-1-2000.

CHAPTER 2 GRANT OF RECONNAISSANCE PERMITS

4. Application for reconnaissance permit :-

(1) An application for reconnaissance permit shall be made to the State Government in Form A through such officer or authority as the State Government may specify in this behalf.

(2)

(a) Every such application shall be accompanied by a non-refundable fee calculated at the rate of five rupees per square kilometer.

(b) A valid clearance certificate, in the form prescribed by the State Government for payment of mining dues, such as royalty or dead rent or surface rent payable under the Act or rules made thereunder, from that Government or any officer or authority authorised by that Government in this behalf:

PROVIDED 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 reconnaissance permit, it shall not be necessary for him to produce the said valid clearance certificate:

PROVIDED that an affidavit stating that no dues are outstanding shall suffice subject to the condition that the certificate required as above shall be furnished within ninety days of the date of application and the application shall become invalid if the party fails to file the certificate within the said ninety days:

PROVIDED also that where any injunction has been issued by a court of law or any other competent authority staying the recovery of any such mining dues or income-tax, non-payment thereof shall not be treated as a disqualification for the purpose of granting the reconnaissance permit:

PROVIDED FURTHER that in case the applicant is a partnership firm or a private limited company, such certificate shall be furnished by all persons of the partnership firm or, as the case may be, all members of the private limited company.

(c) An affidavit stating that the applicant has-

(i) filed up-to-date income-tax returns;

(ii) paid the income-tax assessed on him; and

(iii) paid the income-tax on the basis of his assessment as provided in the Income-tax Act, 1961 (43 of 1961).

(d) An affidavit showing the particulars of areas, mineral-wise in the State, which the applicant or any person jointly with him-

(i) already holds under a reconnaissance permit;

(ii) has applied for but not granted; and

(iii) being applied for simultaneously.

4A. Acknowledgement of application :-

- (1) Where an application for the grant of reconnaissance permit is delivered personally, its receipt shall be acknowledged forthwith.
- (2) Where such application is received by registered post, its receipt shall be acknowledged on the same day.
- (3) In any other case, the receipt of such application shall be acknowledged within three days of the receipt.
- (4) The receipt of every such application shall be acknowledged in Form D1.

5. Refusal of application for a reconnaissance permit :-

- (1) The State Government may after giving an opportunity of being heard and for reasons to be recorded in writing and communicated to the applicant, refuse to grant a reconnaissance permit over the whole or part of the area applied for.
- (2) Where it appears that the application is not complete in all material particulars or is not accompanied by the required documents, the State Government shall, by notice, require the applicant to supply the omission or, as the case may be, furnish the documents without delay and in any case not later than thirty days from the date of receipt of the said notice by the applicant.

6. Status of grant on death of the applicant for reconnaissance permit :-

- (1) Where an applicant for the grant of reconnaissance permit dies before the order granting him a reconnaissance permit is passed, the application for the grant of reconnaissance permit shall be deemed to have been made by his legal representative.
- (2) In the case of an applicant in respect of whom an order granting a reconnaissance permit is passed but who dies before the deed referred in sub-rule (1) of rule 7A is executed, the order shall be deemed to have been passed in the name of the legal representative of the deceased.

7. Conditions of a reconnaissance permit :-

- (1) Every reconnaissance permit granted under these rules, shall, in

addition to any other conditions that may be specified therein be subject to the following conditions, namely:

(i) The holder of reconnaissance permit shall progressively relinquish the area granted under the permit as follows:-

(a) After completion of two years, the area shall be reduced to one thousand square kilometers or fifty per cent of the area granted, whichever is less; and

(b) The area would be further relinquished so that the permit holder is left with an area not more than twenty five square kilometers at the end of the third year.

(ii) The holder of the reconnaissance permit shall strictly adhere to the minimum expenditure commitment and specific physical targets specified in the order of grant of the permit failing which reconnaissance permit may be cancelled.

(iii) The holder of reconnaissance permit shall make available all data collected by him during the reconnaissance operations to the Geological Survey of the India, Indian Bureau of Mines and the State Government which may be made available to any prospecting investor after a minimum period of two years of the completion of the period of reconnaissance permit.

(iv) The holder of reconnaissance permit shall not enter any forest land or any private land without obtaining permission of the Forest Department or the owner of the private land, as the case may be.

(v) The holder of reconnaissance permit shall maintain accurate faithful account of all the expenses incurred by him on the reconnaissance operations.

(vi) The holder of reconnaissance permit shall submit to the State Government a six monthly report of the work done by him and the valuable data collected by him during the period. The report shall be submitted within three months of the close of the period to which it relates.

(vii) The permit holder shall also submit to the State Government within three months of the expiry of the permit, or abandonment of the operations or termination of the permit, whichever is earlier, a full report of the work done by him and all information relevant to mineral resources acquired by him in the course of reconnaissance permit in the area covered by the permit.

(viii) While submitting reports under sub-clause (vi) or (vii), the permit holder may specify that the whole or any part of the report or data submitted by him shall be kept confidential; and the State Government shall thereupon, keep the specified portions as confidential for a period of two years from the expiry of the permit,

or abandonment of operations or termination of the permit, whichever is earlier.

(ix) The permit holder shall allow every officer authorised by the Central Government or the State Government in this behalf to examine at any time accounts maintained and furnish to the Central Government or the State Government or any other officer authorised by it in that behalf such information and returns.

(x) The permit holder shall allow any officer authorised by the Central Government or the State Government in this behalf to inspect any reconnaissance operations carried on by him.

(xi) The permit holder shall pay such permit fee as may be fixed by the State Government, being not less than five rupees per square kilometer and not more than twenty rupees per square kilometer of land held by the permit holder for each year or part thereof.

(2) The reconnaissance permit may contain such other conditions as may be imposed by the Central Government which inter-alia, may include the condition that the representative of the Directorate General, Civil Aviation or Ministry of Defence shall be present during the aerial surveys.

(3) The State Government may, with the approval of the Central Government, impose such further conditions in the permit as it may think necessary in the interest of mineral development and for compliance of various legal provisions.

(4) In case of breach of any condition imposed on any holder of reconnaissance permit by or under this rule, the State Government may by order in writing, cancel the permit, and/or forfeit in whole or in part, the amount deposited by the permit holder as security: PROVIDED that no such order shall be made without giving the permit holder a reasonable opportunity of stating his case.

7A. Reconnaissance Permit to be executed within three months :-

(1) Where on any application for a reconnaissance permit an order has been made for the grant of such permit, a deed granting such permit shall be executed within ninety days of the date of the communication of the order or such further period as the State Government may allow in this behalf, and if no such deed is executed within such period due to any fault on the part of the applicant, the State Government may revoke the order granting the reconnaissance permit and in that event the fee paid shall be

forfeited to the State Government.

(2) The deed referred to in sub-rule (1) shall be in Form F-1, or in a Form as near thereto as circumstances of each case may require.

(3) The date of the commencement of the period for which a reconnaissance permit is granted shall be the date on which the deed is executed after all necessary clearances have been obtained.

7B. Security deposit :-

(i) An applicant for a reconnaissance permit shall, before deed referred to in sub-rule (1) of rule 7A is executed, deposit as security for the observance of the terms and conditions of the permit a sum of twenty rupees in respect of every square kilometer or part thereof for which the permit is granted.

(ii) Any deposit made under sub clause (i) above if not forfeited under the rules shall be refunded to the applicant as soon as the report referred to in sub-rule (1)(vii) of rule 7 is submitted.

7C. Prospecting Licences and Mining Leases of the other minerals :-

The applications received for grant of prospecting licences or mining leases within the area granted under reconnaissance permit for minerals other than those for which the permit has been granted, shall not be refused on the grounds that the area is not available for grant. The State Government shall dispose of such applications as per provisions of these rules:

PROVIDED that if a prospecting licence or a mining lease for other mineral has been granted to some other applicant within the area granted for a reconnaissance permit and where the reconnaissance permit holder discovers availability of minerals covered under his permit within the area so granted subsequently for prospecting or mining of minerals other than those covered under the reconnaissance permit, he shall have the right to get such areas vacated from the licensee or the lessee, as the case may be, and such licensee or lessee shall not hinder the reconnaissance operations being undertaken by the reconnaissance permit holder.

7D. Registers :-

(1) A register of applications for reconnaissance permits shall be

maintained by the State Government in Form G-1.

(2) A register of reconnaissance permits shall be maintained by State Government in Form H-1.]

CHAPTER 3 GRANT OF PROSPECTING LICENCES IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT

8. Applicability of Chapter II, Chapter III and Chapter IV :-

[The provisions of Chapter II, Chapter III and Chapter IV shall apply to the grant of reconnaissance permits as well as grant and renewal of prospecting licences and mining leases only in respect of the land in which the minerals vest in the Government of a State].

9. Application for prospecting licence and its renewal :-

(1) An application for ¹[a prospecting licence and its renewal in respect of land in which the minerals vest in the Government shall be made to the State Government in Form B and Form D respectively] through such officer or authority as the State Government may specify in this behalf.

(2) Every such application shall be accompanied by-

(a) a ²[non-refundable] fee calculated in accordance with the provisions of Schedule II; and ³[***]

⁴[(d) 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, from that Government or any officer or authority by that Government in this behalf:]

⁵[PROVIDED ⁶[* * *] that in case the applicant is a partnership firm or a private limited company such certificate shall be furnished by all partners

⁷[PROVIDED FURTHER that where any injunction has been issued by court of law or any other competent authority staying the recovery of any such mining dues or income-tax, non-payment thereof shall not be treated as a disqualification for the purpose of granting or renewing the said prospecting licence:

PROVIDED 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, it shall not be necessary for him to produce the said valid clearance certificate:

PROVIDED FURTHER that a sworn affidavit stating that no dues are outstanding shall suffice subject to the condition that the certificate

required as above shall become invalid if the party fails to file the certificate within the said ninety days;]

8[(e) an affidavit stating that the applicant has-

(i) filed up-to-date income-tax returns;

(ii) paid the Income-tax assessed on him; and

(iii) paid the income-tax on the basis of self-assessment as provided in the Income-tax Act, 1961;

(f) an affidavit showing particulars of areas mineral-wise in **9**[the] State, which the applicant or any person jointly with him-

(i) already holds under a prospecting licence;

(ii) has applied for but not granted; and

(iii) being applied for simultaneously;]

10[(g) a statement in writing that the applicant, where the land is not owned by him, has obtained surface rights over the area or has obtained the consent of the owner for starting prospecting operations:

PROVIDED that no such statement shall be necessary where the land is owned by the Government:

PROVIDED **11**[***] that the consent of the owner for starting prospecting operations in the area or part thereof may be furnished after execution of the prospecting licence but before entry into the said area:]

7[PROVIDED FURTHER that no further consent would be required in the case of renewal where consent has already been obtained during grant of the licence.]

13[***]

14 [(3) The State Government may, for reasons to be recorded in writing, relax the provisions of clause (d) of sub-rule (2) of rule 9.

(4) The grant of clearance certificate under clause (d) of sub-rule (2) of rule 9 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.]

1. Substituted by the GSR 1278, dt. 3-8-1963.

2. Inserted by GSR 56(E), dt. 17-1-2000.

3. Omitted by GSR 86(E), dt. 10-2-1987.

4. Inserted by GSR 1117, dt. 23-5-1970.

5. Inserted by GSR 129(E), dt. 20-2-1991.

6. Omitted by GSR 56(E), dt. 17-1-2000.
7. Inserted by GSR 56(E), dt. 17-1-2000.
8. Inserted by GSR 86(E), dt. 10-2-1987.
9. Substituted by GSR 56(E), dt. 17-1-2000.
10. Substituted by GSR 129(E), dt. 20-2-1991.
11. Omitted by GSR 56(E) dt. 17-1-2000.
13. Provisos omitted by GSR 56(E), dt. 17-1-2000.
14. Inserted by GSR 1117, dt. 23-5-1970.

10. Acknowledgement of application :-

- (1) Where an application for the grant or renewal of a prospecting licence is delivered personally, its receipt shall be acknowledged forthwith.]
- (2) Where such application is received by registered post, its receipt shall be acknowledged on the same day.
- (3) In any other case, the receipt of such application shall be acknowledged within three days of the receipt.
- (4) The receipt of every such application shall be acknowledged in Form D. ¹ [***]

1. Rule 10-A omitted by GSR 129(E), dt. 20-2-1991.

11. Disposal of application for the grant and renewal of prospecting licence :-

¹[***]

²[(2)

(a) An application for the renewal of prospecting licence shall be made at least ninety days before the expiry of the prospecting licence and shall be accompanied by-

- (i) a statement relating to the prospecting operations already undertaken by the applicant;
 - (ii) the amount of expenditure incurred;
 - (iii) the number of hours and days for which the work was undertaken; and
 - (iv) the period which is required to complete the prospecting work.
- (b) An application for the renewal for a prospecting licence shall be

disposed of by the State Government before the expiry of the period of prospecting licence and if the application is not disposed of within that period, the licence shall be deemed to have been renewed for a period not exceeding the period for renewal of prospecting licence under sub-section (2) of section 7 of the Act, or the period for which an application is made, whichever is less.]

(3) The State Government may, for reasons to be recorded in writing ³[and communicated to the applicant], at the time of renewal, reduce the area applied for.

⁴ [(4) The State Government may condone delay in submission of an application for renewal of a prospecting licence made after the time limit prescribed in sub-rule (2) provided the application for the renewal has been made before expiry of the licence.]

1. Sub-rule (1) omitted by GSR 6(E), dt. 7-1-1993.

2. Substituted by GSR 86(E), dt. 10-2-1987.

3. Inserted by GSR 1133, dt. 17-9-1961.

4. Inserted by GSR 56(E), dt. 17-1-2000.

12. Refusal of application for a prospecting licence :-

(1) ¹[The State Government may, ²[after giving an opportunity of being heard and] for reasons to be recorded in writing and communicated to the applicant, refuse to grant or renew a prospecting licence over the whole or part of the area applied for.]

³[(1A) An application for the grant or renewal of a prospecting licence made under rule 9 shall not be refused by the State Government only on the ground that Form B or Form E, as the case may be, is not complete in all material particulars, or is not accompanied, by the documents referred to in ⁴[clauses (d), (e), (f) and (g) of sub-rule (2)] of the said rule.]

³[(1B) Where it appears that the application is not complete in all material particulars or is not accompanied by the required documents, the State Government shall, by notice, require the applicant to supply the omission or, as the case may be, furnish the documents without delay and in any case not later than thirty days from the date of receipt of the said notice by the applicant.]

(2) An application for the grant of a prospecting licence shall not be refused on the ground only that, in the opinion of the State Government, a mining lease should be granted for the area for

which the application for a prospecting licence has been made: PROVIDED that where applications for the grant of prospecting licence and applications for the grant of mining lease in respect of the same area are received on the same date or on different dates within a period of thirty days, the applications for the grant of mining lease shall, if the area was previously held and worked under a mining lease, be disposed of before the application for the grant of prospecting licence are considered:

⁶[PROVIDED FURTHER that the applications received for grant of prospecting licence shall be liable to be considered only if they have not been already disposed of]

⁷ [***]

1. Substituted by GSR 1243, dt. 18-7-1963.
2. Inserted by GSR 734, dt. 2-5-1979.
3. Inserted by GSR 734, dt. 2-5-1979.
4. Substituted by GSR 449(E), dt. 13-4-1988.
6. Inserted by GSR 56(E), dt. 17-1-2000.
7. Omitted by GSR 56(E), dt. 17-1-2000.

13A. Status of grant on death of the applicant for prospecting licence :-

[

(1) Where an applicant for the grant of a prospecting licence dies before the order granting him a prospecting licence is passed, the applicant for the grant of a prospecting licence shall be deemed to have been made by his legal representative.

(2) In the case of an applicant in respect of whom an order granting a prospecting licence is passed but who dies before the deed referred to in sub-rule (1) of rule 15 is executed, the order shall be deemed to have been passed in the name of the legal representative of the deceased.]

14. Conditions of a prospecting licence :-

(1) Every prospecting licence granted under these rules, shall, in addition to any other conditions may be specified therein, be subject to the following conditions, namely:-

(i) the licensee shall pay such prospecting fee as may be fixed by

the State Government, ¹["being not less than rupee one and not more than rupees ten"] per hectare of land covered by the licence for each year or part of a year of the period for which the licence is granted or renewed;

²[(ii) the licensee may win and carry for purposes other than commercial purposes-

(a) any quantity of such minerals within the limits specified under column 3 of Schedule III without all payment;

(b) any quantity of such minerals not exceeding the limit specified under column 4 of Schedule III, on payment of royalty for the time being specified in the Second Schedule to the Act in respect of those minerals:

PROVIDED that if any quantity in excess of the quantities specified in sub-clause (b) is won and carried away, the State Government may recover the cost of the excess quantity of minerals won and carried away;

(iii) with the written approval of the State Government the licensee may carry away quantities of minerals in excess of the limits specified in Schedule III, on payment royalty for the time being specified in the Second Schedule to the Act, for chemical, metallurgical, ore-dressing and other test purposes;]

(iv) save in the case of land in respect of which the licensee is granted a mining lease, he shall, within six months next after the determination of the licence or the date of abandonment of the prospecting operations, whichever is earlier, securely plug all bores and fill up or fence all excavations in the land covered by the licence; ³[(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. Consequent upon such reporting, such newly discovered mineral shall be deemed to have been included in the prospecting licence;] ⁴*I*

(vii) the licensee shall not, except with the previous sanction of the State Government, transfer his licence:

⁵[PROVIDED that no prospecting licence shall be transferred to any person who has not filed an affidavit stating that he has filed an up-to-date income-tax returns and paid the income-tax assessed on him and paid the income-tax on the basis of self-assessment as provided in the Income Tax Act, 1961 (43 of 1961) and except on payment to the State Government of a fee of five hundred rupees: PROVIDED FURTHER that the State Government shall not grant its sanction for the transfer of prospecting license unless the transferee

has accepted all the conditions and liabilities which the transferor has in respect of such prospecting license:

PROVIDED also that the State Government may, by order in writing after providing the licensee the opportunity of being heard, cancel such prospecting license at any time if the licensee has, in the opinion of the State Government, committed a breach of this clause or rule 15A.]

6[(viii) the licensee shall not pay a wage less than the minimum wage prescribed by the Central or the State Government from time to time under the Minimum Wages Act, 1948;

(ix) the licensee shall observe the provisions of the Mines Act, 1952 **7**(35 of 1952) and the provisions of the Atomic Energy Act, 1962 (33 of 1962), insofar as the latter relate to atomic minerals included in Part B of the First Schedule to the Act;]

8[(x) the licensee shall-

(a) take immediate measures for the planting in the same area or any other area selected by the Central or the State Government not less than twice the number of trees destroyed by reason of any prospecting operations;

(b) look after them during subsistence of the licence after which these shall be handed over to the State Forest Department or any other authority as may be nominated by the Central Government;

(c) restore, to the extent possible, other flora destroyed by prospecting operations;]

9[(xi) the licensee shall pay to the occupier of surface of the land such compensation as may become payable under these rules;

(xii) the licensee shall comply with the Mineral Conservation and Development Rules framed under section 18.] **10**[***] **11**[***]

(2) A prospecting licence may contain such other conditions relating to the following as the State Government may think fit to impose, namely:-

(i) compensation for damage to land in respect of which the licence has been granted;

(ii) indemnity to Government against the claim of a third party for any damage, injury or disturbance caused to him by the licensee;

(iii) restrictions regarding felling of trees on unoccupied and unreserved Government land;

(iv) restrictions on prospecting operations in any area prohibited by any competent authority;

(v) operations in a reserved or protected forest;

(vi) conditions regarding entry on occupied land;

(vii) facilities to be given by the licensee for working other minerals in the licensed area or adjacent area;

12 [(viii) filing of civil suits or petitions relating to disputes arising out of the area under prospecting licence.]

13 [(3) 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 mineral development including development of atomic minerals.]

(4) In the case of breach of any condition imposed on any holder of a prospecting licence by or under this rule, the State Government may, by order in writing, cancel the licence, and/or forfeit, in whole or part, the amount deposited by the licensee under rule 20:

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

1. In Rule 14 ,sub-rule (1), in clause (i), for the words "being not less than fifty paise and not more than five rupees" shall be substituted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No. 07/03/1999, M-VI, date. 11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.

2. Substituted by GSR 724(E), dt. 27-9-1994.

3. Substituted by GSR 724(E), dt. 27-9-1994.

4. Clause (vi) omitted by GSR 724(E), dt. 27-9-1994.

5. Substituted by GSR 31(E), w.e.f. 22-1-2001.

6. Inserted by GSR 86(E), dt. 10-2-1987.

7. Substituted by GSR 54(E), dt. 17-1-2000.

8. Substituted by GSR 449(E), dt. 13-4-1988.

9. Inserted by GSR 86(E), dt. 10-2-1987.

10. Omitted by GSR 724(E), 27-9-1994.

11. Omitted by GSR 56(E), dt. 17-1-2000.

12. Added by GSR 296, dt. 18-3-1983.

13. Substituted by GSR 56(E),dt. 17-1-2000.

15. Licence to be executed within three months :-

(1) Where on any application for a prospecting licence an order has been made for the grant of such licence, a deed granting such licence shall be executed within ninety days of the date of the communication of the order or such further period as the State Government may allow in this behalf, 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 licence and in that event the fee paid shall be forfeited to the State Government.

(2) The deed referred to in sub-rule (1) shall be in Form F, or in a form as near thereto as circumstances of each case may require.

(3) The date of the commencement of the period for which a prospecting licence is granted shall be the date on which the deed is executed under sub-rule (1).

15A. 15A. :-

[Where on an application for grant of sanction to transfer the prospecting license under clause (vii) of sub-rule (1) of rule 14, the State Government has granted sanction for transfer of such license, a transfer deed in Form P, or a form as near thereto as possible shall be executed within three months of the date of the consent, or within such further period as the State Government may allow in this behalf.]

16. Report of information obtained by the licensee :-

[

(1) The licensee shall submit to the State Government a ¹[six monthly report] of the work done by him stating the number of persons engaged and disclosing in full the geological, geophysical or other valuable data collected by him during the period. The report shall be submitted within three months of the close of the period to which it relates.

(2) The licensee shall also submit to the State Government within three months of the expiry of the licence, or abandonment of operations or termination of the licence, whichever is earlier, a full report of work done by him and all information relevant to mineral resources acquired by him in the course of prospecting operations in the area covered by the licence.

(3) While submitting reports under sub-rule (1) or (2), the licensee may specify that the whole or any part of the report or data

submitted by him shall be kept confidential; and the State Government shall thereupon, keep the specified portions as confidential ² *I*

1. Substituted by GSR 724(E), dt. 27-9-1994.

2. Rule 17 omitted by GSR 724(E), dt. 27-9-1994.

18. Maintenance of accounts :-

Every licensee shall maintain ¹ [anaccurate] and faithful account of all the expenses incurred by him on prospecting operations and also the quantity and other particulars of all minerals obtained during such operations and their despatch.

1. Substituted by GSR 56(E), 17-1-2000.

19. Inspection :-

(1) The licensee shall allow every officer authorised by the Central Government or the State Government in this behalf to examine at any time accounts maintained under rule 18 and furnish the Central Government or the State Government such information and returns as it or any officer authorised by it in that behalf may require.

(2) The licensee shall allow any officer authorised by the Central Government or the State Government in this behalf to inspect any prospecting operations carried on by him.

20. Security deposit :-

(1) An applicant for a prospecting licence shall, before the deed referred to in sub-rule (1) of rule 15 is executed, deposit as security for the due observance of the terms and conditions of the licence ¹ ["a sum of two thousand and five hundred rupees"] in respect of the every square kilometre or part thereof for which the licence is granted.

(2) Any deposit made under sub-rule (1), if not forfeited under these rules, shall be refunded to the applicant as soon as the report referred to in rule 16 is submitted.

1. In Rule 20 ,sub-rule (1), the words "a sum of five hundred rupees" shall be substituted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No. 07/03/1999, M-VI, date.

11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.

21. Registers :-

- (1) A register of applications for prospecting licences shall be maintained by the State Government in Form G.
- (2) A register of prospecting licences shall be maintained by the State Government in Form H.

CHAPTER 4 GRANT OF MINING LEASES IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN THE GOVERNMENT

22. Applications for grant of mining leases :-

(1) An application for the grant of mining lease in respect of land in which the minerals vest in the Government shall be made to the State Government in Form I through such officer or authority as the State Government may specify in this behalf.

(2)¹[* * * * *]

(3)(i) Every application for the grant of renewal of a mining lease shall be accompanied by-

(a) ²["a non refundable fee of two thousand and five hundred rupees".] ³[***]

⁴[(d) a valid clearance certificate, in the form prescribed by the State Government of payment of mining dues, such as royalty or dead rent or surface rent payable under the Act or rules made thereunder, from that Government or any officer or authority authorised by that Government in this behalf:

⁵[PROVIDED that in case the applicant is a partnership firm or a private limited company, such certificate shall be furnished by all partners of the partnership firm or, as the case may be, all members of the private limited company:]

⁶[PROVIDED that where any injunction has been issued by a court of law or any other competent authority staying the recovery of any such mining dues or income tax, non-payment thereof shall not be treated as a disqualification for the purpose of granting or renewing the said mining lease:

PROVIDED 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 mining lease, it shall not be necessary for him to

produce the said valid clearance certificate:

PROVIDED that a properly sworn affidavit stating that no dues are outstanding shall suffice subject to the condition that the certificate required as above shall be furnished within ninety days of the date of application and the application shall become invalid if the party fails to file the certificate within the said ninety days:

PROVIDED FURTHER that the grant of clearance certificate under sub-clause (d) 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 rules made thereunder;]

7[***]

(f) an affidavit stating that the applicant has-

(i) filed up-to-date income-tax returns;

(ii) paid the income-tax assessed on him; and

(iii) paid the income-tax on the basis of self-assessment as provided in the Income-tax Act, 1961;

(g) an affidavit showing particulars of area mineral-wise in **8**[the] State, which the applicant or any person jointly with him-

(i) already holds under a mining lease;

(ii) has already applied for but not granted; and

(iii) being applied for simultaneously;

9[(h) a statement in writing that the applicant has, where the land is not owned by him obtained surface rights over the area or has obtained consent of the owner for starting mining operations:

PROVIDED that no such statement shall be necessary where the land is owned by the Government:

PROVIDED FURTHER that no such consent of the owner for starting mining operations in the area or part thereof may be furnished after execution of the lease deed but before entry into the said area:

PROVIDED also that no further consent would be required in the case of renewal where consent has already been obtained during grant of the lease.]

10[***]

4(ia) The State Government may, for reasons to be recorded in writing, relax the provisions of sub-clause (d) of clause (i).]

(ii) Every application for the grant of a mining lease shall in addition to those specified in clause (i) be accompanied by a deposit of **12**[one thousand rupees] for meeting the preliminary expenses in connection with the grant of the mining lease:

13[PROVIDED that the applicant shall deposit such further deposit as may be asked for by the State Government, within one month from the date of demand of such deposit]

14[(4) On receipt of the application for the grant of a mining lease the State Government shall take decision to grant precise area for the said purpose and communicate such decision to the applicant. On receipt of communication from the State Government of the precise areas to be granted, the applicant shall submit a mining plan within a period of six months or such other period as may be allowed by the State Government, to the Central Government for its approval. The applicant shall submit the mining plan, duly approved by the Central Government or by an officer duly authorised by the Central Government, to the State Government to grant mining lease over that area.]

[(4A)**1516**[Notwithstanding anything contained in sub-rule (4), the State Government shall be competent to approve mining plan of open cast mines (mines other than the underground mines) in respect of the following non-metallic or industrial minerals in their respective territorial jurisdiction, namely:-

- (i) Agate
- (ii) Ball Clay
- (iii) Barytes
- (iv) Calcareous Sand
- (v) Calcite
- (vi) Chalk
- (vii) Clay (Others)
- (viii) Corundum
- (ix) Diaspore
- (x) Dolomite
- (xi) Dunite/pyroxenite
- (xii) Felsite
- (xiii) Felspar
- (xiv) Fireclay
- (xv) Fusch. Quartzite
- (xvi) Gypsum
- (xvii) Jasper
- (xviii) Kaolin
- (xix) Laterite
- (xx) Limekankar
- (xxi) Ochre
- (xxii) Pyrophyllite
- (xxiii) Quartz

(xxiv) Quartzite

(xxv) Sand (others)

(xxvi) Shale

(xxvii) Silica Sand

(xxviii) Slate

(xxix) Steatite/Talc/Soapstone]:

17[PROVIDED that the State Government shall exercise the power of approval of mining plan through an officer or officers who shall possess the following qualification, **18**["experience and post or pay scale"] , namely:-

(i) a degree in Mining Engineering or post-graduate degree in Geology from a University established or incorporated by or under a Central Act, a Provincial Act or a State Act, including any institution recognized by the University Grants Commission established 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;

19(iii) in the post of Director or Additional Director or Joint Director of the concerned State Government or in the pay scale, the maximum of which shall not be less than Rs. 15850A (Rupees fifteen thousand eight hundred and fifty) per month:

(iii) the pay scale, the maximum of which shall not be less than Rs.15,850 /- (Rupees fifteen thousand eight hundred and fifty only) per month:

PROVIDED FURTHER that thdist of the officers fulfilling the qualification, **20**["experience and post or pay-scale"] specified in the first proviso shall be sent to the Controller General, Indian Bureau of Mines by the State Governments from time to time for the purposes of that proviso:]

PROVIDED **21**[also] where any State Government does not have such officer as having the requisite qualifications and experience, the power of approval of mining plan, as aforesaid, in respect of that State shall be exercised by the Central Government:

PROVIDED also that in the event of the State Government having officer or officers with requisite qualifications and experience from any date in future the State Government shall report the matter to the Controller General, Indian Bureau of Mines and the State Government shall exercise the power of approval of mining plan, as aforesaid, thereafter without any reference to the Central Government.]

22"(4B) The Central Government or the State Government 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 Central Government or the State Government, as the case may be, 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 Central Government or the State Government, as the case may be."

23[(5) The mining plan shall incorporate-

24[(i) 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;]

(ii) details of the geology and lithology of the area including mineral reserves of the area;

(iii) the extent of manual mining or mining by the use of machinery and mechanical devices;

(iv) the plan of the area showing natural water courses, limits of reserves and other forest areas and density of trees, if any, assessment of impact of mining activity on forest, land surface and environment including air and water pollution; details of the scheme of restoration of the area by afforestation, land reclamation, use of pollution control devices and such other measures as may be directed by the Central Government or the State Government from time to time;

23[(v) a tentative scheme of mining **26**[*]annual programme and plan for excavation from year to year for five years; and;]

283(va) a progressive mine closure plan as defined in clause (oo) of Rule 3 of the Mineral Conservation and Development Rules, 1988; and

(vi) any other matter which the Central Government may require the applicant to provide in the mining plan.]

3 [(6) The mining plan once approved shall be valid for the entire duration of lease:

PROVIDED that any modification or modifications of the mining plan shall be approved by the competent authority and such approval of the modified mining plan shall remain valid for the balance duration of the mining lease.]

1. Sub-rule (2) omitted by GSR 703, dt. 30-3-1968.

2. In Rule 22 ,sub-rule (3), clause (i) in item (a) the words "a non refundable fee of five hundred rupees," shall be substituted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No. 07/03/1999, M-VI, date. 11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.
3. Sub-clauses (b) and (c) omitted by GSR 86(E), dt. 10-2-1987.
4. Inserted by GSR 1117, dt. 23-5-1970.
5. Inserted by GSR 129(E), dt. 20-2-1991.
6. Inserted by GSR 56(E), dt. 17-1-2000.
7. Omitted by GSR 724(E), dt. 27-9-1994.
8. Substituted by GSR 56(E), dt. 17-1-2000.
9. Substituted by GSR 129(E), dt. 20-2-1991.
10. Omitted by GSR 56(E), dt. 17-1-2000.
12. Substituted by GSR 888, dt. 18-10-1986.
13. Inserted by GSR 1011, dt. 19-7-1965.
14. Substituted by GSR 634(E), dt. 28-8-1995.
15. Inserted by GSR 56(E), dt. 17-1-2000.
16. Substituted by GSR 743(E), dt. 25-9-2000.
17. Inserted by GSR 31(E),w.e.f. 22-1-2001.
18. In Rule 22, sub-rule (4A), in the first proviso the words "experience and pay scale" shall be substituted by Mineral Concession (Second Amendment) Rules, 2002. , Gaz. of India, Exty., Pt. II-Sec. 3(i), No. 497, dt. 29.10.2002, p. 4.
19. In Rule 22, sub-rule (4A),clause (iii), shall be substituted by Mineral Concession (Second Amendment) Rules,2002. , Gaz. of India, Exty., Pt. II-Sec. 3(i), No. 497, dt. 29.10.2002, p. 4.
20. In Rule 22, sub-rule (4A),in the second proviso the words "experience and pay-scale" , shall be substituted by Mineral Concession (Second Amendment) Rules, 2002. , Gaz. of India, Exty., Pt. II-Sec. 3(i), No. 497, dt. 29.10.2002, p. 4.
21. Substituted for "further", ibid.
22. In Rule 22 ,after sub-rule (4A), sub-rule (4B) shall be inserted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No.

07/03/1999, M-VI, date. 11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.

23. Added by GSR 724(E), dt.27-9-1994.

24. Substituted by GSR 56(E) dt. 17-1-2000.

26. Omitted the word "and", by Mineral Concession (Amendment) Rules, 2003

28. Inserted by GSR 56(E), dt. 17-1-2000.ment) Rules, 2003

3. Inserted by GSR 56(E), dt. 17-1-2000.

22A. Mining operations to be in accordance with Mining Plans :-

[¹² [(1) Mining operations shall be undertaken in accordance with the duly approved mining plan.

(2) Modification of the approved mining plan during the operation of a mining lease also requires prior approval.]]

1. Inserted by GSR 86(E), dt. 10-2-1987.

2. Substituted by GSR 908(E), dt. 19-10-1989.

22B. Mining plan to be prepared by recognised persons :-

[¹(1) No mining plan shall be approved ²[***] unless it is prepared by a qualified person recognised in this behalf by the Central Government, ³[or duly authorised officer].

(2) No person shall be recognised by the Central Government purposes of sub-rule (1) unless he holds-

(i) 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 institution recognised by the University Grants Commission established under section 4 of the University Grants Commission Act, 1956 or any equivalent qualification granted by any University or Institution outside India; and

⁴ [(11) professional experience of five years of working in a supervisory capacity in the field of mining after obtaining the degree.]

(3) A person recognised to prepare a mining plan may also carry out modifications of an existing mining plan.]

1. Inserted by GSR 86(E), dt. 10-2-1987.
2. Omitted by GSR 908(E), dt. 19-10-1989.
3. Inserted by GSR 129(E), dt. 20-2-1991.
4. Substituted by GSR 1002(E), dt. 21-12-1987.

22BB. 22BB :-

¹(1) Notwithstanding the provisions of rule 63 the mining plan shall be submitted for approval through authority notified by the Controller General of the Indian Bureau of Mines or by the State Government, as the case may be, in this behalf except for minerals specified in Parts A and B of the First Schedule to the Act.

² (1a) Every mining plan submitted for approval under sub-rule (1) shall be accompanied with a non-refundable fee of one thousand rupees for every square kilometer or part thereof of mining area covered under the mining lease.

(2) Notwithstanding the provisions of rule 54, any person aggrieved by any order made or direction issued in respect of mining plan by an officer of the Central Government competent to approve mining plans other than the Chief Controller of Mines, Indian Bureau of Mines for minerals other than those listed in Parts A and B of the First Schedule to the Act, 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.

(3) On receipt of any application for revision under sub-rule (1), the authority after giving a reasonable opportunity of being heard to the aggrieved person, may confirm, modify or set aside the order made or direction issued by any officer subordinate to him;

(4) 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 30 days, if the applicant satisfies the Controller

General, Indian Bureau of Mines that he had sufficient cause for not making the application in time.

(5) On receipt of any such application under sub-rule (4), 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.

(6)

(a) Notwithstanding anything contained in the above sub-rules, any person aggrieved by any order or direction issued in respect of a mining plan by an authorised officer of the State Government, may within thirty days of the communication of such order or direction, apply to the Controller General, Indian Bureau of Mines for revision of the order or direction and his decision thereon shall be final.

(b) The procedure enumerated in the preceding sub-rules shall, mutatis mutandis, be followed in the disposal of such an application.

(7) The powers under sub-rules (1) and (2) in regard to approval of mining plans shall be exercised by Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad, and in regard to revision under sub-rules (3) to (5) shall be exercised by Secretary, Department of Atomic Energy, Mumbai, insofar as they relate to atomic minerals specified in the Part B of the First Schedule to the Act.

(8) The powers under sub-rules (1) to (5) in regard to approval of mining plan and revision shall be exercised by authorities designated in this behalf by notification by the Department of Coal insofar as they relate to coal and lignite specified in the Part-A of the First Schedule to the Act.

1. Substituted by GSR 56(E), dt. 17-1-2000.

2. In Rule 22BB ,after sub-rule (1), sub-rule (1A) shall be inserted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No. 07/03/1999, M-VI, date. 11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.

22C. Grant of recognition by Central Government :-

[¹(1) Any person possessing the qualifications and experience referred to in sub-rule (2) of rule 22B may apply for being recognised as a recognised person to the competent authority appointed for the purpose by the Central Government.

(2) The competent authority, after making such enquiry as it

deems fit, may grant or refuse to grant recognition and where recognition is refused, the competent authority shall record reasons in writing and communicate the same to the applicant.]

²[(3) A recognition shall be granted for an initial period of ten years and may be renewed for a period(s) not exceeding ten years at a time: PROVIDED that the competent authority may refuse to renew recognition for reasons to be recorded in writing after giving an opportunity of hearing to the person concerned.]

² [(4) An appeal shall lie to the Controller General, Indian Bureau of Mines, against the order of the competent authority refusing to grant or renew an application for recognition and his order thereon shall be final.]

[Explanation: For the purpose of this rule, Chief Controller of Mines, Controller of Mines and the Regional controller of Mines, shall be deemed to be competent authority.]

1. Inserted by GSR 86(E), dt. 10-2-1987.

2. Substituted by GSR 56(E), dt. 17-1-2000.

22D. Minimum size of the mining lease :-

. Minimum area for grant of mining lease shall not be less than

¹(a) One hectare, in respect of small deposits (not fragmented portions of larger ones), shallow in nature, isolated and not exceeding more than 200 metres in strike length. These deposits are small by virtue of either origin or mode of emplacement or dislocation due to geological disturbances. 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;

(b) Two hectares, in respect of beach sands or placers. Beach sands or placers are mono or multi mineral concentrations, including the dunes occurring on and off the coastal shore line. These deposits are the products of ebb and flow of tides, waves and inshore currents, and at places semi-consolidated to consolidated in nature;

(c) Four hectares, in respect of all mineral deposits other than those specified under clauses (a) and (b).

² "Provided that in the case of renewal of mining lease, the restrictions of minimum area for grant of mining lease shall not be applicable".

1. Inserted by Mineral Concession (Amendment) Rules, 2003
2. In Rule 22-D of the proviso shall be added at the end, by the Mineral Concession (Amendment) Rules, 2005

23. Acknowledgement of application :-

- (1) Where an application for the grant or renewal of a mining lease is delivered personally, its receipt shall be acknowledged forthwith.
- (2) Where such application is received by registered post, its receipt shall be acknowledged on the same day.
- (3) In any other case, the receipt of such application shall be acknowledged within three days of the receipt.
- (4) The receipt of every such application shall be acknowledged in Form D. ¹ [***]

1. Rule 23 omitted by GSR 908(E), dt. 19-10-1989.

24. Disposal of application for mining lease :-

¹[1.***]

²[2.***]

¹[3.***]

⁴[(4) Where an application for a mining lease for a mineral or minerals not specified in the existing mining lease or mining leases is made for the whole or part of the area held under mining lease by a person other than the lessee, the State Government shall notify this fact ⁵[by registered post/Acknowledgement Due] to the person who already holds mining leases for another mineral in the land applied for.]

(5)

(a) If on receipt of the information referred to in sub-rule (4), from the State Government, the lessee applies either for prospecting licence or mining lease for newly discovered mineral or minerals within six months from the date of communication of the information by the State Government, the lessee shall be preferred in respect of such grant.

(b) If the lessee fails to apply for prospecting licence or mining lease within six months, then this fact will be intimated to the applicant by the State Government and the State Government will consider the original application in accordance with the rules.

¹ [***]

1. Sub-rules (1) and (3) omitted by GSR 6(E), dt. 7-1-1993.
2. Sub-rule (2) omitted by GSR 86(E), dt. 10-2-1987.
4. Inserted by GSR 703, dt. 30-3-1968.
5. Inserted by GSR 1579, dt. 6-9-1971.

24A. Renewal of mining lease :-

¹(1) An application for the renewal of a mining lease shall be made to the State Government in Form J, at least twelve months before the date on which the lease is due to expire, through such officer or authority as the State Government may specify in this behalf.

²[(2) The renewal or renewals of a mining lease granted in respect of a mineral specified in Part A and Part B of the First Schedule to the Act may be granted by the State Government with the previous approval of the Central Government.]

²[(3) The renewal or renewals of a mining lease granted in respect of a mineral not specified in Part A and Part B of the First Schedule to the Act may be granted by the State Government.]

⁴4.[***]

³5.[***]

⁶[(6) If an application for renewal of a mining lease made within the time referred to in sub-rule (1) is not disposed of by the State Government before the date of expiry of the lease, the period of that lease shall be deemed to have been extended by a further period till the State Government passes order thereon.]

⁷[***]

⁸[(8) Notwithstanding anything contained in sub-rule (1) and sub-rule (6) an application for the first renewal of a mining lease, as so declared under the provisions of section 4 of the Goa, Daman and Diu Mining Concession (Abolition and Declaration as Mining Lease) Act, 1987, shall be made to the State Government in Form J before the expiry of the period of mining lease in terms of sub-section (1) of section 5 of the said Act, through such officer or authority as the State Government may specify in this behalf:

PROVIDED that the State Government may, for reasons to be recorded in writing and subject to such conditions as it may think fit, allow extension of time for making of such application upto a total period not exceeding one year.]

⁹[(9) If an application for first renewal made within the time

referred to in sub-rule (8) or within the time allowed by the State Government under the proviso to sub-rule (8), the period of that lease shall be deemed to have been extended by a further period till the State Government passes orders thereon.]

10[(10) The State Government may condone delay in an application for renewal of mining lease made after the time limit prescribed in sub-rule (1) provided the application has been made before the expiry of the lease.]

11[Provided that before granting approval for second or subsequent renewal of mining lease, the State Government shall seek a report from the Controller General, Indian Bureau of Mines, as to whether it would be in the interest of mineral development to grant the renewal of the mining lease.

9 Provided further that in case a report is not received from Controller General, Indian Bureau of Mines in a period of three months of receipt of the communication from the State Government, it would be deemed that the Indian Bureau of Mines has no adverse comments to offer regarding the grant of the renewal of mining lease.]

1. inserted by GSR 86(E), dt. 10-2-1987.

2. Substituted by GSR 56(E), dt. 17-1-2000.

4. Sub-rules (1) and (3) omitted by GSR 6(E), dt. 7-1-1993.

6. Substituted by GSR 724(E), dt. 27-9-1994.

7. Sub-rule (7) omitted by GSR 56(E), dt. 17-1-2000.

8. Inserted by GSR 855(E), dt. 14-10-1987.

9. Inserted by GSR 724(E), dt. 24-10-1987.

10. Substituted by GSR 56(E), dt. 17-1-2000.

11. In Rule 24A ,in sub-rule (3), proviso shall be inserted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No. 07/03/1999, M-VI, date. 11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.

24B. Renewal of mining lease in favour of a person using the mineral in his own industry :-

[Every person who is holding mining lease for a mineral which is used in his own industry shall be entitled for the renewal of his

mining lease for a period ¹[not exceeding twenty years] unless he applies for a lesser period.

Explanation : "Own industry" means an industry of which the lessee is the owner or in which he holds not less than fifty per cent of controlling interest.]

² [***]

1. Substituted by GSR 345(E), dt. 30-3-1994.

2. Rule 25 omitted by GSR 56(E), dt. 17-1-2000.

25A. Status of the grant on the death of applicant for mining lease :-

[

(1) Where an applicant for grant or renewal of mining lease dies before the order granting him a mining lease or its renewal is passed, the application for the grant or renewal of a mining lease shall be deemed to have been made by his legal representative.

(2) In the case of an applicant in respect of whom an order granting or renewing a mining lease is passed, but who dies before the deed referred to in sub-rule (1) of rule 31 is executed, the order shall be deemed to have been passed in the name of the legal representative of the deceased.]

26. Refusal of application for grant and renewal of mining lease :-

[¹²[(1) ³[The State Government may, after giving an opportunity of being heard and] for reasons to be recorded in writing and communicated to the applicant, refuse to grant or renew a mining lease over the whole or part of the area applied for.]

³[(2) An application for the grant or renewal of a mining lease made under rule 22 or rule 24A, as the case may be, shall not be refused by the State Government only on the ground that Form I or Form J, as the case may be, is not complete in all material particulars, or is not accompanied by the documents referred to in sub-clauses (d), (e), (f), (g) and (h) of clause (i) of sub-rule (22).]

⁵[(3) Where it appears that the application is not complete in all material particulars or is not accompanied by the required documents, the State Government shall, by notice, require the applicant to supply the omission or, as the case may be, furnish the document, without delay and in any case not later than ⁶ [thirty

days] from the date of receipt of the said notice by the applicant.]

1. Substituted by GSR 1243, dt. 18-7-1963.

2. Rule 26 renumbered as sub-rule (1) thereof by GSR 734, dt. 2-5-1979.

3. Substituted by GSR 449(E), dt. 13-4-1988.

5. Inserted by GSR 734, dt. 2-5-1979.

6. In Rule 26, the words "sixty days" , shall be substituted by Mineral Concession (Second Amendment) Rules, 2002. , Gaz. of India, Exty., Pt. II-Sec. 3(i), No. 497, dt. 29.10.2002, p. 4.

27. Conditions :-

(1) Every mining lease shall be subject to the following conditions¹[* * *]:-

(a) the lessee shall report to the State Government the discovery in the leased area of any mineral not specified in the lease, within sixty days of such discovery;

(b) if any mineral not specified in the lease is discovered in the leased area, the lessee shall not win and dispose of such mineral unless such mineral is included in the lease or a separate lease is obtained therefor;

(c) the lessee shall pay, for every year, except the first year of the lease, such yearly dead rent²[at the rates specified in the Third Schedule]³[of the Act] and if the lease permits the workings of more than one mineral in the same area⁴[the State Government shall not charge separate dead rent in respect of each mineral]:

PROVIDED that the lessee shall be liable to pay the dead rent or royalty in respect of each mineral whichever be higher in amount but not both;

(d) 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 cesses assessable on the land, as may be specified by the State Government in the lease; ⁵[***]

(f) ⁶[** *] The lessee shall commence mining operations within one year from the date of execution of the lease and shall thereafter conduct such operations in a proper, skillful and workman-like manner,

Explanation : For the purposes of this clause, mining operations

shall include the erection of machinery, laying of a tramway or construction of a road in connection with the working of the mine;
(g) the lessee shall at his own expenses erect and at all times maintain and keep in good repair boundary marks and pillars necessary to indicate the demarcation shown in the plan annexed to the lease;

(h) 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 written permission of the railway administration concerned ⁷[or under or beneath any rope-way or any rope-way trestle or station, except under and in accordance with the written permission of authority owning the rope-way] or from any reservoir, canal or other public works, or buildings, except under and in accordance with the previous permission of the State Government;

(i) the lessee shall keep ⁸[accurate and faithful] accounts showing the quantity and other particulars of all minerals obtained and dispatched 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;

(j) the lessee shall keep accurate records of all trenches, pits and drillings made by him in the course of mining operations carried on by him 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:-

(a) the subsoil and strata through which such trenches, pits or drillings pass;

(b) any mineral encountered;

(c) such other particulars as the Central or the State Government may, from time to time, require;

(k) 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 its opinion, requires such strengthening or support for the safety of any railway, reservoir, canal, road or any other public works or buildings;

(l) 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 purposes of inspecting the same;

(m) the State Government shall at all times have the right of preemption of the minerals won from the land in respect of which the lease has been granted:

PROVIDED that the fair market price prevailing at the time of preemption shall be paid to the lessee for all such minerals;

9[(n) The lessee shall store properly the unutilized or non-saleable sub-grade ores or minerals for future benefaction;]

10[(o) in respect of any mineral which in relation to its use for certain purposes is classified as a major mineral and in relation to its use for other purposes as a minor mineral, the lessee who holds a lease for extraction of such mineral under these rules whether or not it is specified as a major mineral in the lease deed, shall not use or sell the mineral or deal with it in whatsoever manner or knowingly allow any one 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 it in this behalf by the lessee, that State Government 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 major mineral or that there is no market for such mineral as a major 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;]

11[(p) 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;]

12[(q) the lessee shall not pay a wage less than the minimum wage prescribed by the Central or State Government from time to time under the Minimum Wages Act, 1948;

(r) the lessee shall observe the provisions of Mines Act, 1952

13[(35 of 1952) and of the Atomic Energy Act, 1962 (33 of 1962), in so far as they relate to atomic minerals included in Part B of the First Schedule to the Act;]

14[(s) the lessee shall-

(i) take immediate measures for planting in the same area or any other area selected by the Central or State Government not less than twice the number of trees destroyed by reasons of any mining operations;

(ii) look after them during the subsistence of the lease after which these trees shall be handed over to the State Forest Department or any other authority nominated by the Central or State

Government;

(iii) restore, to the extent possible other flora destroyed by the mining operations;]

14[(t) the lessee shall pay to the occupier of the surface of the land such compensation as may become payable under these rules;

(u) the lessee shall comply with the Mineral Conservation and Development Rules framed under section 18.]

(2) 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) the compensation for damage to the land covered by the lease;

(c) the felling of trees;

(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) the 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) the indemnity to Government against claims of third parties;

(l) the delivery of possession of lands and mines on the surrender, expiration or determination of the lease;

16[(la) the time limit for removal of mineral, ore, plant, machinery and other properties from the lease hold area after expiration, or sooner determination or surrender or abandonment of the mining lease;]

(m) the forfeiture of property left after determination of lease;

(n) the power to take possession of plant, machinery, premises and mines in the event of war or emergency;

17[(o) filing of civil suits or petitions relating to disputes arising out of the area under lease.]

18[(3) 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, including development of atomic minerals.]

(4) If the lessee does not allow entry or inspection under clause (i),

(j) or (1) 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 determined and his security deposit forfeited; and if the lessee fails to show cause within the aforesaid time to the satisfaction of the State Government, the State Government may determine the lease and forfeit the whole or part of the security deposit.

19 [(5) 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 commits a breach of any of the conditions specified in sub-rules (1), (2) and (3), except the condition referred

1. Omitted by GSR 449(E), dt. 13-4-1988.
2. Substituted by GSR 86(E), dt. 10-2-1987.
3. Inserted by GSR 449(E), dt. 13-4-1988.
4. Substituted by GSR 703, dt. 30-3-1968.
5. Clause (e) omitted by GSR 724(E), dt. 27-9-1994.
6. Omitted by GSR 449(E), dt. 13-4-1988.
7. Inserted by GSR 791, dt. 26-2-1969.
8. Substituted by GSR 56(E), dt. 17-1-2000.
9. Substituted by GSR 129(E), dt. 20-2-1991.
10. Added by GSR 842, dt. 18-5-1963.
11. Inserted by GSR 888, dt. 18-10-1986.
12. Inserted by GSR 86(E), dt. 10-2-1987.
13. Inserted by GSR 56(E), dt. 17-1-2000.
14. Substituted by GSR 449(E), dt. 13-4-1988.
16. Inserted by GSR 56(E), dt. 17-1-2000.
17. Substituted by GSR 56(E), dt. 17-1-2000.
18. Substituted by GSR 129(E), dt. 20-2-1991.
19. Inserted by GSR 296, dt. 9-4-1983.

28. Lapsing of leases :-

[

(1) Subject to the other conditions of this rule where mining operations are not commenced within a period of one year from the date of execution of the lease, or is discontinued for a continuous period of one year after commencement of such operations, the State Government shall, by an order, declare the mining lease as lapsed and communicate the declaration to the lessee.

(2) Where a lessee is unable to commence the mining operation within a period of one year from the date of execution of the mining lease, or discontinues mining operations for a period exceeding one year 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.

(3) Every application under sub-rule (2) shall be accompanied by a fee of Rs. 200.

(4) The State Government may on receipt of an application made under sub-rule (2) and on being satisfied about the adequacy and genuineness of the reasons for the date on which the lease would have otherwise lapsed, extending or refusing to extend the period of the lease:

PROVIDED that where the State Government on receipt of an application under sub-rule (2) does not pass an order before the expiry of the date on which the lease would have otherwise lapsed, the lease shall be deemed to have been extended until the order is passed by the State Government or until a period of ¹[two years], whichever is earlier.

²[Explanation: 1. Where the non-commencement of the mining operations within a period of ¹[two years] from the date of execution of mining lease is on account of-

(a) delay in acquisition of surface rights; or

(b) delay in getting the possession of the leased area; or

(c) delay in supply or installation of machinery; or

(d) delay in getting financial assistance from banks, or any financial institutions; or

(e) ensuring supply of the mineral in an industry of which the lessee is the owner or in which he holds not less than 50% of the controlling interest, and the lessee is able to furnish documentary evidence supported by a duly sworn affidavit, the State Government may consider if there are sufficient reasons for non-commencement of operations for a continuous period of more than one year.

Explanation 2. : Where the discontinuance of mining operations for

a continuous period of ¹[two years] after the commencement of such operations is on account of-

- (a) orders passed by any statutory or judicial authority; or
- (b) operations becoming highly uneconomical; or
- (c) strike or lock out, and the lessee is able to furnish documentary evidence supported by a duly sworn affidavit, the State Government may consider if there are sufficient reasons for discontinuance of operation for a continuous period of more than one year.]]

⁵ [Explanation 3 : In case of mining lessee who has undertaken reconnaissance operations or in case of mining lessee whose capital investment in mine development is planned to be in excess of Rs. 200 crores and where the mine development is likely to take more than two years, the State Government shall consider it to be sufficient reason for non-commencement of mining operations for a continuous period of more than two years.]

1. Substituted by GSR 345(E), dt. 20-3-1994.
2. Substituted by GSR 129(E), dt. 20-2-1991.
5. Inserted by GSR 56(E), dt. 17-1-2000.

28A. 28A. :-

- [
- (1) 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 discontinues mining operations for a period exceeding two years for reasons beyond his control, he may submit an application to the State Government explaining the reasons for the same at least within six months from the date of its lapse: PROVIDED that the lease has not been revived under this provision for more than twice during the entire period of the lease.
 - (2) Every application under sub-rule (1) shall be accompanied by a fee of Rs. 500/-.
 - (3) The State Government on receipt of an application made under sub-rule (1) and on being satisfied about the adequacy and genuineness of the reasons for non-commencement of mining operations or discontinuance thereof taking into consideration the matters specified in the Explanation to rule 28, pass an order reviving the lease.]

29. Restrictions on determination of lease :-

¹[(1)] The lessee shall not determine the lease except after notice in writing of not less than twelve calendar months to State Government or to such officer, or authority as the State Government may specify in this behalf:

²[PROVIDED that where a lessee holding a mining lease for a group of minerals applies for the surrender of any mineral from the lease on the ground that deposits of that mineral have since exhausted or depleted to such an extent that it is no longer economical to work the mineral, the State Government may permit the lessee to surrender that mineral, subject to the following conditions, namely:-

(a) the lessee applies for such surrender of mineral at least 6 months before the intended date of surrender; and

(b) the lessee gives an undertaking that he will not cause any hindrance in the working of the mineral so surrendered by any other person who is subsequently granted a mining lease in respect of that mineral:]

³(c) the lessee has obtained a certificate under Rule 29-A.

⁴[PROVIDED FURTHER that where a lessee applies for the surrender of the whole or a part of lease-hold area on the ground that such area is barren or the deposits of minerals have since exhausted or depleted to such an extent that it is no longer economical to work in such area, the State Government shall permit the lessee, from the

(a) the leasehold area to be surrendered has been properly surveyed and is contiguous,

(b) the lessee has paid all the dues payable to the Government under the lease up to the date of application, and ⁵[***]

⁶[PROVIDED also that surrender of the lease area by the lessee shall be permitted only thrice during the period of the lease on fulfilling the conditions-

(i) that at least a period of five years has elapsed since the last surrender; and

(ii) that the provisions of the mining plan including the environment management plan thereof have been complied with.]

⁷[(2) Every application for the surrender of a part of lease-hold area in accordance with the provisions of sub-rule (1), shall be accompanied by a deposit of two hundred rupees for meeting the expenditure for the purpose of survey and demarcation of the area

to be surrendered:

PROVIDED that the lessee shall deposit such further amount, not exceeding two hundred rupees, as may be demanded by the State Government for meeting any additional expenditure for the said purpose within one month from the date of demand of such deposit:

PROVIDED FURTHER that where the whole or any part of the amount deposited has not been expended, it shall be refunded, it shall be refunded to the lessee] ⁸[within two months from the date of the completion of the work of survey and demarcation of the area to be surrendered.]

⁹[***]

³ "(3) Upon the issuance of the order by the Regional Controller of Mines or the officer authorized by the State Government in this behalf, as the case may be, under sub-rule (6) of Rule 23-F of Mineral Conservation and Development Rules, 1988 , for forfeiting the sum assured, on non-performance of the measures contained in the approved mine closure plan referred to in sub-rule (1) of Rule 23-A of Mineral Conservation and Development Rules, 1988 by the lessee, it shall be the responsibility of State Government to realize any letter of credit or bond or any other surety, guarantee provided or obtained as financial assurance for the purpose of performance of protective, reclamation and rehabilitation measures as contained in the approved mine closure plan and shall carry out such measures either by itself, or appoint an agent to do so."

1. Rule 29 renumbered as sub-rule (1) thereof by GSR 1332, dt. 28-11-1974.

2. Inserted by GSR 1707, dt. 4-12-1962.

3. Inserted by the Mineral Concession (Amendment) Rules, 2003

4. Inserted by GSR 634, dt. 30-3-1963.

5. Clause (c) omitted by GSR 129(E), dt. 20-2-1991.

6. Inserted by GSR 129(E), dt. 20-2-1991.

7. Inserted by GSR 1332, dt. 28-11-1974.

8. Inserted by GSR 952, dt. 2-7-1977.

9. Sub-rule (3) omitted by GSR 6(E), dt. 7-1-1993.

29A. Provision for closure :-

". .

(1) The lessee shall not determine the lease or part thereof unless a final mine closure plan duly approved by the Regional Controller or the officer authorized by the State Government in this behalf, as the case may be, is implemented as per the approval.

(2) For the purposes of sub-rule (1), the lessee shall be required to obtain a certificate from the Regional Controller of Mines or officer authorized by the State Government in this behalf, as the case may be, to the effect that protective, reclamation and rehabilitation work in accordance with the approved mine closure plan or with such modifications as approved by the competent authority have been carried out by the lessee."

30. Rights of lessee :-

Subject to the conditions mentioned in rule 27, the lessee with respect of the land leased to him shall have the right for the purpose of mining operations on that land-

- (a) to work in 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 purposes;
- (g) to do any other thing specified in the lease.

31. Lease to be executed within six months :-

(1) Where, on an application for the grant of a mining lease, an order has been made for the grant of a such lease, a lease deed in Form K or in a form as near thereto as circumstances of each case may require, shall be executed within six months of the order or within such further period as the State Government may allow in this behalf, and if

¹ [(2) The date of the commencement of the period for which a mining lease is granted shall be the date on which a duly executed deed under sub-rule (1) is registered.]

1. Substituted by GSR 56(E), dt.17-I-2000.

32. Security deposit :-

An applicant for a mining lease, shall, before the deed referred to in rule 31 is executed, deposit as security for the due observance of the terms and conditions of the lease ¹ [ten thousand rupees].

1. Substituted by GSR 56(E), dt.17-1-2000.

33. Survey of the area leased :-

When a mining lease is granted by the State Government, arrangements shall be made ¹ [by the State Government] at the expense of the lessee for the survey and demarcation of the area granted under the lease.

1. Inserted by GSR 1133, dt.7-9-1961.

34. Manner of exercise of preferential rights for mining lease :-

A mining lease to any person who has a preferential right thereto under sub-section (1) of section 11, may at his option, be granted to him either for the whole of the area for which he holds the prospecting licence or such parts or part thereof as he may select but the State Government may for any special reasons to be recorded in writing reduce the area or exclude a portion therefrom.

35. Preferential rights of certain persons :-

[Where two or more persons have applied for a reconnaissance permit or a prospecting licence or a mining lease in respect of the same land, the State Government shall, for the purpose of sub-section (2) of section 11, consider besides the matters mentioned in clauses (a) to (d) of sub-section (3) of section 11, the end use of the mineral by the applicant]

36. Boundaries below the surface :-

The boundaries of the area covered by a mining lease shall run vertically downwards below the surface towards the center of the earth.

37. Transfer of lease :-

(1) These lessee shall not, without the previous consent in writing

of the State Government and in the case of mining lease in respect of any mineral specified in ¹[Part A and Part B of] the First Schedule to the Act, without the previous approval of the Central Government]-

(a) assign, sublet, mortgage or in any other manner, transfer the mining, lease, or any right, title or interest therein, or

(b) enter into or make any ²[bona fide] arrangement, contract or understanding whereby the lessee will or may be directly or indirectly financed to a substantial extent by, or under which the lessee's operations or undertakings will or may be substantially controlled by, any person or body of persons other than lessee:

³[***]

⁴[PROVIDED FURTHER that where the mortgagee is an institution or a Bank or a Corporation specified in Schedule V, it shall not be necessary for the lessee to obtain any such consent of the State Government.]

⁵[(1A) The State Government shall not give its consent to transfer of mining lease unless the transferee has accepted all the conditions and liabilities which the transferor was having in respect of such mining lease.]

(2) Without prejudice to the provisions of sub-rule (1), the lessee may, ⁶[** *] transfer his lease or any right, title or interest therein to person ⁷[who has filed an affidavit stating that he has filed an up-to-date income-tax returns, paid the income-tax assessed on him and paid the income-tax on the basis of self-assessment as provided in the Income-tax Act, 1961 (43 of 1961), on payment of a fee of five hundred rupees] to the State Government:

PROVIDED that the lessee shall make available to the transferee the original or certified copies of all plans of abandoned workings in the area and in a belt 65 meters wide surrounding it:

⁸[PROVIDED FURTHER that where the mortgagee is an institution or a Bank or an Corporation specified in Schedule V, it shall not be necessary for any such institution or Bank or Corporation ⁹[to meet with the requirement relating to income-tax]:]

¹⁰[PROVIDED FURTHER that the lessee shall not charge or accept from the transferee any premium in addition to the sum spent by him, in obtaining the lease, and for conducting all or any of the operations referred to in rule 30 in or over the land leased to him:]

¹¹[***]

(3) The State Government may, by order in writing determine any lease at any time if the lessee has, in the opinion of the State

Government, committed a breach of any of the provisions of sub-rule (1) ¹²[or sub-rule (1A) ¹³ [* * *]] or has transferred any lease or any right, title, or interest therein otherwise than in accordance with sub-rule (2):

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

1. Inserted by GSR 129(E), dt. 20-2-1991.
2. Inserted by GSR 56(E), dt. 17-1-2000.
3. Proviso omitted by GSR 724(E), dt. 27-9-1994.
4. Inserted by GSR 345(E), dt. 13-3-1973.
5. Substituted by GSR 724(E), dt. 27-9-1994.
6. Omitted by GSR 743(E), dt. 25-9-2000.
7. Substituted by GSR 449(E), dt. 13-4-1988.
8. Substituted by GSR 1333, dt. 13-4-1988.
9. Substituted by GSR 449(E), dt. 13-4-1988.
10. Inserted by GSR 805, dt. 30-4-1963.
11. Proviso omitted by GSR 56(E), dt. 17-1-2000.
12. Inserted by GSR 877, dt. 21-9-1985.
13. Omitted by GSR 345(E), dt. 30-3-1994.

37A. Transfer of lease to be executed within three months

:-

[Where on an application for transfer of mining lease under rule 37, the State Government have given consent for transfer of such lease, a transfer lease deed in Form O or a form as near thereto, as possible, shall be executed within three months of the date of the consent, or within such further period as the State Government may allow in this behalf.]

38. 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-terminus with the lease whose period will expire first:

PROVIDED FURTHER that prior approval of the Central Government shall be required for such amalgamation in respect of leases for minerals specified in Part A and Part B of the First Schedule to the Act.

39. Pending applications for transfer and amalgamation :-

[An application for the transfer of mining lease or the amalgamation of mining leases pending at the commencement of these rules shall be disposed of in accordance with these rules.]

40. Registers :-

(1) A register of applications for mining leases shall be maintained by the State Government in Form L.

(2) A register of mining leases shall be maintained by the State Government in Form M.

CHAPTER 5 PROCEDURE FOR OBTAINING PROSPECTING LICENCE OR MINING LEASE IN RESPECT OF LAND IN WHICH THE MINERALS VEST IN A PERSON OTHER THAN THE GOVERNMENT

41. Applicability of this chapter :-

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

42. Restrictions on the grant of prospecting licence and mining lease :-

¹[(1) No prospecting licence or mining lease shall be granted to any person unless he has filed an affidavit stating that he has-

- (i) filed up-to-date income-tax returns;
- (ii) paid the income-tax assessed on him; and
- (iii) paid the income-tax on the basis of self-assessment as provided in the Income-tax Act, 1961 (43 of 1961).]

²[(2) Except with the previous approval of the Central Government, no prospecting licence or mining lease shall be granted in respect of any mineral specified in the First Schedule to the Act.]

3 [***]

1. Substituted by GSR 449(E), dt. 13-4-1988.
2. Substituted by GSR 129(E), dt. 20-2-1991.
3. Rule 43 omitted by GSR 449(E), dt. 13-4-1988.

44. Conditions of prospecting licence :-

Every prospecting licence shall be subject to the following conditions:- (i) the licensee shall pay the grantor such prospecting fee as may be agreed upon, ¹ ["being not less than one rupee and not more than ten rupees"] per hectare of the land covered by the licence for each year or a part of the year of the period for which a licence is granted or renewed;

(ii) in the case of minerals other than gold, silver, precious stones or mica, the licensee shall not win or carry away the minerals for commercial purposes:

PROVIDED that the licensee may win and carry away for purposes other than commercial purposes-

(a) any quantity of such minerals within the limits specified in Schedule III without any payment;

(b) any quantity of such minerals exceeding such limits but not exceeding twice such limits, which is won during prospecting operations, on payment of royalty for the time being specified in the Second Schedule to the Act in respect of those minerals;

(c) any quantity of limestone not exceeding 500 tonnes for testing its use in any industry specified by the Central Government in this behalf, on payment of royalty for the time being specified in Second Schedule to the Act in respect of limestone;

(iii) in the case of gold, silver, precious stones or mica the licensee may carry away any quantity won during the course of prospecting operations on payment of royalty for the time being specified in the Second Schedule to the Act in respect of such mineral;

(iv) such other conditions as may be agreed upon between the parties not being inconsistent with the provisions of the Act or these rules.

1. In Rule 44 ,in clause (i), for the words "being not less than fifty paise and not more than five rupees" shall be substituted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No. 07/03/1999, M-VI, date. 11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.

45. Conditions of mining lease :-

Every mining lease shall be subject to the following conditions:-

(i) the provisions of the clauses (b) to (1) ¹[and (p) to (u)] of sub-rule (1) of rule 27 shall apply to such leases with the modification that in clauses (c) (d) for the words "State Government" the word "lessor" shall be substituted;

²(ia) mining operations shall be undertaken in accordance with the duly approved mining plan;]

(ii) ³ [* * * * *]

(iii) the lease may contain such other conditions, not being consistent with the provisions of the Act and these rules, as may be agreed upon between the parties;

(iv) if the lessee makes any default in payment of royalty as required by section 9 or commits a breach of any of the conditions of the lease, the lessor shall give notice to the lessee requiring him to pay the royalty 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 is not paid or the breach is not remedied within such period, the lessor without prejudice to any proceeding that may be taken against the lessee determine the lease;

(v) the lessee may determine the lease at any time giving not less than one years notice in writing to lessor.

1. Inserted by GSR 449(E), dt. 13-4-1988.

2. Inserted by GSR 129(E), dt. 20-2-1991.

3. In Rule 45 , clause (ii), shall be omitted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No. 07/03/1999, M-VI, date. 11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.

46. Transfer or assignment :-

(1) No prospecting licence or mining lease or any right, title or interest in such licence or lease shall be transferred to a person unless he ¹ [has filed an affidavit stating that he has filed an up-to-date income-tax return, paid the income-tax assessed on him and paid the income-tax on the basis of self-assessment as provided in the Income-tax Act, 1961 (43 of 1961)].

(2) No prospecting licence or mining lease or any right, title or

interest in such licence or lease in respect of any mineral specified in the First Schedule to the Act shall be transferred except with the previous approval of the Central Government.

1. Substituted by GSR 449(E), dt. 13-4-1988.

47. Submission of copy of licence or lease :-

Every person obtaining prospecting licence or a mining lease shall, within three months of the grant of such licence or lease, submit to the State Government concerned a certified copy of the licence or lease in duplicate.

48. Communication of transfer or assignment :-

Every transferee or assignee of a prospecting licence of 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 or assignment.

49. Prohibition of premium :-

No person granting or transferring a prospecting licence or any right, title or interest in any such licence or lease shall charge or pay any premium in addition to, or in lieu of the prospecting fee, surface rent, dead rent or royalty payable, under the Act or such proportionate part of such fee, rent or royalty as is payable in respect of such right, title, or interest.

50. 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 of any right, title or interest in such licence or lease is in contravention of any of the provisions of this chapter, 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.

51. 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 by it.

52. Penalty :-

¹[(1) If the holder of a prospecting licence or a mining lease or his transferee or assignee fails, without sufficient cause, to furnish the documents or information, or returns referred to in rule 46, rule 47, rule 48, or rule 51, or acts in any manner in contravention of rule 49 or rule 50, he shall be punishable with imprisonment for a term which may extend to ²[one year or fine which may extend to five thousand rupees or with both].]

(2) If any person grants or transfers or obtains a prospecting licence or mining lease or any right, title or interest therein, in contravention of any of the provisions of this chapter, he shall be punishable with imprisonment which may extend to ² [one year or fine which may extend to five thousand rupees or both].

1. Substituted by GSR 805, dt. 30-4-1963.

2. Substituted by GSR 449(E), dt. 13-4-1988.

CHAPTER 6 GRANT OF PROSPECTING LICENCES AND MINING LEASES IN RESPECT OF LAND IN WHICH THE MINERALS VEST PARTLY IN THE GOVERNMENT AND PARTLY IN PRIVATE PERSONS

53. 53. :-

Chapters III and IV to apply to prospecting licences and mining leases in respect of minerals which vest partly in Government and partly in private persons The provisions of Chapters III and IV shall apply in relation to the grant of prospecting licences and mining leases in respect of minerals which vest partly in the Government and partly in a private person as they apply in relation to the grant of prospecting licences and mining leases in respect minerals which vest exclusively in the Government:

PROVIDED that the dead rent and royalty payable in respect of minerals which partly vest in the Government and partly in a private person shall be shared by the Government and by that person in proportion to the shares they have in the minerals.

CHAPTER 7 REVISION

54. Application for revision :-

(1) Any person aggrieved by any order made by the State Government or other authority in exercise of the powers conferred on it by the Act or these rules may, within ¹[three months] of the date of communication of the order to him, apply to the Central Government in triplicate in Form N, for revision of the order. The application should be accompanied by [a Bank Draft for [five thousand rupees] on a nationalised bank in the name of Pay and Accounts Officer, Department of Mines payable at new Delhi or through a treasury challan for five hundred rupees under the Head Account-0853- Non-ferrous mining and Metallurgical Industries-102 Mineral Concession Fees, Rents and Royalties:]

PROVIDED that any such application may be entertained after the said period of ¹ [three months] if the applicant satisfies the Central Government that he had sufficient cause for not making the application within time.

[***]

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

(3) Along with the application under sub-rule (1), the applicant shall submit as many copies thereof as there are parties impleaded under sub-rule (2).

(4) On receipt of the application and the copies thereof, the Central Government shall send a copy of the application to each of the parties impleaded under sub-rule (2) specifying a date on or before which he may make his representations, if any, against the revision application.

[***]

1. Proviso omitted by GSR 6(E), dt. 7-1-1993.

55. Orders on revision application :-

¹[(1) On receipt of an application for revision under rule 54, 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 [***]

(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-rules (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) Pending the final disposal of an application for revision, the Central Government may, for sufficient cause, stay the execution, of the order against which any revision application has been made.

1. Substituted by GSR 129(E), dt. 20-2-1991.

2. Proviso omitted by GSR 6(E), dt. 7-1-1993.

CHAPTER 8 MISCELLANEOUS

56. 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 from 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 order prejudicial to any person shall be passed unless he has been given a reasonable opportunity for stating his case.

57. Copies of licences and leases and annual returns to be supplied to Government :-

(1) A copy of every ¹[reconnaissance permit, prospecting licence and mining lease] granted or renewed under these rules shall be supplied by each State Government within two months of such grant or renewal to ¹[the Controller General, Indian Bureau of Mines] and the ¹[Director-General, Mines Safety].

(2) A consolidated annual return of all ¹[reconnaissance permit, prospecting licence and mining leases] granted or renewed under these rules shall also be supplied by each State Government to ¹[the Controller General, Indian Bureau of Mines] in such form as may be specified by him, not later than the 30th day of June following the year to which the return relates. A copy of such return shall also be supplied by the State Government to the ¹[Director-General, Mines Safety] at the same time.

(3) Every State Government shall send copies of all returns received by it under sub-rule (1) of rule 19 and clause (i) of sub-rule (1) of rule 27 to ⁷[the Controller General, Indian Bureau of Mines].

8 [***]

1. Substituted by GSR 56(E), dt. 17-1-2000.

7. Substituted by GSR 298, dt. 28-2-1984.

8. Rule 58 omitted by G.S.R. 449(E), dt. 13-4-1988.

59. Availability of area for re-grant to be notified :-

[¹ [(1) No area-

(a) which was previously held or which is being held under a reconnaissance permit or a prospecting licence or a mining lease; or

(b) which has been reserved by the Government or any local authority for any purpose other than mining; or

(c) in respect of which the order granting a permit or licence or lease has been revoked under sub-rule (1) of rule 7A or sub-rule (1) of rule 15 or sub-rule (1) of rule 31, as the case may be; or

(d) in respect of which a notification has been issued under sub-section (2) or sub-section (4) of section 17; or

(e) which has been reserved by the State Government or under section 17A of the Act, shall be available for grant unless-

(i) an entry to the effect that the area is available for grant is made in the register referred to in sub-rule (2) of rule 7D or sub-rule (2) of rule 21 or sub-rule (2) of rule 40, as the case may be; and

(ii) the availability of the area for grant is notified in the Official Gazette and specifying a date (being a date not earlier than thirty days from the date of the publication of such notification in the Official Gazette) from which such area shall be available for grant:

PROVIDED that nothing in this rule shall apply to the renewal of a lease in favour of the original lessee or his legal heirs

notwithstanding the fact that the lease has already expired:
PROVIDED FURTHER that where an area reserved under rule 58 or under section 17A of the Act is proposed to be granted to a Government company, no notification under clause (ii) shall be required to be issued:

PROVIDED also that where an area held under a reconnaissance permit or a prospecting licence, as the case may be, is granted in terms of sub-section (1) of section 11, no notification under clause (ii) shall be required to be issued.]

(2) The Central Government may, for reasons to be recorded in writing, relax the provisions of sub-rule (1) in any special case.]

1. Substituted by GSR 56(E), dt. 17-1-2000.

60. Premature applications :-

[Applications for the grant of a ¹[reconnaissance permit, prospecting licence or mining lease] in respect of areas whose availability for grant is required to be notified under rule 59 shall, if-

(a) no notification has been issued under that rule; or

¹ [(b) where any such notification has been issued, the period specified in the notification has not expired, shall be deemed to be premature and shall not be entertained.]

1. Substituted by GSR 56(E), dt. 17-1-2000.

61. Lessor to supply certain information to the lessee :-

[Where any area has previously been held under a reconnaissance permit or prospecting licence or mining lease, the person who was granted such permit or licence or lease shall make available to the new permit holder or licensee or lessee the original or certified copies of all plans of abandoned workings in that area and in a belt preferably 60 metres surrounding it.]

62. Change of name, nationality, etc. to be intimated :-

¹[(1)] ²[* * *] An applicant for, or the holder of a ³[reconnaissance permit, a prospecting licence or a mining lease] shall intimate to the State Government within sixty days any change that may take place in his name, nationality or other particulars mentioned in the relevant Forms.

3 [(2) If the holder of a reconnaissance permit or a prospecting licence or a mining lease fails, without sufficient cause, to furnish the information referred to in sub-rule (1), the State Government may determine the reconnaissance permit or prospecting licence or mining lease, as the case may be:

PROVIDED that no such order shall be made without giving the permit holder or the licensee or the lessee, as the case may be, a reasonable opportunity of stating his case.]

1. Rule 62 renumbered as sub-rule (1) thereof by GSR 805, dt. 30-4-1963.

2. Omitted by GSR 449(E), dt. 13-4-1988.

3. Substituted by GSR 56(E), dt. 17-1-2000.

63. Previous approval of the Central Government to be obtained through State Government :-

Where in any case previous approval of the Central Government is required under the Act or these rules, the application for such approval shall be made to the Central Government through the State Government.

63A. The State Government shall dispose of the application for grant of reconnaissance permit, prospecting license or mining lease in the following period: :-

1 (a) Reconnaissance Permit-within six months from the date of receipt of the application for reconnaissance permit under Rule 4-A.

(b) Prospecting License-within nine months from the date of receipt of the application for prospecting license under Rule 10.

(c) Mining Lease-within twelve months from the date of receipt of the application for mining lease under Rule 22.

Provided that the aforesaid periods shall be applicable only if the application for reconnaissance permit, prospecting license or mining lease, as the case may be, is complete in all respects;

Provided further that the disposal by the State Government in case of minerals listed in the First Schedule to the Act shall mean either recommendation to the Central Government for grant of the mineral concession, or refusal to grant the mineral concession by the State Government under Rule 5 for reconnaissance permit, Rule 12 for prospecting license and Rule 26 for mining lease, and in all

other cases, disposal shall mean either intimation regarding grant of precise area, or refusal to grant the mineral concession under Rule 5 for reconnaissance permit, Rule 12 for prospecting license and Rule 26 for mining lease.

Provided also that in case the State Government is not able to dispose of the application for grant of reconnaissance permit, prospecting license or mining lease within the period as specified above, the reasons for the delay shall be given in writing.

1. After Rule 63 , Rule 63A, shall be inserted by Mineral Concession (Amendment) Rules, 2002., Noti. No. F. No. 07/03/1999, M-VI, date. 11/01/2002, Gaz. of India, Exty., Part. II, Sec. 3(i), No. 19, date. 11/01/2002, page.5.

64. How the fees and deposit to be made :-

Any amount payable under the Act or these rules except that payable in respect of revision petition under sub-rule (1) of rule 54, shall be paid in such manner as the State Government may specify in this behalf.

64A. 64A :-

[The State Government may, without prejudice to the provisions contained in the Act or any other rule in these rules, charge simple interest at the rate of ¹ [twenty four per cent] per annum on any rent, royalty or fee (other than the fee payable under sub-rule (1) of rule 54) or other sum due to that Government under the Act or these rules or under the terms and conditions of any prospecting licence or mining lease 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.]

1. Substituted by GSR 56(E), dt. 17-1-2000.

64B. Charging of royalty in case of minerals subjected to processing :-

¹ (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 mineral 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 mineral and not on the processed product.

1. Substituted by GSR 369, dt. 4-3-1967.

64C. Royalty on tailings or rejects :-

On removal of tailings or rejects from the leased area for dumping and not for sale or consumption, outside leased area such tailings or rejects shall not be liable for payment of royalty:

PROVIDED that in case so dumped tailing or rejects are used for sale or consumption on any later date after the date of such dumping, then, such tailings or rejects shall be liable for payment of royalty.

64D. Guidelines for computing royalty on minerals on ad valorem basis :-

Every mine owner, his agent, manager, employee, contractor or sub-lessee shall follow the following Guidelines for computation of the amount or royalty on minerals where the royalty is charged on ad valorem basis, namely:- Guidelines

Case 1 : All non atomic and non fuel minerals and minerals other than aluminium ¹"Bauxite and laterite despatched for use in alumina and aluminium metal extraction", primary gold, silver, copper, lead, zinc, nickel and tin. The Indian Bureau of Mines publishes Monthly Statistics of Mineral Production which contains state-wise total value of each mineral produced during a month in a State. The State-wise average value for different individual minerals as published by Indian Bureau of Mines in the Monthly Statistics of Mineral Production shall be the bench mark for computation of royalty by the concerned State Government in respect of any mineral produced any time during a month in any mine in that State. For the purpose of computation of royalty the State Government shall add twenty per cent to this bench mark value. This value shall be reckoned to be the sale price for the purpose of computation of royalty. Also the value of the minerals published in the latest published issue of the Monthly Statistics of Mineral Production will be deemed to be applicable for the mineral mined in the previous month, irrespective of when the royalty actually accrues. If for a particular mineral, the information for a State is not published in a particular issue, the last information available for

that mineral in the State in a previous issue shall be referred, failing which the latest published information for the mineral for all India shall be referred.

Case 2 : For Atomic minerals, prescribed under Atomic Energy Act, 1962 (33 of 1962). The minerals under this category include ilmenite, leucoxene, rutile and zircon obtained mainly from the beach sand deposits in the coastal states. The basis of collection of royalty shall be the actual mineral content in the beach sand mined.

(a) In case of sale in the domestic market, the per tonne sale price of the separated mineral actually realized, less the cost of transportation from the lease boundary to point of sale as shown by the mine owners in their sale vouchers or bills or invoices shall be considered for computing ad valorem royalty. To avoid payment of taxes on royalty the mine owners in their own interest record the price and royalty separately in the sale vouchers or bills or invoices instead of indicating a composite price inclusive of royalty. In case the price, royalty and transportation cost are not shown separately it shall be assumed that the price indicated in the sale vouchers or bills or invoices is exclusive of royalty and transportation cost, and royalty shall be charged accordingly.

(b) In case of direct export by mine owners the sale value for the purpose of royalty shall ordinarily be the free on board (FOB) price realized less transportation charges from the lease boundary to the port, loading and unloading charges at the port, port charges (including sampling and analysis and demurrage charges, if any), insurance charges, royalty, taxes and interest charges on loan for export. However, in case of cost, insurance and freight (CIF) sales, sea freight insurance and cost of unloading at the destination port shall also be deducted from such price. For such purposes the mine owner may prepare invoices or bills indicating the free on board price or cost insurance freight price as the case may be and each of the other charges separately.

Explanation. For the purposes of calculation of royalty in case of minerals produced in captive mines (other than aluminium¹ "Bauxite and laterite despatched for use in alumina and aluminium metal extraction" , copper, lead zinc, tin, nickel, gold and silver) and those not actually sold, Case 1 and Case 2 shall be applicable.";

Case 2: For minerals which are exported

(a) Direct export: In case of direct export by mine owners, the sale values for the purpose of royalty shall ordinarily be the free on

board (f.o.b.) price realised, less transportation charges from the mine to the port, loading and unloading charges outside the lease area, packing charges, port charges including sampling and analysis and demurrage charges, if any), insurance charges, royalty, taxes and interest charges on loan for export. However, in case of cost insurance and freight (c.i.f.) sales, sea freight, insurance and cost of unloading at destination port shall also be deducted from such price. For such purposes, the mine owner may prepare invoices or bills indicating the free on board price or cost insurance freight price, as the case may be, and each of the other charges, separately. In case of any doubt with regard to the sale price or deductions, certificate of a registered chartered accountant shall be accepted.

(b) Export after blending : In case of export by the mine owner after blending, the mine owner may have two more mines either in one state or in different states and he may bring his run-of mine ores from these mines to a single point, blend them according to his requirement and export the blended ore or mineral. In such cases, the total royalty on the blended material shall be computed in the manner as specified in the case 2(a) above and the royalty shall be apportioned according to the ratio of the quantities of ores drawn from different mines for blending and payment shall be made to the respective states in which the mines are located. In case of any doubt with regard to the sale price or deductions, certificate of a registered chartered accountant shall be accepted.

Case 3 : For aluminium ¹ "Bauxite and laterite despatched for use in alumina and aluminium metal extraction" , primary gold, silver, copper, lead, zinc, nickel and tin The total contained metal in the ore produced during the period for which the royalty is computed and reported in the statutory returns under Mineral Conservation and Development Rules, 1988 or recorded in the books of the mine owners shall be considered for the purposes of computing the royalty in the first place and then the royalty shall be computed as the percentage of the average metal price in the London Metal Exchange (hereinafter referred to as the LME) for copper, lead, zinc, nickel, silver and tin and London Bullion Market Association price (commonly known as London price) for gold during the period of computation of royalty. The foreign exchange rate for conversion of rupees shall be the selling rate on the last date of the period of computation as published in newspaper, namely, The Economic Times. For the LME prices as well as for London price of the commodity, either of the following three sources shall be referred

to, namely:-

(i) Non-ferrous Report: Minerals and Metals Review, 28/30, Anantwadi, P.O. Box 2749, Mumbai-400002.

(ii) Metal Bulletin 16, Lower Marsh, London, SE-17 RJ

(iii) World Metal Statistics; (Monthly or Quarterly Summary), by World Bureau of Metal Statistics, 27a High Street, Ware, Herts SG12 9BA, United Kingdom.

Case 4: For by-product gold and silver The guidelines for computation of ad valorem royalty shall be linked to the total quantity of metal produced and the LME price for silver and London Bullion Market Association price (commonly known as London price) for gold as in the case 3 above. However, in this case, the actual final production of the metal shall be considered instead of the metal content in the ore produced for the purposes of computing royalty.

Case 5 : In India, the minerals for the purposes of this case mean the minerals produced from captive mines (other than aluminium, copper, lead, zinc, tin, nickel, gold and silver) and which are not actually sold. For computation of ad valorem royalty on the such minerals, a notional cost shall be arrived at on the basis of the cost of production. The cost of production shall be reported by the mine owners in the Annual Return of a year in the manner specified in the Mineral Conservation and Development Rules, 1988 after taking into account the items specified in the List annexed with this case and, then, from these reported cost of production the elements of royalty, cess, taxes and dead rent, as may be applicable, shall be deducted. The net cost thus arrived at shall be the basis for computation of ad valorem royalty during the period following that year.

LIST The list of items to be taken into account of computation of the gross cost of production are the following, namely:-

(i) Direct cost:

(a) Exploration

(b) Beneficiation

(ii) Over head cost

(iii) Depreciation

(iv) Interest

(v) Royalty

(vi) Taxes

(vii) Dead rent

(viii) Packing charges

(ix) Research and Development expenditure

1. In Rule 64D, In the heading Case 1, Explanation below Case 2 and Case 3, after the word aluminium "Bauxite and laterite despatched for use in alumina and aluminium metal extraction", by the Mineral Concession (Second Amendment) Rules, 2005

65. Facilities for training of students :-

(1) Every owner, agent or manager of a mine shall permit students of mining and geological institutions approved by the Central Government to 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 training from students of institutions teaching mining or geology should be forwarded to the owner, agent or manager of a mine through the Principal or Head of the Institution. Cases of refusal to provide facilities for practical training by any owner, agent or manager of a mine should be referred to ¹ [the Controller General, Indian Bureau of Mines]

1. Substituted by GSR 298, dt. 28-2-1984.

66. Geophysical data to be supplied to the Geological Survey of India and the Department of Atomic Energy :-

The ¹[permit holder or licensee or lessee] shall furnish-

(a) all geophysical data relating to prospecting/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 ¹[reconnaissance or prospecting or mining] operations to the ³[Director General, Geological Survey of India,] Calcutta ⁴[and the Director of Geology and Mining of the State in which the ¹[reconnaissance or prospecting or mining] operations are carried on].

(b) all information pertaining to investigations of ⁶[atomic minerals] collected by him/them during the courses ¹[reconnaissance or prospecting or mining] operations to the ¹[Director, Atomic Minerals, Directorate for Exploration and Research, Hyderabad,] ³[and to the Director Geology and Mining of the State, in which the ¹[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 ¹ [reconnaissance permit or prospecting licence or mining] lease.

1. Substituted by GSR 56(E), dt. 17-1-2000.

3. Substituted by GSR 369, dt. 4-3-1967.

4. Inserted by GSR 369, dt. 4-3-1967.

6. Substituted by GSR 1051, dt. 1-6-1962.

66A. Special provisions relating to atomic minerals :-

(1) Notwithstanding anything contained in these rules, the prospecting or mining operations in respect of atomic minerals listed in Part-B of the First Schedule of the Act shall be subject to following conditions:

(i) if the holder of a prospecting licence or mining lease discovers any atomic mineral in the area granted under licence or lease, not specified in the license or lease, discovery of such mineral shall also be reported to the Director, Atomic Minerals Directorate for Exploration and Research, Hyderabad within 60 days from the date of discovery of such mineral;

(ii) the licensee or lessee shall not win or dispose of such atomic mineral unless such atomic mineral is included in license or lease or a separate licence or lease for the purpose has been obtained;

(iii) the quantities of atomic minerals recovered incidental to such prospecting or 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 licensee or lessee as may be directed by the Atomic Minerals Directorate for Exploration and Research or the Department of Atomic Energy.

(2) The licensee or lessee referred to in sub-rule (1) shall, within the period referred to therein, apply to the Secretary, Department of Atomic Energy, Mumbai through the State Government, for grant of a licence to handle the said atomic minerals under the provisions of the Atomic Energy Act, 1962 (33 of 1962) and the Department of Atomic Energy shall intimate the State Government regarding issue of licence:

Provided that if in the opinion of the Department of Atomic Energy

the atomic mineral or minerals recovered incidentally to such prospecting or mining operations is not of economically exploitable grade or the quantity found is insignificant, it may advise the State Government to exempt the licensee or lessee from obtaining a separate licence or lease for/or inclusion of the atomic minerals under these rules.

(i) if in the course of prospecting/mining operations, he discovers any atomic mineral/minerals, he shall within 60 days from the date of discovery ¹of such minerals] report the fact of such discovery to the Director, ²[Atomic Minerals Directorate for Exploration and Research, Hyderabad] ³[and the Director of Geology and Mining of the State in which the prospecting or mining operations are carried on];

²[(ii) that the quantities of atomic minerals recovered incidental to such prospecting or mining operations shall be collected and stacked separately and a report to that effect 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 licensee or lessee as maybe directed by the Atomic Minerals Directorate for Exploration and Research or the Department of Atomic Energy.]

²[(2) The licensee or lessee referred to in sub-rule (1) shall be free to remove and dispose of any quantity of atomic minerals, on obtaining a licence for that purpose from the Department of Atomic Energy and on payment of royalty to the State Government.

(3) The licensee or lessee referred to in sub-rule (1) shall, within the period referred to therein, apply to the Secretary, Department of Atomic Energy, Mumbai, through the State Government, for grant of a licence to handle the said atomic minerals under the provisions of the Atomic Energy Act, 1962 (33 of 1962):

PROVIDED that if in the opinion of the Department of Atomic Energy the atomic mineral/minerals recovered incidentally to such prospecting/mining operations is not of economically exploitable grade or the quantity found is insignificant, it may advise the State Government to exempt the licensee/lessee from obtaining a separate licence/lease for/or inclusion of the atomic minerals under these Rules.]

(4) The provisions of clause (ii) of sub-rule (1) or rule 14 and clause (b) of sub-rule (1) of rule 27 shall not apply in relation to atomic minerals.

² [(5) For the purpose of rule 66(1)(b) and this rule, atomic

minerals means the minerals listed in Part B of the First Schedule to Act.]

1. Substituted by GSR 449(E), dt. 13-4-1988.
2. Substituted by GSR 56(E), dt. 17-1-2000.
3. Inserted by GSR 369, dt. 4-3-1967.

67. Lease period :-

Where more than one mineral is found in an area and lease is granted for exploiting two or more minerals, ¹ [the periods of lease for all minerals shall be co-terminus with that for which the first lease was originally granted].

1. Substituted by GSR 703, dt. 30-4-1968.

68. 68. :-

On the commencement¹ of these rules, the Mineral Concession Rules, 1949, shall cease to be in force, except as regards things done or omitted to be done before such commencement.

1. *Deemed to have come into force on 26-11-1960.

CHAPTER 9

69. Associated minerals :-

The following shall be the group of associated minerals for the purposes of section 6 of the Act, namely:-

- (i) Apatite, Beryl, Cassiterite, Columbite, Emerald, Felspar, Lepiolite, Mica, Pitchblende, Quartz, Samarskite, Scheelite, Topaz, Tantalite, Tourmaline.
- (ii) Iron, Managanese, Titanium, Vanadium and Nickel minerals.
- (iii) Lead, Zinc, Copper, Cadmium, Arsenic, Antimony, Bismuth, Cobalt, Nickel, Molybdenum and Uranium minerals and Gold and Silver, ¹[Aresenopyrite], Chalcopyrite, Pyrite, ¹[Pyrrhotite] and ¹[Pentlandite].
- (iv) Chromium, Osmiridium, Platinum and Nickel minerals.
- (v) Kyanite, Sillimanite, Corundum, Dumortierite and ¹[Topaz].
- (vi) Gold, Silver, Tellurium, Selenium and Pyrite.
- (vii) Barytes, ¹[Fluorite], Chalcocite, Selenium and minerals of Zinc,

Lead and Silver.

(viii) Tin and Tungsten minerals.

(ix) Limestone, Dolomite and Magnesite.

(x) Ilmenite, Monazite, Zircon, Rutile,⁶[Leucoxene] Garnet and Sillimanite.

(xi) Sulphides of copper and iron.

(xii) Coal, Fireclay and Shale.

(xiii) Magnetite and Apatite.

(xiv) Magnesite and Chromite.

(xv) Talc (Soapstone and Steatite) and Dolomite.

⁷ [(xvi) Celestite, [Phosphatic Nodules], Clay and Gypsum.]

1. Substituted by GSR 449(E), dt. 13-4-1988.

6. Inserted by GSR 56(E), dt. 17-1-2000.

7. Inserted by GSR 1974, dt. 12-11-1970.

70. 70. :-

[Sand not to be treated as minor mineral when used for certain purposes Sand shall not be treated as a minor mineral when used for any of the following purposes, namely:-

(i) purposes of refractory and manufacture of ceramic;

(ii) metallurgical purposes;

(iii) optical purposes;

(iv) purposes of stowing in coal mines;]

¹[(v) for manufacture of silvitrete cement;

(vi) for manufacture of sodium silicate;

(vii) for manufacture of pottery and glass.]

² [***]

1. Inserted by GSR 1348, dt. 9-9-1964.

2. Rule 71 omitted by GSR 56(E), dt. 17-1-2000.

CHAPTER 10 10

72. Payment of compensation to owner of surface rights, etc :-

¹[(1) The holder of a reconnaissance permit or prospecting licence or mining lease shall be liable to pay to the occupier of the surface of the land over which he holds the

(2) In the case of agricultural land ² [***] 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.

1. Substituted by GSR 56(E), dt. 17-1-2000.

2. Omitted by GSR 908(E), dt. 19-10-1989.

73. Assessment of compensation for damage :-

¹[(1) After the termination of a reconnaissance permit or a prospecting licence or a mining lease, the State Government shall assess the damage, if any, done to the land by the reconnaissance or prospecting or mining operations and shall determine the amount of compensation payable by the permit holder or licensee or the lessee, 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 termination of the ¹ [reconnaissance permit for prospecting licence or mining lease] and shall be carried out by an officer appointed by the State Government by notification in this behalf.

1. Substituted by GSR 56(E), dt. 17-1-2000.

74. Issue of notification where prospecting operations are to be undertaken by the Geological Survey of India, etc :-

(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, 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 prospecting licence or mining lease 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 the expiry of the period stated in the notification.

75. Prospecting or mining operation by State Governments

:-

(1) Where a State Government proposes to undertake prospecting or mining operations of any mineral, it 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: ¹[***]

² [PROVIDED that if the State Government fails to undertake prospecting or mining operation within the period mentioned in the notification, the notification so issued shall lapse at the expiry of the said period unless the period extended by a fresh notification.

1. Omitted by GSR 9(E), dt. 4-1-1999.

2. Inserted by GSR 56(E), dt. 17-1-2000.

SCHEDULE 1

[INDEX

xxx xxx xxx

SCHEDULE 2

Application fee for prospecting licenses

II [See Rule 9(2)(a)] (1) For first square kilometer or part thereof two hundred and fifty rupees. (2) For each additional square kilometer fifty rupees.

SCHEDULE 3

MAXIMUM QUANTITIES OF ORES AND MINERALS REMOVABLE

[SCHEDULE [Rule 14(1)(ii)(a) and (b)]

Class	Mineral/ore	Quantities that	Maximum
		can be carried	quantity that can
		away without	be carried away
		any payment	by payment of
			royalty

1	2	3	4
Class-1	Asbestos, graphite, mica, native sulphur,	250 kgs	10 tonnes
	auriferous rock with visible uranium mineral		
	and uranium bearing minerals, minerals of rare		
	earths group, beryl, tantalite, columbite-		
	concentrates of ores of antimony, arsenic,		
	bismuth, chromium, copper, lead, nickel, tin,		
	titanium, tungsten, zinc.		
Class-II	Auriferous rock and gravel containing no	5 tonnes	200 tonnes
	visible gold, metalliferous ores meant for		
	extracting cadmium, cobalt, mercury,		
	molybdenum, silver, helium, vanadium,		
	barytes, bitumen, borax, corundum, emery,		
	grossularite, felspar, fluorspar and calcite.		
Class-III	Uraniferous rock without visible uranium	10 tonnes	200 tonnes
	minerals, 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,		
	gypsum, limestone, iron pyrites, shales, red and		
	yellow ochre, bauxite metalliferous ores meant		
	for extracting aluminium, iron and manganese.		
Class-IV	Limestone, sillimanite, kyanite, magnesite,	50 tonnes	20 tonnes
	serpentine, steatite, vermiculite, fireclay, kaolin		
	and other refractory materials, coal and lignite.		

Class- V	All other minerals not specified above.	10 tonnes	200 tonnes.]
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SCHEDULE 5

INSTITUTIONS/BANKS/CORPORATIONS

[SCHEDULE